SENATE—*Wednesday, August 17, 1994*

(Legislative day of Thursday, August 11, 1994)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. Prayer will be led in by the Senate Chaplain, the Reverend Dr. Richard C. Halverson.

Dr. Halverson, please.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer.

Let us pray:

In a moment of silence, let us remember in prayer the family of David Farley, 27-year-old Capitol Police officer who took his life last weekend. We pray for his family, his wife, Kimberly, their 4-year-old daughter, Megan Elizabeth, as well as his parents, Gene and Diana Farley.

Let us also remember a member of the Senate staff whose father-in-law recently took his life.

"If my people, which are called by my name, shall humble themselves, and pray, and seek my face, and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land."—II Chronicles 7:14.

Almighty God, Ruler of history and the nations, the words of President Franklin Delano Roosevelt are relevant to our present situation. In a radio address to the Nation, he said, "No greater thing could come to our land today than a revival of the spirit of religion—a revival that would sweep through the homes of the Nation and stir the hearts of men and women of all faiths to a reassertion of their belief in God and their dedication to His will for themselves and for their world. I doubt if there is any problem—social, political, or economic—that would not melt away before the fire of such a spiritual awakening."—Brotherhood Day, February 23, 1936.

God of truth, justice, and love, every problem the world faces—economic, social, educational, crime, moral, and ethical—derives from a secular, materialistic, godless rejection of spirituality. In the words of G.K. Chesterton, "If we do not believe in God, the danger is not that we will believe in nothing, but that we will believe anything."

Lord, help us in our unbelief. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 o'clock a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE SCHEDULE

Mr. MITCHELL. Mr. President, Members of Senate, as the distinguished presiding officer has just noted, there will now be a period for morning business in which Senators may address the Senate on any subject for up to 5 minutes each. That period for morning business will conclude at 10 a.m., at which time the Senate will resume consideration of the health care reform legislation.

I am pleased that the Senate was able finally to begin voting on amendments last evening, pleased at the adoption of the Dodd amendment. We will now proceed to receive an amendment to be offered by Republican colleagues today. We have not yet had an opportunity to see or review that amendment. I hope we get the chance to do so shortly. And then we will debate that amendment during the day.

Without knowing what the amendment will be, it is not possible to estimate when we will be able to proceed to vote on it, but Senators should be prepared for debate and the possibility of voting during the day, depending on the nature of the amendment and the length of debate.

Mr. President, I note the presence of the distinguished Senator from Utah on the floor who is, I believe, here to be recognized in morning business, and I yield the floor.

The PRESIDENT pro tempore. The Senator from Utah [Mr. BENNETT] is recognized for not to exceed 5 minutes.

Mr. BENNETT. Mr. President, I ask unanimous consent I be able to proceed for up 10 minutes if my statement requires that much time.

The PRESIDENT pro tempore. Without objection, it is so ordered.

GOLD

Mr. BENNETT. Mr. President, in this morning's Washington Post the lead story on the front page had to do with the action of the Federal Reserve Board, raising the interest rate yet again. This is a deserving spot for such news because it is very important to our economy.

During the debate on health care, we had a great deal of conversation about the entitlement commission and the fear that sometime in the next century the Federal Government will run out of money. This is tied to the size of the deficit. In my view, this morning's news and concerns about the deficit are tied together. Because as the interest rate goes up, the cost of financing the national debt goes up. When interest rates are low, we save a tremendous amount at the Federal level in terms of debt service payments. For every 1 percent on $4.5 trillion—if I get my decimal right—that is $45 billion in annual savings. So if the cost of servicing the debt can be brought down by holding interest rates down, it has implications for everything we are talking about here with respect to the budget deficit and health care costs and everything else.

In that context then, I would like to call the Senate's attention to an exchange I had in the Banking Committee with the distinguished Chairman of the Federal Reserve Board, Mr. Alan Greenspan. Some portions of that exchange were outlined in an editorial piece that appeared in the Wall Street Journal last week by Jude Wanniski.

I ask unanimous consent that article be printed in the RECORD at the conclusion of my statement.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BENNETT. The subject I discussed with Chairman Greenspan was the question of tying the dollar to gold, that is the price of the dollar to the price of gold. Chairman Greenspan said, in response to my questioning, that the price of gold was, in his view, a very valuable indicator of forthcoming inflation. When the price of gold starts to rise, that is an indication that there is inflation on the horizon. When the price of gold remains stable, that is an indication that inflationary pressures are under control.

Why is this? This is a question I tried to explore with the Chairman. In the format of the committee we did not have an opportunity to get into it as deeply as I would have liked.

It seems to me the reason is that gold is the closest thing we have in this world to a universal currency. If I were

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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to leave the United States and go to some far-flung place and try to buy a suit with dollars, they might refuse my dollars, saying "That currency is not good in this society." I might reply, "All right, I will bring you something of intrinsic value, then. I will bring you food." In the terms of the Commodity Exchange, "I will bring you a pork belly." And it may well be they would say, in that part of the world, "We don't eat pork. We are not interested in your pork belly." But almost everywhere in the world, if I say, "I will give you this small bar of gold," they would say, "We will sell you a suit for a bar of gold."

All the way back to biblical times and the mythical King Midas, gold has caught the imagination of the human race as the one commodity that seems to have intrinsic value, regardless of what else changes. Let us stop and think about, then, the implications of tying the dollar to gold. It would mean, if we were on some kind of a system where the price of gold did not change in dollars, that you could predict the economic future with far greater certainty than you can today.

For example, if we were still in a circumstance where a dollar would buy one thirty-fifth of an ounce of gold—as we were through the vast majority of our historic years—that would mean that if you lent me $1,000 for a period of 10 years, you would know that at the end of the 10 years when you got your $1,000 back, every one of those dollars would still buy one thirty-fifth of an ounce of gold.

No matter what had happened to the prices of any other commodities, you knew you would get your $1,000 back in terms of gold without any erosion of the purchasing power of that $1,000.

What would this mean to interest rates? This would mean that you could depend upon getting your purchasing power back; therefore, the interest rate would not have to be so high as to compensate you, Mr. President, for the loss of purchasing power that would occur during that 10-year period.

If you assume that the $1,000 you lend me is only going to be worth $500 in purchasing power at the end of 10 years, you understand that the interest I pay you must not only compensate you for the use of the money, but that the interest I pay you must also allow you to recoup the $500 loss of purchasing power.

So instead of a 2- or 3-percent interest rate on the $1,000, you have to have a 6- or 7-percent interest rate so that you recover both principal and interest at the end of 10 years.

I have been in business. I understand the value of being able to project into the future the value of dollars. If we had a circumstance that gave us constant dollars, it would have a tremendous impact on the ability of businesses to plan for the future, as well as governments.

There are lots of arguments that I have heard from people saying we must return to a gold standard and, frankly, almost all of them strike me as being mystical and occasionally nonsensical. But the idea that I was exploring with Chairman Greenspan is neither of those if, indeed, it has merit. If, indeed, we could get to the point where there was no erosion in the purchasing power of the dollar and finance the Federal debt with that understanding, we could save up to $200 billion a year.

Mr. President, stop and think of all of the efforts we go through on this floor to try to cut the budget up to $200 billion a year. If, in fact, we could cut the debt service costs up to $200 billion a year, it would be more significant than all of the debates we have had on all of the other budgetary issues that we discuss here.

So I think it is appropriate on a day when the Federal Reserve is raising the interest rates and thereby raising the deficit because of the cost of financing our debt, that we, once again, spend some time thinking about the possibility of getting some kind of standard, some kind of stability in the unit of account, the money with which we pay our bills. I know of no historic standard that has the stability over centuries that gold has had.

So I hope, Mr. President, that as a result of this brief statement, economists around the country, people in the Federal Reserve System, people on the staff of the various committees that deal with these issues in the Congress will, once again, begin to explore the possibility that we could return to a historic stance with respect to our currency and tie it to some kind of stable commodity that will say borrowers can know with a certainty that when they are paid back, their dollars, at least in terms of this commodity, will still have the same purchasing power at the end of the transaction that it had at the first.

Chairman Greenspan said to me in the exchange we had in the Banking Committee, that a nation who had the most stable currency in the world would be the nation that had the lowest interest rates in the world, and that statement intrigues me tremendously.

That is my only purpose here this morning, Mr. President. Not to offer any specific solutions but simply to raise the issue in what I hope is a sober and thoughtful way so that we, as a people, can begin to address this question and find that commodity that will give us that kind of stability.

As I say, historically, the only commodity that has approached that kind of an impact on economies has been gold. And I think as we search for that kind of stability, gold is the place where we should begin. I thank the Chair.

EXHIBIT 1

HELP GREENSPAN, COMMIT TO GOLD

(By Jude Wanniski)

In hearings before Congress in July, Federal Reserve Chairman Alan Greenspan reaffirmed that he valued gold as an indicator of inflation expectations. He also readily agreed with the reasoning of Sen. Robert Bennett (R., Utah) that if the dollar was again fixed to gold, the U.S. probably would have the lowest interest rates in the world.

The Fed chairman's words were important. the lowest interest rates in the world would mean that America would boast rates lower than Japan—currently on the order of 3%. If the U.S. could refinance its $4.5 trillion national debt at 3%, as it matures, the annual savings in debt service would amount to perhaps $120 billion a year. This is a painless way to eliminate more than half the federal budget deficit.

Why does this important information get so little attention? It is because Mr. Greenspan's views on gold are held in disdain by the great majority of this fellow economists. Over the past 30 years, Mr. Greenspan has consistently made the case for a monetary role for gold—especially as a means of economizing on government finance of its debt. In the last two years, he has repeatedly dismissed the importance of money-supply statistics as reliable signals of future inflation. Yet he as often insisted that it is the gold price that has always been best at anticipating inflation.

Look at our own era. It was only after President Nixon on Aug. 15, 1971 severed the dollar's link to gold that inflation raced out of control, interest rates soared and the federal budget deficit and the national debt spiraled. The price of gold, at $380 an ounce, is almost 11 times higher than its official price of $35 in 1971. The general price level is roughly 10 times what it was back then. The national debt of $4.5 trillion is 11 times higher. The cost of debt service, at $210 billion, is 12 times the $17 billion of 1971.

The reason gold has this special utility as a standard of value is that for at least 3,000 years, until 1971, it has served as civilization's primary money. Throughout history, gold has been the benchmark used in almost every marketplace of the world, against which the people measured the official money of governments.

The truth is that, in a certain sense, we never went off the gold standard. The people of the world did not stop using gold as this benchmark simply because the U.S. led all the world's currencies away from gold in 1971. Since 1971, governments whose currencies have performed worst against the gold benchmark have been those most punished by their creditors—for the most part their own citizens. The price of gold in Japanese yen has risen only threefold, the best performance of any government in the world in that time. Hence the low interest rates enjoyed by the Japanese government.

Since 1987, when Mr. Greenspan was named chairman of the Fed, the fluctuations in the gold price (between $320 and $420) have been in a much narrower range than they were under his predecessor, Paul Volcker (between $240 and $850). This is no coincidence. Mr. Greenspan has kept an eye on gold from the day he arrived, as a reality check on his performance.

Indeed, the creditors of the U.S. rewarded the Greenspan Fed with steadily declining interest rates, especially insofar as he seemed able to keep the gold price in the range of $350—10 times the Bretton Woods target. It has only been since last September, when gold began another climb from

that level, that the bond markets have turned cold.

Mr. Greenspan undoubtedly had hoped the tightening the Fed began on Feb. 4 would chase gold into retreat. This would assure the owners of the nation's $4.5 trillion national debt that the value of their holdings would not suffer the 10% devaluation implied by the higher gold price. That's a $450 billion loss—big money indeed. Again and again, Mr. Greenspan has raised the overnight interest rate—the only rate over which the Fed has direct control. Still, gold has not dropped much below $380.

Academic economists hostile to gold dominate the entire Federal Reserve system. The chairman has only one of 12 votes on the Federal Open Market Committee. Absent a political consensus, it is therefore very difficult for Mr. Greenspan to simply aim his mighty monetary weapon at gold without legislation to back him up. If the Fed could fix the gold price at $350, it would simply do so by adding or subtracting dollars from the banking system, adding when it falls below that level, subtracting when it rises above it.

Gold would quickly sink to $350 and interest rates on government debt would resume their fall toward the 3% range. The value of all financial assets, stocks as well as bonds, would quickly rise, anticipating robust, noninflationary growth ahead.

Yet, to keep the academics happy, the Fed must target overnight interest rates, hoping the higher rates will cause bank reserves to fall to a certain level, in a way that eventually causes the gold price to fall and bond prices to rise. This is the equivalent of trying to kill a mouse by shooting a dog, so it will fall on a cat, which eventually will fall on the mouse. Maybe.

Politicians like Jack Kemp have lately recommended targeting gold, rather than simply hiking rates again. It's time to legislate instructions to the Fed to commit to gold. Academic economists argue that this is "price fixing," and that only the market should establish the price of gold. They fail to appreciate that it is the value of its debt that the government is fixing, not the value of gold.

In World War II, after 150 years of keeping the dollar defined as a specific weight of gold, the U.S. financed the largest deficits in its history, bigger than any since, with 2% bonds. When it is as good as gold, the dollar will once again be as good as it can get.

Mr. CAMPBELL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Colorado is recognized for not to exceed 5 minutes.

NATIONAL PHYSICAL FITNESS AND SPORTS FOUNDATION ACT

Mr. CAMPBELL. Mr. President, yesterday, I introduced S. 2394 to establish a National Physical and Sports Foundation. This proposal is designed to support the President's Council on Physical Fitness.

The President's Council on Physical Fitness currently operates on a shoestring budget of $1.4 million. The establishment of a nonprofit foundation would permit the Council to have an independent source of funding to expand its scope and activities. This proposal will not conflict with existing efforts to provide funding for the U.S. Olympic Committee as moneys that would flow through the corporation to the Council would not be public funds.

Once established, the National Physical Fitness and Sports Foundation would be a charitable, nonprofit organization designed to "encourage and promote" the solicitation of private funds for the President's Council on Physical Fitness. After the deduction of administrative expenses, the foundation would annually transfer the balance of the contributions to the U.S. Public Health Service Gift Fund.

The foundation would have the following specific powers:

It could accept, receive, solicit, administer and use any gift, devise or bequest, absolutely or in trust.

It could acquire by purchase or exchange any real or personal property or interest;

It could enter into contracts or other arrangements with public agencies and private organizations and persons and to make such payments as may be necessary to carry out its functions.

A nine-member Board of Directors would govern the foundation. Three Board members must have experience directly related to physical fitness, sports, or the relationship between health status and physical exercise. The remaining six Board members would be leaders in the private sector with a strong interest in physical fitness. Ex officio members of the Board would include the Assistant Secretary of Health, the Executive Director of the President's Council on Physical Fitness the Director of the National Center for Chronic Disease Prevention and Health Promotion, the Director of the National Heart, Lung and Blood Institute, and the Director of the Centers for Disease Control.

Board members would serve for 6 years. Three Board members would be appointed by the Secretary of Health and Human Services; two by the majority leader of the Senate; one by the minority leader of the Senate; two by the Speaker of the House; and one by the minority leader of the House of Representatives. The Chairman would be elected by the Board members to a 2-year term. No individual could serve more than two consecutive terms as a Director.

Board members would serve without pay, but would be reimbursed for traveling and subsistence expenses. The Board would be empowered to appoint officers and employees, once the foundation had sufficient funding to pay for their services; and adopt a constitution and bylaws. Officers and employees of the foundation could not receive pay in excess of the annual rate of basic pay in effect for executive level V in the Federal service.

I think that this bill will help further an important national goal—encouraging and fostering physical fitness and well-being—and I urge my colleagues to support it.

Mr. President, yesterday when I introduced this bill, I did not have a copy of Griffin Joyner and Tom McMillen, who serve as co-chairs of the President's Council and support this legislation. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was orderd to be printed in the RECORD, as follows:

THE PRESIDENT'S COUNCIL ON PHYSICAL FITNESS AND SPORTS,
Washington, DC, August 12, 1994.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR CAMPBELL: Thank you for the opportunity to share our excitement about the important work of the President's Council on Physical Fitness and Sports (PCPFS).

The leadership of the PCPFS would appreciate your support of proposed legislation to form a national foundation that would assist with the programmatic activities of our Council. Its formation would require no federal dollars. The PCPFS feels that Congressional backing of this important legislation is essential.

As all of us are currently discussing issues that involve protecting and improving the health of every American, the PCPFS continues to play a key role in this important dialogue. We are the only federal office that is solely devoted to programs involving physical activity, fitness and sports. The support of every member of Congress will send a powerful message indicating an understanding of how significant the role fitness and sports play in the daily lives of our youth, seniors, minorities and disabled. This is a bipartisan message about lifestyle and personal responsibility. Clearly with a budget of $1.4 million, the Council needs assistance in touching and motivating our country's most valuable asset: its citizens.

The foundation, established in collaboration with the Department of Health and Human Services (DHHS), would be a nonprofit, private corporation. It would encourage the participation by, and support of, private organizations in the activities of the Council.

Congressional support would add to the prestige of our mission and the significance of our goals. As you may know, Congress has also provided legislative authorization for the Secretary of DHHS to create two foundations—one in support of the National Institutes of Health and the other in support of the Centers for Disease Control and Prevention.

We would appreciate your help with this important piece of business.

FLORENCE GRIFFITH JOYNER.
TOM MCMILLEN.

Mr. CAMPBELL. I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDENT pro tempore. The minority leader is recognized.

CRIME

Mr. DOLE. Mr. President, I was encouraged by last night's White House meeting involving Republican whip NEWT GINGRICH and a delegation of House Republicans. Perhaps this is a signal that President Clinton now finally understands that last Thursday's

vote was not a procedural trick or a politically inspired attempt to hurt his Presidency, but rather a vote to improve the crime bill to make it stronger, tougher, better.

This is not rocket science. If the President is serious about passing a tough, no-nonsense crimefighting plan for America, here are some of the improvements he should support:

First, increase prison funding to the House level of $13.5 billion; tighten the language so that prison funds will definitely be used to build new prison cells, rather than half-way houses and other prison alternatives; and require truth-in-sentencing for first-time violent offenders.

Second, cut at least half of the spending on social programs, including the Local Partnership Act, the Model Cities Intensive Grant Program, and the so-called Yes Grant Program. When the crime bill left the Senate last November, it had a price tag of $22 billion. But, now, 9 months later, the conference report authorizes a staggering $33 billion, a 50-percent increase. Obviously, somewhere along the way, the crime bill was hijacked by the big-dollar social spenders.

Third, plug the so-called safety valve provision, which could result in the early release of 10,000 convicted drug offenders—a get-out-of-jail-free card brought to you by the U.S. Congress.

Fourth, no cuts for the FBI or the Drug Enforcement Agency. No crime bill should cut staffing at our Nation's top law enforcement agencies.

Fifth, restore some of the tough provisions adopted last April by the House, including Congresswoman MOLINARI's proposal on similar-offense evidence in sexual assault cases, and the Megan Kanka law, requiring State law enforcement agencies to notify the public when violent sexual predators are living in their communities.

Sixth, restore some of the tough provisions adopted by the Senate, including mandatory minimums for those who use a gun in the commission of a crime; mandatory restitution for crime victims; and Senator SIMPSON's provision requiring the swift deportation of criminal aliens.

And finally, Mr. President, give the States and localities more flexibility over how to use the funding for more cops. I have heard from many police chiefs, including Chief Fred Thomas of Washington, DC, who have indicated that what is needed most is not more police officers but better technology. We should provide that flexibility.

The ball is now in President Clinton's court. He can adopt a one-party strategy, trying to muscle his way up to 218 votes. Or he can continue to do what he started last night.

The President is wise to reach out to Republicans, but political lipservice will not do it alone. The President must publicly support real, meaningful, tough-on-crime improvements to the conference report, so that we can pass a bipartisan bill not with 218 votes but with 435 votes, if necessary, in the House and all the votes in the Senate.

If, however, the President wants to tinker around the edges, making small adjustments here and there to win over 8 or 9 or 10 votes, then he will be making a big mistake. In the end, that may be a successful strategy for the House, but you can bet it will not be a winner here in the Senate.

I think many in the Senate are going to wonder how it ballooned from $22 to $33 billion and what happened to a lot of the tough enforcement provisions that had broad bipartisan support. Keep in mind, this bill passed the Senate by a vote of 95 to 4 or 94 to 5. We had a lot of tough provisions in it, and suddenly they have all disappeared, or many disappeared. I think the American people will support a good crime bill. But keep in mind, also, that this only applies to Federal crimes. Many people see crime bill, they immediately believe it is going to have a big impact on their States and localities. I do not believe that is the case.

HEALTH CARE REFORM

Mr. DOLE. Mr. President, I would just add one thing in response to the majority leader's statement on health care. We are going to do all the business we can on health care. We are going to try to explain it to the American people, try to explain all the plans that are out there—the Gephardt plan, the Clinton plan, the Mitchell plan, the Dole plan, the mainstream plan, the Nunn-Domenici plan.

There are a lot of plans and some have similarities. Many of us think we ought to take all the common parts of these plans, put them together and pass that bill. Many of us are wondering, and certainly the Presiding Officer may have wondered, too, how are we going to—if we are going to spend $1.5 trillion over the next 10 years, what effect is it going to have on other appropriations, and how are we going to be able to find that money, and what will happen in the process.

So I would say to the majority leader, we are prepared to move ahead. We are not going to be rushed, but we are prepared to move ahead. This is the most important issue that will be around this year or maybe for many years, and we certainly welcome the debate.

CRIME BILL CONFERENCE REPORT

Mr. HATCH. Mr. President, today I wish to thank the minority leader for his comments about crime and also about health care as well. He is right on in those comments.

Today, Republicans renew their call for a bipartisan crime bill. Simply employing a bare knuckles strategy to turn a few votes in the House will not produce a tough bill, nor will it win passage of this bill. If President Clinton wants to pass a true crime bill, then Republicans will deliver the necessary votes, provided our suggested improvements are incorporated. And they have just been outlined by the distinguished Republican leader.

Ramming the crime bill through the House with a coalition of social liberals and big spenders will surely threaten the bill's passage in this body. The Senate will not accept the crime bill in its pork-feeding frenzy. Comprehensive changes must be made.

The Republican leadership has produced a list of changes for the President's consideration. I must concede that every change I would prefer is not on this list. There are literally dozens of Senate tough-on-crime provisions that were dropped or substantially weakened by the conference committee. However, we want to undertake a serious effort to reach a bipartisan compromise on the crime bill, and this list of changes is our bottom line.

Should the administration refuse to work in a bipartisan manner but still manage through arm twisting and obfuscation to squeeze the crime bill conference report through the House, we then will take up our concerns on the floor of the Senate. We will then offer a budget point of order because of the wasteful spending in the bill, and I believe that we will prevail with bipartisan support. Then we will offer a tough compromise package, a balanced proposal which adequately funds prison construction and restores the Senate's tough-on-crime provisions.

I hope we do not have to reach that point. I hope we can work together.

Incidentally, some of our colleagues on the other side, including our chairman of the Judiciary Committee, have suggested that our criticism of this wasteful spending in this bill is relatively recent. This is certainly not the case. I took the floor on May 19 of this year to criticize the wasteful spending in the House-passed crime bill. That was only a few weeks after the House passed the measure.

So I ask unanimous consent that a copy of my remarks on May 19 be printed in the RECORD immediately following my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATCH. In those remarks, I criticized virtually every one of these big spending, pork barrel, boondoggling aspects which have been adopted in that conference report, plucked right out of the pork barrel filled House crime bill.

We simply have to face the fact that the fight against crime does not permit the hiding of billions of dollars in pork barrel spending boondoggles under the

guise that they are trying to do something about crime.

Mr. President, this is an important issue. I would like to see a bipartisan issue. I would like to see us march together and do what we should do. Frankly, the Senate-passed crime bill passed 94 to 4, and that included the antigun provisions, which shows that that is not the sole, or even the most significant reason, why the fight over the crime bill right now. The significant reasons involve the pork barrel, boondoggle spending of the social liberals in both bodies who literally want to continue their spending practices and bring the rejected financial stimulus package back into law hidden in the crime bill, as though they are doing something against crime.

So, Mr. President, I appreciate the distinguished Republican leader's comments today, and I back him 100 percent, and the leader over in the House, NEWT GINGRICH. I appreciate his meetings at the White House yesterday and his offer to the President to have Republicans help resolve these problems. If we do not have a bipartisan bill, I do not think we are going to accomplish very much against crime in the ensuing number of months and years.

I thank the Chair. I yield back whatever time I have.

EXHIBIT 1

Mr. HATCH. Mr. President, what drives the emotion of the distinguished Senator from Florida and his counterpart on the Democrat side of the floor is that people out there are tired of the average sentence time served in the States being 40 percent. And they are specifically tired of it when it comes to violent criminals. When a murderer gets a sentence of 15 years on the average, and serves less than 7, the average murderer in this country, it does not take many brains to realize that there has to be something done to keep these people off the street.

When the average rapist gets sentenced to 8 years in prison and serves less than 2, a rapist—our daughters are at risk—it is not hard to understand why some of us would like to see those sentences, at least 85 percent, carried out. That is what the truth in sentencing is. Whether it should be triggered by the regional prison concept or some other concept, it is almost irrelevant to me. But we want to get the violent criminals, and lock them up and throw away the key for at least 85 percent of that time that they are sentenced. If they use a gun, then they ought to get it doubled.

That is the way to stop the unwise, the unlawful, and the dirty, rotten use of guns in this society, not some ridiculous, idiotic, 5-day waiting period that has caused almost everybody to go out and buy their guns now—the typical liberal solution to things. "Let us have a 5-day waiting period. That is going to solve all of our problems." All that has done is increased gun sales like 300 percent across this country because people could not wait to go out and get their guns now that they are going to have to wait 5 days.

These liberal solutions have never worked. Of course, now they have Brady II. Brady I was supposed to do everything for us. It has not done a doggone thing. In fact, it is going to undermine law enforcement in this country.

Now they want an assault weapon ban. They are going to ban 19 weapons. But they have defined them in such a way that over 100 will be banned, but they are going to exclude, exempt, 650 that have basically the same firing mechanism as these so-called 19—to take away the rights of American citizens, as defined in the second amendment to keep and bear arms, which is certainly more than a militia right as defined by some today. That is the national guard right. That is not what the Founding Fathers meant. That is not what they meant when they wrote that amendment. The militia was every American citizen who felt inclined to support our country.

So we can moan and groan about truth in sentencing all we want. But that is what the American people want. They want the violent criminals put away.

I happen to agree with the distinguished Senator from North Dakota that we should not be spending all of our expensive jail time for those who are not violent people. I happen to agree with the Senator from Delaware that boot camps may be a solution for people like that. We should not make prison a very nice time for people. Unfortunately, our do-gooders on the liberal side of the equation want to make sure that everybody is treated beautifully in prison. Frankly, I think it is time to get tough on these people.

I have another part of this I would like to spend a few minutes on.

Mr. President, the two Houses of Congress are soon going to go to a conference on the crime bill. I regret to report that the crime bill passed by the other body contains several billion dollars in ill-defined social programs—I might say ill-defined 1960's Great-Society-style social spending programs in the guise of anticrime legislation.

As such, these wasteful social spending boondoggles will rob the people of Utah and every other State of scarce resources which would be aimed at fighting crime, building prisons, hiring local, State, and Federal law enforcement officials and officers, and similar law enforcement measures.

Take, for example, the Local Partnership Act contained in the House bill. This program will give local governments $2 billion for fiscal years 1995 and 1996 to use for four purposes: education to prevent crime, substance abuse treatment to prevent crime, coordination of Federal crime prevention programs and, job programs to prevent crime. There are no other standards in the House bill. That is it—those four broad-based standards. We just have these four general purposes.

In plain English, this is just Federal money for local government social programs with the crime label put on them for cosmetic purposes. By slapping the phrase "to prevent crime" on these purpose clauses, this provides the cover to hijack $2 billion of precious crime fighting resources for anything at all that localities will label "education to prevent crime," or for drug treatment, or for more Government jobs programs.

The $2 billion would be much better spent in really fighting crime by spending it on prisons, law enforcement officers, and equipment.

Let me take another example of wasteful social spending in the House bill, the Model Intensive Grant Program. This program allows the Attorney General virtually total discretion to spend $1.5 billion over 5 years in grants for up to 15 chronic high-intensive crime areas to develop comprehensive crime prevention programs. This money apparently can be spent on anything that can arguably be said to attribute to reducing chronic violent crime.

The House bill says this includes but is not limited to youth programs, "deterioration or lack of public facilities, inadequate public services such as public transportation," substance abuse treatment facilities, employment services offices, and police services, equipment, or facilities.

I believe in spending wisely on crime prevention, although most of that funding should not come from the crime bill, where we should focus very heavily on enforcement.

But this open-ended Model Intensive Grant Program allows spending on just about anything that can be remotely described as crime prevention, however tenuously, including public transportation. We are supposed to be sending the President an anticrime bill. Let the Department of Transportation offer some of its existing funds for transportation services for preventive crime. Let us not take it out of our crime bill.

Mr. President, you can bet that conferees from the other side of the aisle will propose inadequate funding for new prisons in the crime bill. We will undoubtedly need to spend more on prisons. We need to spend more on prisons for two interrelated reasons. We can talk about ensuring that children do not go astray, and we should be concerned about that. But we have many vicious criminals right now who are not serving enough of their sentences. And speaking of crime prevention, one of the best things we can do to prevent crime right now is to take violent criminals off the streets for long periods of time so that they cannot commit anymore crimes.

Another social spending program in the House bill is $525 million for a Youth Employment and Skills Crime Prevention Program which funnels cash to State and local governments for job training and make-work programs.

This is a duplication of the programs I have just mentioned, except this one is run by the Department of Labor. Despite the fact that there are already over 150 Federal job training programs at a cost of over $20 billion a year, the Attorney General announced this week that the administration supports this program and has asked that Congress increase the program to $1 billion.

Frankly, the best crime prevention program is one that ensures swift apprehension and certain and lengthy incarceration for violent criminals. The more than $4 billion in these three boondoggle programs in the bill the other body sent belong in prison construction and other measures.

These social spending programs are neither tough nor smart on the fight against crime. We can and must spend our moneys more wisely, and in the process we have to move to truth in sentencing.

I want to point out a little bit about just how these programs work. This lists seven Federal departments who sponsor 266 programs which serve delinquent and at-risk youth—266. These are already existing programs. This is Federal departments on this side and the number of programs each department has.

The Department of Education has 31 programs already in existence without the crime bill. The Department of Health and Human Services has 92 programs already in existence. We are doing a lot in this area without the crime bill. The Department of Housing and Urban Development has 3 programs; Department of Interior, 9 programs;

Department of Justice, 117 programs; Department of Labor has 8; Department of Transportation, 6, for a total of 266 Federal programs for at-risk youth.

Yet, we would add $4 billion more. In other words, every time you try to do something about crime, those on the liberal side of the equation load the bill up with more social spending programs that are not working anyway, rather than do the things that have to be done against violent crime in our society.

So I repeat this. The GAO recently reported to Senator DODD, who heads our Family and Children Subcommittee on the Labor Committee, that there are 7 Federal departments fostering 266 prevention programs which currently serve delinquent or at-risk youth. Like I say, of these 266 programs, 31 are run by the Department of Education, 92 by HHS, and 117 by the Justice Department.

GAO found that there already exists a massive Federal effort on behalf of troubled youth," which spends over $3 billion a year. GAO went on to report that:

Taken together, the scope and number of multiagency programs show that the Government is responsive to the needs of these young people * * *. It is apparent from the Federal activities and response that the needs of delinquent youth are being taken quite seriously.

That is in the GAO report, Federal Agency Juvenile Delinquency Development Statements, August 1992.

Despite the findings of the GAO, the House crime bill throws even more money at State and local government under the prevention label, while failing to acknowledge our ongoing efforts. Listening to the House bill supporters, one would assume the Federal Government has done nothing in the area of crime prevention.

They load up the House bill with almost $10 billion of prevention. I believe there are some legitimate areas where we can do something about prevention, but I have to tell you right now that we are doing plenty without loading up this crime bill with more than we need. We need the prisons; we need the police; we need to get tough on crime; we need the mandatory minimum sentences; we need the beefing up of Quantico, of our DEA, of our FBI, of our Justice Department prosecutors, rather than cutting back on them. We need tough antirural crime initiatives, antigang initiatives, violence-against-women initiatives, the scams on the senior citizens, against telemarketing fraud. All of that in this bill would make a difference against crime in our society.

Mr. President, I have to say that we have a lot of problems in going to conference on this crime bill, not the least of which is the gun ban and, of course, not the least of which is this racial justice act, which would virtually outlaw all implementations of all death penalties in our society today, and would cost the American taxpayers billions, if not trillions of unnecessary dollars, as the whole capital punishment system would come to a screeching halt and be embroiled in all kinds of litigation, all kinds of statistical analysis, all kinds of social welfare work, to the point that people will throw their hands up in the air and say we really cannot get tough on criminals, especially those who commit willful, violent, heinous murders against the public.

Mr. President, I wanted to make a couple of these points during this debate today, because I have to go back to the truth-in-sentencing provisions. If we do not get tough on the violent criminals, we are not going to make headway in this society. All of the prevention programs in the world are not going to help us.

With that, I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDENT pro tempore. The time for morning business will shortly expire.

Mr. KENNEDY. I ask that this Senator be able to proceed for 5 minutes as if in morning business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CRIME BILL CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I was here on the floor prepared to move ahead, as were Senator MOYNIHAN and others, on the issue of health care. Then I heard our good friend, the minority leader, talk about the crime bill conference report. Listening to him, I did not recognize the bill he was describing.

Just yesterday, my Governor, a Republican, indicated that he was prepared to ensure matching funds for all the communities of Massachusetts to make sure that we would achieve the goal of adding 100,000 more police officers nationwide. He identified many different points of the crime bill that were worthwhile and valuable, and seemed eager for those measures to be supported here in the Senate. In frankness, he did not express a specific view on passage of the overall bill. He said he had not studied the issue well enough to be able to make a judgment in terms of its overall features, but he indicated that crime was an area of great priority and he wanted us to move forward, and the people of Massachusetts certainly do as well.

Second, the people of my State want action on the banning of assault weapons that have no purpose whatsoever for hunting, and only for killing individuals.

It is interesting that, with the exception of the 10 members of the Black Caucus, who have a longstanding history of voting against the death penalty, most of the members who voted against the rule also supported eliminating the assault weapon ban when that separate vote occurred in the House. That is basically what was going on over in the House of Representatives.

We listened to these protestations that have been made here earlier today, but these issues of public policy were resolved during earlier debates. We heard on the floor of the U.S. Senate when we were debating the funding of various prison cells—the issue was, are we going to have truth in sentencing? As the author of the Sentencing Reform Act, I believe in truth in sentencing.

But are we going to require truth in sentencing for the States before they will get the funding?

The Senator from Delaware spoke very eloquently about this issue. If we make it a very strict standard, many States will be unable to compete for the money. Many of those on the other side of the aisle wanted it stronger and stronger, even though most correctional and law enforcement officials say that will not work. So the conference report had a more balanced position.

I did not hear any complaints from our Republican conferees when we added additional money for border control and other law enforcement programs involving illegal aliens. I did not hear any of the conferees on that side of the aisle complain about adding more than $1 billion in the conference report to try to assist States that are incarcerating illegal aliens. I did not hear those complaints as a member of that conference committee. I did not hear complaints when we increased funding for police officers.

Mr. President, the Senate minority leader also spoke about 10,000 individuals who are going to be released from jails. His numbers are wrong and he has misstated the safety valve provision, but I would point out that this proposal was supported by Congressmen HENRY HYDE and BILL MCCOLLUM, leading Republicans. They know that the proposal will affect only a small number of nonviolent, low level drug offenders. And we need those prison cells for the violent rapists and murderers and those that are committing other crimes of violence. This was supported by Republicans on the conference. Now we hear other Republicans say they do not want that now.

I would say finally, Mr. President, we should listen to the majority leader who read into the RECORD some of the various proposals which have been advocated by our Republican friends under the concept of prevention. Many of their programs were included in the conference report. It is amazing that Republicans were willing to add them to the proposal here in the U.S. Senate, and now these measures are being railed against here on the floor by other Republicans.

I am hopeful we will get a good crime bill. I remember very well that we spent close to 2 days on the floor before the Senate adopted the Brady bill, and there was great uncertainty on that side of the aisle whether they were going to continue a filibuster or not filibuster. I think the President is going the extra mile to get a good bill. I know the leadership is trying to get a good measure. I thought that the explanations by the Senator from Delaware responded fully to these questions and I commend those remarks to my colleagues.

TRIBUTE TO MAJ. GEN. JOHN G. SMITH, JR.

Mr. DECONCINI. Mr. President, I rise today to enter into the CONGRESSIONAL RECORD a eulogy for an Arizona citizen, outstanding soldier, and American patriot.

Maj. Gen. John G. Smith, Jr., served his country, his State, and his God with unswerving devotion and dedication. As the adjutant general for the State of Arizona, his record was one of excellence and commitment to the public welfare. His untimely death is a loss for Arizona and the Phoenix community.

I ask unanimous consent that a eulogy given at General Smith's funeral by Gen. Curtis A. Jennings be included in the RECORD at this point.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

GEN. JOHN GRADY SMITH, JR.—EULOGY PRESENTED BY CURTIS A. JENNINGS AT HIS FUNERAL ON JULY 11, 1994

We are here today to honor the memory of our colleague and friend LTG John Grady Smith, Jr. It is impossible to render a proper eulogy to Gen. Smith in a few words and capture the full and rich tapestry of his life and a complete catalogue of his accomplishments. He was an extraordinary individual who had a lasting impact upon the Arizona National Guard, the community and State and his friends and acquaintances. His passing leaves a void in the lives of all those who knew him. On behalf of the officers and enlisted persons of the Army and Air National Guard, both active and retired, Gen. Smith's friends and acquaintances, I convey deepest sympathy and profound condolences to Mrs. Jane Smith, their three children and their families.

John Smith was born on November 19, 1919, in Statesboro, Georgia, where he grew to manhood. He attended Georgia Southern College in Statesboro where he met, in 1940, his future wife Norma Jane Simpson, affectionately known to all of us as "Jane."

His military career began in April of 1938 when he enlisted in the Georgia National Guard. In November 1940, his Guard unit was called into Federal Service due to the winds of war which were sweeping over Europe and the concern that the United States would soon be involved. He was in a coast artillery unit and received training at and was assigned to Camp Fisher, Fort Stewart and Fort Bragg before being commissioned as a 2nd Lieutenant Infantry in August 1942 through the Officer Candidate Program at the Infantry School, Ft. Benning, Georgia. He was assigned to the 104th Infantry Division nicknamed the "Timberwolf" Division which had been activated and was in training as a combat division at Camp Adair near Corvallis, Washington.

After a period of courting as only a southern gentleman can court, he won the hand of Jane, and they were married on April 4, 1943. Jane says he kept asking her by letter, telephone and in person so she finally said "yes." Clearly they must have both meant the vows they exchanged since they celebrated their 51st wedding anniversary last April. He enjoyed telling the story that after he and Jane were married and were traveling across the country as a very young couple, they would stop at a motel or hotel and he would tell the clerk to register him as John Smith. The clerk would look at Jane and say, "and I suppose you are Jane Smith," and she would answer, "that's right," much to the hotel clerk's amusement. Jane is an outstanding ideal of an officer's lady. She followed her soldier from camp to camp until his unit was deployed overseas, and then waited to join him when he returned.

In the fall of 1943 the 104th Infantry Division moved from Camp Adair, Oregon, with its wet and rainy climate, to the dry desert of Camp Hyder, Arizona. The division's encampment was known as Camp Horn, and the location was described as in the Arizona Desert on the Southern Pacific Railroad somewhere between Phoenix and Yuma, Arizona. Then Lt. Smith and his lady Jane found a rooming house in Phoenix where they rented quarters from a couple who became lifelong friends, Guy and Esther Gaston. Here they spent weekends when Lt. Smith was not in the field on maneuvers. Having bought their first car, Jane learned to drive on the dusty unpaved streets and roads of west Phoenix, Gila Bend and Hyder. This was their first experience in Arizona, and they must have liked it since they returned after the war.

From Arizona, the Division went to Camp Carson, Colorado, and then to Camp Kilmer, New Jersey, for overseas deployment. In late summer 1944, the Division landed in Cherbourg, France and was transported soon thereafter to the Belgium/Holland area where it was committed to combat attached to the First British Corps of the First Canadian Army. Its mission was to assist in clearing the approaches to the Port of Antwerp. Jane, of course, stayed in the United States, where she bore their first daughter, Norma. John did not see his daughter until he returned from Europe in the summer of 1945 after V.E. Day.

The 104th Infantry Division had an outstanding combat record in Europe, serving continuously in combat for 195 consecutive days. It served under British and Canadian command, as well as under the First and Ninth United States Armies. It inflicted over 18,000 casualties and captured 2,000 towns and communities, including the great cities of Cologne, Eshweiler and Halle. It took 52,000 prisoners in the great sweep across Germany to the Elbe and Mulde Rivers where it met the Russian forces on April 26, 1945. It also liberated two Nazi concentration camps where, in addition to the stark reality of combat, Gen. Smith saw and experienced some of the worst examples of man's inhumanity to his fellow man.

During these campaigns, Gen. Smith was awarded the Combat Infantry Badge, the Bronze Star with Oak Leaf Cluster, and the French Croix de Guerre with Palms. MG Terry de la Mesa Allen, Commanding General of the 104th Infantry Division specifically commended him and other officers for the fine performance in the European Theatre of operations. As most combat veterans, he spoke little of his wartime experiences.

In June 1945, after V.E. Day, the Division moved to Camp Lucky Strike near Dieppe and La Havre, France, and then sailed to New York for redeployment to the Pacific Theatre of operations. After leave, the men of the Division reassembled at Camp San Luis Obispo, California, on August 1, 1945, for combat refresher training and deployment in the Pacific. Through the use of its nuclear power, the U.S. compelled the surrender of Japan on August 15, 1945, and the Division, no longer needed in the Pacific, was thereafter deactivated.

Gen. Smith was separated from active duty as a Major in November 1945, and he, Jane and Norma journeyed from Camp San Luis Obispo, California, to Statesboro, Georgia. After seeing family and friends, he went "job looking," as he put it, and found that Georgia was not a good place to find a job. He contacted his friend Guy Gaston in Phoenix, Arizona, and through contacts with the American Legion, he became a contact officer for the Veterans Administration and settled his family permanently in Phoenix where his second daughter Sharon and son Guy were born.

He was in the organized reserve following his separation from active duty until May of 1949 when he joined the Arizona Army National Guard. He remained employed with the Veterans Administration until 1952, when he became Executive Officer of the National Guard serving under Adjutants General Frank Frazier and later J. Clyde Wilson. I first met Gen. Smith on one of his trips to Washington with Gen. Wilson in 1957 when they came to see Senator Carl Hayden from whom I was working at the time.

In June of 1960, Gen. Smith became the U.S. Property and Fiscal Officer for Arizona, and served in that position for the next 15 years, with Adjutants General J. Clyde Wilson, Joe Ahee, Jackson Bogle and Charles Fernald.

In July 1975 he was appointed Adjutant General of Arizona by Governor Raul Castro and promoted to Major General. He was reappointed twice by Governor Bruce Babbitt and retired in November 1983, at which time he was given his third star and promoted to Lieutenant General.

He was an enthusiastic and cheerful individual with a "can do" attitude. During his tenure as the U.S. Property and Fiscal Officer, it operated smoothly and efficiently, providing the troops with all logistical needs. As Adjutant General, he presided over a major expansion of the Arizona Army National Guard that almost doubled its troop strength and placed new units in a number of Arizona's rural communities. A number of new armories and facilities were started during his tenure. He also supported major expansion and new missions for the Air National Guard. While Adjutant General, he convinced the Pentagon to put the Arizona National Guard in command of the Navajo Army Depot near Flagstaff and to operate the munitions storage facility with Guard troops. This was the first time an active Army installation came under control of a state National Guard.

General Smith had outstanding characteristics of leadership. Unlike so many of his contemporaries who chose Patton as their model, Gen. Smith chose to emulate General Omar Bradley. He was a soldier's General—a diplomat, courteous and compassionate in even the most difficult situations. He was honest and sincere. He never played a part; he was always himself. He made ordinary people feel good and that they were important. He always had time for anyone who wanted to talk to him. As Adjutant General, he established an "open door" policy that was followed throughout the command. He got along well with private soldiers, generals, senators and cabinet members.

When he was Adjutant General and I served as his Troop Commander, I would go to see him on some difficult policy or personnel matter, and when we were through, he would always thank me for coming to see him. This always surprised me. Jane tells me that it was his habit to thank her and the children for the smallest thing, like passing him a glass of water. This character of southern gentleness—one might say almost chivalrous

conduct—made him stand out as if he were from an earlier and more noble time. This manner earned him the loyalty and respect of his peers and subordinates alike. He was well respected and highly regarded by his fellow Adjutants General and the officers with whom he worked in the National Guard Bureau. Every Arizona Governor with whom he worked had the highest regard for him, including Governors Pyle, McFarland, Williams, Fannin, Goddard, Castro Bolin, Babbitt and Mofford. The Arizona Congressional Delegation always looked to him for advice on military issues and reserve and national guard matters. Even with his abilities, he could not have succeeded without the help of others. In this regard, I know he would have wanted special mention made of three ladies who took care of him as his assistants and secretaries during his service in the Guard and of whom he thought so highly. These ladies are: Helen Glenn, Marilyn Pomerenke and Anna Kroger. Another friend of long standing whose acquaintance with General Smith goes back to their days with the 104th Division in Germany is now retired Sgt. "Pinky" Martinez. Mention should also be made of individuals who have gone before him and on whom be counted during those busy years. Special mention should be made of General Bob Pettycrew, Sam Krevitsky, Norman Erb and Dr. Mark Westervelt.

During his years as Adjutant General when a crisis would arise, General Smith would assemble a small staff to advise him, which he would call his "crisis staff." Although others might be involved, depending upon the issues, always there was Gen. Jay Brashear, this eulogist and Bob Pettycrew, in whom Gen. Smith had such confidence and on whom he always relied.

Even though he had a busy career, he always had time for his family. He was a loving husband and father. His children recall his playing ball and other athletic events with them. They recall picnics and his love of a backyard barbecue and cookout. Although they mention that sometimes the meat was cooked a little too well, he would tell them that was the southern way. He took his family on trips and taught them the history and heritage of our state and nation. He was a firm believer in the biblical commandment to honor thy father and mother. We have all heard him speak of his family in Georgia, especially his mother whom he worshipped. He was faithful in his pilgrimage to Georgia every year or so to see her until her passing a few years ago.

General Smith also found time for civic activities. He was Chairman of the Arizona State Fair Commission, a member of the Phoenix Urban League, Federal Executives Association, Arizona Emergency Services Association, and Military Affairs Committee of the Phoenix Chamber of Commerce. He was also a lifetime member of the Timberwolf Association, the Association of the United States Army, American Legion and National Guard Associations of Arizona and the United States. He enjoyed life. When I last saw him just before he went into the hospital, he told me "I have had a good life. I have enjoyed all of it."

General Smith did have a fine and successful personal and military career. In addition to his combat decorations previously mentioned, he was awarded the Distinguished Service Medal, the Legion of Merit, Army Commendation Medal, the Arizona Distinguished Service Medal, and many other medals and decorations. He was inducted into the Infantry Hall of Fame at the Infantry School at Fort Benning, Georgia.

General John G. Smith passed away on July 6, 1994. In describing him and his career, I think of the words duty, honor, loyalty and integrity. He will be sorely missed. Although he has answered that final bugle call, he will not be forgotten. As the poet Angelo Patri said:

"In one sense there is no death. The life of a soul on earth last beyond his departure. * * * He lives on in your life and in the lives of all others that knew him."

And so it will be with General John Smith. This kind and gentle man left the world a better place than he found it. He touched all of our lives and we are all richer for having known him.—Curtis A. Jennings, Brigadier General (ret.) Arizona Army National Guard.

THE 100TH ANNIVERSARY OF ROGERS DEPARTMENT STORE

Mr. HEFLIN. Mr. President, September 4, 1894, marked the beginning of a legacy for Maj. Benjamin Armstead Rogers, for the small town of Florence, AL, and indeed for the entire northwestern region of the State. On that date, nearly 100 years ago, Major Rogers and his two sons, Thomas McLemore and Benjamin Armstead, Jr., opened the Surprise Store at the corner of Court and Mobile Streets in Florence. As recorded in the Florence Gazette, the opening was accompanied by Ben Rogers, Jr., leaving for New York to buy stock.

The Rogers family had arrived in Florence confident of the town's and area's future, and they wanted to play a part in its development. The family's ideas and vision about retail merchandising varied significantly from those of the average tradesmen of the day. They marked each and every item with its exact price and their policy of "One price-plain figures" led to their success. The store that still stands at the corner of Court and Mobile Street today is a living testament to the Rogers' success over the last century.

Five generations of the Rogers family have now worked at this location. A large part of the vitality of downtown Florence today is a direct result of the Rogers' commitment to maintaining the life of the central business district. Like most major department stores in recent decades, they have had opportunities to relocate to modern, state-of-the-art suburban shopping malls, but have chosen to remain as one of the anchors of downtown business. There are now Rogers stores in Decatur and Muscle Shoals, AL, as well.

Rogers family members have also taken a leading role in community service and have played pivotal roles in the progress and development of north Alabama. They have served as members of the chamber of commerce, the Rotary Club, United Way, Boy Scouts of America, the YMCA, and the Alabama State Legislature. Corinne Rogers Zaccagnini, a great-great granddaughter of the founders, presently works for Senator DECONCINI on the Security and Cooperation in Europe Commission.

I salute the Rogers family and congratulate them on the 100th anniversary of Rogers Department Store. It has become a legendary institution in this part of Alabama, and is poised for an even brighter future.

IS CONGRESS IRRESPONSIBLE? YOU BE THE JUDGE ABOUT THAT

Mr. HELMS. Mr. President, as of the close of business on Tuesday, August 16, the Federal debt stood at $4,667,394,077,182.19, meaning that on a per capita basis, every man, woman, and child in America owes $17,902.56 as his or her share of that debt.

IN MEMORIAM—MANFRED WOERNER

Mr. BIDEN. Mr. President, I rise today in praise of Manfred Woerner, Secretary General of the North Atlantic Treaty Organization and a true friend of the United States, who died on August 13 at the age of 59.

Manfred Woerner was the first German to hold the highest civilian post of NATO. Born in Stuttgart, he won a seat in the German Parliament in 1965 and rapidly established himself as a security expert. In 1982, Chancellor Helmut Kohl named Mr. Woerner Defense Minister at a time of great debate in Germany about the proposed stationing of American medium-range nuclear missiles in that country to counter a massive Soviet missile buildup.

Mr. President, this issue was a grave one, which caused mass demonstrations in Germany and threatened to split the Atlantic alliance. It was largely because of Manfred Woerner's determined efforts that the American initiative succeeded. The Atlantic alliance survived its most serious crisis, and less than a decade later the West had won the cold war over the Soviet Union.

In 1988, Manfred Woerner succeeded Lord Carrington as NATO Secretary General and in doing so became a symbol of democratic Germany's ultimate acceptance as a leader of the alliance. In his new position he once again proved his far-sightedness, advocating the strengthening of NATO's conventional forces and, more recently, calling for a firm response to Serbian aggression in the former Yugoslavia.

Manfred Woerner was a distinguished German politician, a leading European statesman, a fine gentleman, and a loyal, steadfast friend of the United States of America. He will be sorely missed by this country, which is deeply in his debt.

WOMEN IN COMMUNICATIONS

Mrs. HUTCHISON. Mr. President, I rise today to celebrate the 85th anniversary of Women in Communications, Inc.

In 1909, it was founded as Theta Sigma Phi by seven female journalism students at the University of Washington in Seattle. Women journalists had few opportunities at that time, but by the 1920's a Theta Sig, Dorothy Thompson, became the first overseas bureau chief for an American newspaper, and women have been creating new opportunities ever since.

The organization has grown rapidly since then, and has been renamed Women in Communications, but its mission has been consistent; to advance women in all fields of communications, to protect first amendment rights and responsibilities of communicators, to recognize distinguished professional achievements, and to promote high professional standards throughout the communications industry. Its members have included women in many fields, from Barbara Walters, to Eudora Welty to Helen Thomas.

Mr. President, as Women in Communications celebrate its anniversary, its members have dedicated themselves to extending their work to future generations by speaking and mentoring to high schools, colleges, and business groups. I congratulate them on their milestone, and invite my colleagues to observe October as National Communications Mentoring month.

STATEMENTS OF AUGUSTO RODRIQUEZ AND MICHELLE EDWARDS, BOARD OF YOUNG POLICE COMMISSIONERS, NEW HAVEN, CT

Mr. DODD. Mr. President, yesterday, I had the extreme pleasure of meeting with Augusto and Michelle, who are in town attending the National Youth Violence Conference. They had compelling stories to tell about how violence has affected their young lives. Their experiences put a face on the terror facing so many young people in our Nation—a terror that just a generation ago would have been impossible to imagine in our country.

But their stories are also laced with hope for what can be done to end the carnage. And, this is why I felt it was so important to include their statements in the RECORD. Both Augusto and Michelle are officers of the Board in New Haven. This unique program brings young people and their schools together with the New Haven police department to try and do something to stop the violence.

The program has worked wonders for the young people, police and citizens of that city and is exactly the type of program that could be expanded if we would just pass the crime bill. These kids understand the simple truth that we will never stop crime in this Nation until we give our kids some positive alternatives to the streets. So, I encourage any of my colleagues who think that prevention programs should not be a part of tough crimefighting legislation to read the words of Michelle and Augusto. Their stories illustrate the wisdom of this approach better than any of the rhetoric we hear in this town. Mr. President, I ask unanimous consent that the enclosed statements of Augusto Rodriquez and Michelle Edwards from New Haven, CT be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SPEECH TO NATIONAL YOUTH VIOLENCE CONFERENCE

(By Augusto Rodriguez)

Good morning! My name is Augusto Rodriguez. I am the proud President of the Board of Young Adult Police Commissioners. On behalf of the city of New Haven and the thousands of youth who reside in my city I wish to compliment you for providing us with a chance to face reality. I feel that this National Conference provides us with a necessary opportunity to voice our opinion on the fatal issue of youth and violence, which is taking away my friends and family.

I have an investment in New Haven as a resident and a senior at Career High School. I come from a single parent family who survives on a fixed income. My role has been that of a surrogate father to a good mother and family. The demands have added to my responsibilities while making me stronger.

Career High School has a valuable asset, its principal Mr. Williams. He demonstrates a keen interest in the student body as well as being approachable, friendly and very helpful. The student population is about 400. The most violent act during my junior year was when one female struck another in the face over what she said. Career High does not represent anywhere near the amount of violence that occurs in our city.

In the 1980 census, New Haven was ranked the 7th poorest city in the nation among cities with more than 100,000 people. Twenty-eight percent of New Haven's children under the age 18 live below the nation's poverty level. However, African Americans and Hispanics account for 41% of those living in poverty. While the 1990 Census indicates that New Haven ranks 39th now, we still continue to suffer the blight of being in dire need of economic growth.

In just the last year I have seen what this adds up to.

On my way to the store I saw a car drive by my brother and his 21 year old friend. I was half a block away when 2 windows rolled down. Six or seven shots where fired. The friend was hit in the left abdominal region and the right thoracic area. The friend hid behind a tree. He looked around and was shot again. This time he collapsed. My brother and I ran to him. When I got there, I heard the friend say, "It burns! It burns! Forget it I'm gone." He then started gasping for air. Police showed up and dispersed the large crowd. The paramedics ripped open his clothes and placed him on a stretcher. He died in the ambulance.

I was at a club with a group of friends. When I saw a female about 27 pull out a switch blade. She slashed my friend from the ear to the top of her lip. Her whole epidermis was hanging out. She said, "My face is shrinking. It burns." She was so beautiful at 21. But no longer.

I was visiting Fair Haven Middle School and saw three 8th graders beating up a 7th grader outside. One of the 8th graders had a bottle in his hand and struck the 7th grader in the head. He fell to the ground, and all 3 began kicking him. The school security guard grabbed two of them. the 7th grader ended up with 7 stitches.

During my sophomore year Chief Pastore visited my high school. My peers and I listened to the Chief's message about empowerment of youth. Before the Chief's departure he stated, "If you have any questions or concerns please feel free to call me."

At a drug raid next door, a narc pushed my younger brother and was disrespectful to him. I was really angry. This was not the message the Chief gave. I made an appointment to see him. My brother, the Chief, the narc and the youth coordinator were there. We all had a chance to talk and make our point. At the end of a good meeting my brother and the narc apologized and shook hands. They gave their word they would be more respectful. The Chief suggested I speak with the youth coordinator Detective Morrissey. We talked about the Board of Youth Adult Police Commissioners. He gave me information. I called him back. I said I was interested in joining. I now know that the Board was not just a front, but a real beginning. That was over a year ago.

Our Board is looking forward to interviewing the 60 community police recruits who will be coming on the next year. The Crime Bill, which I hope passes soon will help us with more police and drug/alcohol prevention and treatment. Over 80 community policy officers have been interviewed already by other commissioners. Now it's our turn. I am convinced this helps us bridge the gap between policy and youth. Lasting friendships have been made with commissioners and police.

My first committee assignment on the Board was planning the Holiday Jam. The Board met with our Chief to bring youth together for fun and a fund-raiser. We decided on the Thanksgiving weekend dance. I and other commissioners visited Hospice and meet with the President. The decision was made. Youth our age are dying right now from AIDS. Hospice allows them to die with dignity. Over 300 students from all over New Haven showed up paying $3 each. Three stores donated prizes to the dance contest. No cursing, no problems and a lot of respect. The only complaint afterwards was that people wanted to come but didn't know about it. We raised $800 and are planning the next dance.

The Board is composed of a President, Vice President, Secretary, Treasurer and 18 members. We are fully chartered and legitimate body of elected and appointed young people, representing the full cross section of the population in New Haven. Our Board meetings are run by Robert's Rules of Order.

Special committees are set up when needed. Six commissioners are elected from their respective high-schools. Sixteen others must submit a resume and be recommended by a commissioner. The Board then votes. All are sworn in by the Mayor.

We are serious about the quality of life. We know time has been wasted. Excuses are not the answer. You've have been leaving us out of this war far too long, that's why we're losing it. Only together can be win. Please don't ignore the facts.

Nick Pastore is more than a Chief of Police. He is our friend. He listens and works with us when it counts. Together we are improving life in New Haven for everyone. We are ready to spread the solution and are available.

Thank you for allowing our group to be heard today. It is commonly assumed that

adults fail to listen to our age group. Your presence here has proven that assumption to be incorrect. We are a prime example that police and youth can work together and make a difference.

I would now like to introduce our Vice President, Michelle Edwards.

AUGUSTO RODRIQUEZ,
President.

SPEECH TO NATIONAL YOUTH VIOLENCE CONFERENCE

(By Michelle Edwards)

Good morning! My name is Michelle Edwards and I am the Vice President of the Board of Young Adult Police Commissioners, and on behalf of the Board I want to thank you for inviting us to this very prestigious conference. Which we all know is addressing the urgent issue of youth and violence. The commissioners appreciate the respect you have shown the youth of this nation by hosting this important conference.

I am a resident of New Haven, CT. My father is a retired Msgt. of the United States Air Force. My mother works at American Linen. I am a 16-year-old junior at Wilbur Cross High School. There I am a member of the National Honor Society and captain of the volleyball team. I also have a part-time job at a local Shell gas station.

A positive aspect of Cross High School is it's diversity—with 17% Caucasian, 40% Latino, 40% African American, and 3% Asian American and other nationalities. Cross also has a number of dedicated teachers who provide students with a worthwhile education. However, in the 2 years of attending Cross, I have witnessed or have had direct knowledge of violent acts by students which has ultimately disrupted and destroyed social and educational opportunities. On one occasion, we had 4 students attack one of our assistant principals and rob him of a mere $18. Another time a 17-year-old young man who had a gun in his possession accidently shot himself during gym class. I remember sitting in my social development class and hearing chaotic screams and yells of "Oh my God," "He has a gun!" Within an hour, we had 4 television crews, 2 radio stations plus local newspapers ready to cover the incident. Unfortunately, during the National Honor Society Induction, a news crew could not be found. Two days before the final closure of school, 3 female students viciously attacked another female student with a mule bone, which they confiscated from a biology class, sending the victim to the emergency room. This incident was provoked because one of the 3 female students didn't like the other student's cousin. These random acts of violence have become so frequent that I and my classmates have become conditioned to expect them and accept them as normal behavior. Good teachers close and lock their doors in fear and continue on with their daily lesson plans. For the adults who are here today, I want you to think back on your high school days. Did you ever fear the gun or knife in your school? We do. If our roles were reversed and I were your parent I wouldn't let you go through this. Too many innocent people are being hurt. We need real action and genuine help now!

I was recommended and elected by the students of Cross to represent our school on the Board of Young Adult Police Commissioners. At first I was quite critical of the Board. I thought that the Board was a front for teenagers to just hang out. Now that I am a member of the Board and aware of it's accomplishments, I realize that I was mistaken. I understand that my fellow peers want to have a say in the decision making process. Being a Young Adult Police Commissioner makes this possible.

An example of this is the Board's Standing Committee on Residential Drug Treatment for Adolescents, which was formed in November of 1991. It's main purpose is to try to educate, prevent and treat drug abuse among the youth in New Haven. This committee conducted research and discovered that there were only 110 beds available in the entire state of CT. However, only 20 beds were available for non-insured (keep in mind that this is the ENTIRE state!). Our Standing Committee also discovered that the cost of placing someone in jail for a year, approximately $42,000 was far more expensive than putting someone through Residential Drug Treatment which is approximately $24,000. That's when the committee took action to get more treatment beds for adolescents. Two thousand students signed a petition to encourage more beds and we presented it to the General Assembly's Appropriations Committee. We also spoke in front of the Appropriations Committee asking for their help. Then we learned after seeing the Annual Budget that no more beds would be added. Instead that 10 beds would be taken away from the youth population creating more victims. We then decided to call Mr. Dyson, the co-chairperson for the Appropriations Committee, to ask for his personal help. We were successful in saving the 10 beds. Our question is how long does the line of victims have to get before funding for more treatment beds are available?

Since the Board's founding we have supported and continued to encourage Residential Drug Treatment. Glenn Johnson, a student at Amhurst, and also the first chairman of the Residential Drug Treatment Committee and the president of our Alumnae Association, along with 3 other commissioners, met with four recovering drug addicts in November of 1991. They discussed the reasons for needing treatment; it had to do with life or death. Recently former Vice President Melissa Annunziata and I attended a graduation of recovered addicts in Newtown CT (which is about an hour from New Haven). What we saw were 9 recovered addicts who went through with Residential Drug Treatment, received their diplomas and in turn changed their lifestyle. The Board feels that Residential Drug Treatment is the best transition from a negative environment into a positive atmosphere.

Recently, we have hired two consultants from Massachusetts to assist us with needs assessment, strategy planning, documentation and fundraising. We wrote a proposal to CSAP (Center for Substance Abuse Prevention) in September of 1993. We received 16 resumes from as far as California. We then narrowed our selection down to New England consultants only, We interviewed 3 consultants at the New Haven Police Department and hired Dan Jaffe and Hal Phillips. Since then we have organized two all day Sunday meetings. During these meetings we discussed ways to improve the Board's standing with the community, national linkages, fundraising, and community and police relations. Our main purpose of working with these consultants is to find strategies to achieve these goals.

President Augusto Rodriquez, Secretary Maya Castellon, Treasurer Chris Greene and I will be available until Wednesday to discuss real youth inclusion and empowerment within our system of government. Please feel free to come to me or any of the other officers. Once again, I want to thank those who worked so hard to put this conference together for this rare opportunity to be listened to intimately from a distance. I hope our words turn into action soon. We want to help that happen. Thank you.

MICHELLE EDWARDS,
Vice President.

CRIME

Mr. DOLE. Mr. President, one of the most extravagantly oversold provisions in the crime bill is the proposal that allegedly would put 100,000 new cops on the street. While few dispute the merits of adding to the ranks of our State and local police forces, it is also important to level with the American people.

The Heritage Foundation has concluded that the crime bill provides full funding for only 20,000 new police officers, not the 100,000 claimed by President Clinton.

This 20,000 figure is consistent with the analysis of Princeton University Prof. John Diiulio, who recently had this to say about the crime bill:

> The bill calls for 100,000 new cops. But when you read the relevant titles of the bill, what you discover is that that really means about 20,000 fully-funded positions * * * and if you are stouthearted enough to look at this bill in light of the relevant academic literature, you know that it takes 10 police officers to put the equivalent of one police officer on the streets around the clock * * * so that 20,000 funded positions becomes 2,000 around-the-clock cops. And 2,000 around-the-clock cops gets distributed over at least 200 jurisdictions for an average actual street enforcement strength increase of about 10 cops per city.

But, Mr. President, let us put Professor Diiulio's comments aside for a moment and assume that 100,000 new cops will, in fact, be hired as a result of the crime bill.

The Heritage Foundation estimates that creating 100,000 new police positions through the crime bill will saddle the States with a $28 billion unfunded liability over the next 6 years. Twenty-eight billion dollars is the difference between the total cost of hiring 100,000 cops for 6 years—$37 billion—and the amount of funding actually provided in the crime bill, nearly $9 billion.

Heritage estimates that the crime bill could result in 875 new cops for my own State of Kansas. While the crime bill would provide $77 million for this purpose, Kansas would still be stuck with a $250 million tab.

So, Mr. President, let us not oversell the crime bill. Let us not sell the American people a crime bill of goods.

Again, I support trying to put more cops on the street. More police generally means more security. But the crime bill will not put 100,000 new police officers on the street, as the President claims. It fully funds only a fraction of this amount—about one-fifth; 20,000 new cops. And even if we assume that 100,000 police positions will be created, it is the States and localities who will pay the lion's share of the cost.

Mr. President, I ask unanimous consent that the Heritage Foundation study be reprinted in the RECORD immediately after my remarks.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE CRIME BILL'S FAULTY MATH MEANS A $28 BILLION UNFUNDED LIABILITY TO THE STATES

(By Scott A. Hodge)

President Clinton is making a last-ditch effort to revive the $33 billion crime bill that Congress rejected last week on a procedural vote. Among the arguments Clinton is using to sway lawmakers is the claim that if Congress passes this measure, the bills' $8.8 billion Community Policing grant program will add 100,000 new cops to local police forces over the next six years.

Clinton is wrong. The numbers just don't add up. The crime bill provides full funding for only 20,000 permanent new cops. Meanwhile, it saddles state governments with a $28 billion unfunded liability over the next six years if the bill is to result in 100,000 new officers. States such as California and New York will have to raise some $3 billion each to meet the Administration's promise.

The reason this happens is that the Community Policing grant program is intended only to provide "seed" money to local governments to hire new police officers, not to fully fund these positions. So the bill assumes that once these new officers have been hired with Washington's help, state and local governments will find the billions of new dollars needed to keep them on permanently. The bill provides just one-fifth of the funds needed over six years to hire and keep 100,000 new cops on the street in high-crime areas.[1] Thus, if cities do not cut back on the other services or raise taxes, the funds provided in the bill can keep at most just 20,000 permanent cops on the street over the six-year life of the bill. Even more problematic for state and local officials, if they use federal funding to hire the new police officers and then cannot raise the funding needed to keep them, officials will have to start laying off cops after the first year of the bill.

Another way to look at this financial sleight-of-hand is to calculate how much funding the bill provides per police officer per year. On average, the bill authorizes $1.475 billion per year for 100,000 new officers. This amounts to just $14,750 per cop per year—roughly the poverty level for a family of four. Police officers cannot, of course, be hired for minimum wage salaries, and so state and local governments would have to absorb the remaining cost of hiring and keeping each of these new cops.

To give taxpayers a better understanding of the total cost of the crime bill, Heritage Foundation analysts have calculated the amount of new resources states will have to raise over six years if they choose to apply for the federal Community Policing grants. As is seen in the following table, these calculations show that state governments will have to raise a total of over $28 billion of their own funds to meet Clinton's promise.

Eight states (California, New York, Texas, Florida, Illinois, New Jersey, Pennsylvania, and Ohio) will have to absorb more than $1 billion each in new costs over the next six years to fully fund their share of the 100,000 new cops. At the bottom end of the scale, the fourteen states likely to receive the minimum amount of federal aid for new police officers—and, of course, the fewest number of new cops at 500 per state—will still find themselves liable for over $143 million each in added expenditures to meet the bill's lofty goal.

Large states, such as California and New York, will be particularly hard hit. Although California is estimated to receive 10,827 new cops, it will have to absorb some $3.1 billion in new costs to keep them on the street. Similarly, New York is estimated to receive 10,407 new cops but will be burdened by some $3 billion in new costs. Neither of these states is in the fiscal condition to bear this expense. Texas could hire nearly 6,400 new officers but would face an unfunded liability of over $1.8 billion by doing so.

In reality, the unfunded liability for some large states will be even higher than these estimates suggest. This analysis assumes that the Community Policing grants will be distributed proportionately according to a state's share of the national police force (see technical notes in the appendix). But the crime bill allows 75 percent of the Community Policing funds to be distributed at the discretion of the Attorney General. This means that the Administration may play politics with these funds and reward loyal mayors and local politicians in politically important states—or House members the White House needs to win passage of the bill.[2] But, ironically, this will raise the taxpayer liability in these states even higher.

The dirty little secret of the crime bill is that it will not put 100,000 new police officers on America's streets unless the states raise taxes or cut other spending to finance a massive $28 billion unfunded liability. Once most states realize the magnitude of these new costs it is likely that far fewer permanent cops will actually be hired. However the computation is made, the result is the same: Bill Clinton's crime bill actually funds only a fraction of the promised 100,000 new cops.

THE CRIME BILL'S UNFUNDED LIABILITY TO THE STATES

State	Estimated new cops added per state by crime bill	Crime bill's contribution for new cops over 6 years	Liability to State taxpayers for new cops over 6 years
California	10,827	$958,224,360	$3,102,048,353
New York	10,407	920,993,894	2,981,522,608
Texas	6,386	565,124,889	1,829,472,098
Florida	5,630	498,252,127	1,612,985,699
Illinois	5,488	485,723,575	1,572,427,165
New Jersey	4,327	382,895,805	1,239,544,047
Pennsylvania	4,129	365,378,435	1,182,835,273
Ohio	3,683	325,952,244	1,055,201,331
Michigan	3,106	274,917,767	889,988,026
Massachusetts	2,707	239,592,416	775,629,687
Georgia	2,605	230,502,758	746,203,844
North Carolina	2,484	219,847,031	711,708,184
Maryland	2,190	193,805,079	627,402,882
Virginia	2,148	190,075,574	615,329,401
Missouri	1,885	166,859,004	540,170,675
Wisconsin	1,808	159,981,217	517,905,294
Indiana	1,743	154,217,437	499,246,278
Tennessee	1,732	153,281,024	496,214,842
Louisiana	1,651	146,128,771	473,060,936
Alabama	1,443	127,674,988	413,320,725
Washington	1,399	123,767,888	400,672,317
Arizona	1,380	122,137,239	395,393,435
Connecticut	1,324	117,132,276	379,190,929
South Carolina	1,273	112,660,100	364,713,205
Minnesota	1,266	112,062,733	362,779,357
Colorado	1,225	108,446,244	351,071,739
Oklahoma	1,157	102,391,853	331,471,932
Kentucky	1,046	92,543,378	299,589,580
Oregon	898	79,498,185	257,358,530
Kansas	875	77,415,474	250,616,196
District of Columbia	830	73,459,939	237,810,989
Iowa	818	72,394,366	234,361,423
Mississippi	762	67,453,984	218,367,981
Arkansas	696	61,561,043	199,290,835
New Mexico	595	52,648,980	170,439,920
Nevada	565	50,001,194	161,868,271
Nebraska	514	45,496,727	147,286,015
Utah	500	44,250,000	143,250,000
Hawaii	500	44,250,000	143,250,000
Rhode Island	500	44,250,000	143,250,000
West Virginia	500	44,250,000	143,250,000
New Hampshire	500	44,250,000	143,250,000
Maine	500	44,250,000	143,250,000
Idaho	500	44,250,000	143,250,000
Montana	500	44,250,000	143,250,000

Footnotes at end of article.

THE CRIME BILL'S UNFUNDED LIABILITY TO THE STATES—Continued

State	Estimated new cops added per state by crime bill	Crime bill's contribution for new cops over 6 years	Liability to State taxpayers for new cops over 6 years
Delaware	500	44,250,000	143,250,000
Alaska	500	44,250,000	143,250,000
South Dakota	500	44,250,000	143,250,000
Wyoming	500	44,250,000	143,250,000
North Dakota	500	44,250,000	143,250,000
Vermont	500	44,250,000	143,250,000
Total	100,000	8,850,000,000	28,650,000,000

TECHNICAL NOTES

These calculations have been made using a conservative estimate of the average cost of hiring and keeping a police officer on the beat in small and large cities. In small cities, such as Elkhart, Indiana, the total cost of putting a permanent cop on the beat is $50,000 to $55,000 per year. In large cities, such as San Francisco, this cost rises to $70,000 to $75,000. The average used in this analysis is $62,500. This figure includes salary and fringe benefits, training, and some administrative costs. It does not include equipment costs such as police cars and radios. In most cities, a new police cruiser is needed for every three or four officers hired.

This analysis assumes that the Community Policing funds and, thus, the 100,000 new cops, will be distributed proportionately among the states according to the current state-by-state distribution of roughly 534,000 police officers nationwide. The source for these data is the "Sourcebook of Criminal Justice Statistics—1992," published by the Justice Department's Bureau of Justice Statistics.

The crime bill requires that no state receive less than 0.5 percent of the Community Policing funds. Thus fourteen small states, whose share of the nation's police force is less than 0.5 percent, were automatically allotted this minimum share of funds for new officers. The remaining funds and new cops were then distributed proportionately among the other states.

The federal contribution per state for new cops is based upon the $14,750 per cop per year the bill authorizes. The state liability is then based upon the residual amount of $47,750 ($62,500–$14,750).

[1] For more information on these calculations, see Scott A. Hodge, "The Crime Bill: Few Cops, Many Social Workers," Heritage Foundation Issue Bulletin No. 201, August 2, 1994.

[2] Last year, Congress passed an emergency supplemental bill which included $150 million in aid to hire 2,000 new police officers. Nearly 45 percent of these funds went to four key states: California, Florida, Illinois, and Texas.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. There being no further morning business, morning business is closed.

HEALTH SECURITY ACT

The PRESIDENT pro tempore. The Senate will resume consideration of the bill, S. 2351, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2351), to achieve universal health insurance.

The Senate resumed consideration of the bill.

Pending:

Mitchell Amendment No. 2560, in the nature of a substitute.

Mr. KENNEDY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, yesterday we enacted a guarantee that every insured child in America would receive comprehensive preventive benefits as a matter of right. Today we will be considering whether every child in America and every adult also should have at least the same reliable comprehensive benefits that every Member of Congress receives. The Mitchell bill is a triple guarantee.

First of all, in the Mitchell bill, you will not be cheated out of what you have today by insurance company fine print or loopholes in your policy that do not protect you when serious illness strikes. The examples of how that fine print has excluded the insurance companies from covering, whether it has been infants in their first days of life, or whether it is other individual families members that are in great need, has been illustrated time in and time out during the course of this debate. And the Mitchell bill addresses that particular feature of existing abuse that is taking place in too many insurance policy issues today.

Second, as long as you buy a standard insurance policy, you will never have less than the comprehensive benefits provided to every Member of Congress, and the President, too.

That has been the stated policy of the Mitchell proposal. There is a very similar concept in terms of even the Dole benefit package to make it actuarially similar to what we have in Federal employees health insurance. That is I think a standard which the American people would certainly be willing to accept. For 10 million Federal employees, including obviously the Members of the Senate and the House, it is a good program. I with a family pay $101 a month. It is an excellent program to provide for my family with two children. I daresay that most Americans having heard that would pretty much sign on for that program even today. It is certainly the objective of those of us who support health insurance reform to make that kind of a possibility for other Americans.

Third, the Government would never require you to buy less comprehensive coverage than you have today. You can always buy greater coverage if you want it. The basic concept is that a standard, not a Cadillac standard, or even a Gramm standard, but a minimum standard. In this case it is about the bottom quarter of the Fortune 500 in terms of the benefit package which would be the kind of minimal standard which can be added to, which can also be enhanced by individuals if they so desire because of certain kinds of needs; but a standard that would be available to Americans without the fine print of insurance policies that exist today.

I would like to review for the Members what the Mitchell bill does, and to contrast it to the alternatives. First of all, it establishes the comprehensive lists of benefits that must be covered. That is done on pages 95 to 104. In measures that were reported out of our human resource committee, we identified very, very precisely the benefits. The Federal employees programs are more general in terms of the types of benefits that ought to be provided. The leader reached I think a worthwhile adjustment in terms of those two ways of approaching this. It is illustrated on pages 95 to 104.

Second, it requires that these must be equal in total value to the Blue Cross-Blue Shield policy that covers most Members of Congress today. That is written into law at page 93.

It allows the vast majority of Americans to buy their coverage from the Federal Employees Health Benefits Program, the same program that provides coverage to every Member of Congress. That is at page 158. We will in terms of the two various pools be blending those, phased in over a limited period of time. But effectively that benefit package of benefit programs will be available to Americans and be consolidated in the next several years.

It also allows you to buy additional coverage if the standard benefits alone do not meet your needs. That is on page 88. It provides coverage for cost-effective preventive services without copays and deductibles. That is on page 123. We reviewed those in some detail over the period of the past days when we were considering the Dodd amendment.

I see the Senator from Delaware who supported that amendment on the floor at the present time. Basically, we were trying to ensure the kinds of preventive health care benefits which result in an enhanced health condition for individuals—particularly in the instance

of the Dodd amendment for children—which would enhance health conditions for all Americans. And the results have been illustrated several times by the excellent presentations that have been made by the two Senators from Hawaii, where they have very extensive preventive health care programs.

It is designed to better meet the special needs of women, children, and the disabled in many current insurance programs and insurance policies. This is addressed on various pages. The coverage as it relates to preexisting conditions is illustrated on pages 61 through 64. The Mitchell bill prohibits such abuses as the preexisting condition limits, lifetime limits, denial of coverage, rate hikes if you get sick, and exclusion of essential services.

The lifetime limits are addressed on page 124, and the other part is on pages 60 and 61 and the pages following. I daresay you could ask how many of the Members of this body would know what the lifetime limits are, or whether there are lifetime limits in their own Federal employees insurance. We had a meeting earlier in the morning talking about this with our colleagues here. And there are some tragic incidents where some of our colleagues talked about insurance policies that were available to their constituents, and then they would find out that they had some serious health needs and suddenly the insurance company would say, well, look, you have the lifetime limit and you have exceeded it. We found that particularly in examples used involving children—the kind of hardship was placed upon that family.

It guarantees you the right to choose a plan that provides free choice of doctor and hospital. This is included in both if you go through the cooperatives, page 151, or through employer programs at page 137. This is an essential part of the Mitchell proposal. Under the Dole provision, there is no reference to the choice of a doctor or a hospital.

So here is the contrast of the Mitchell bill to the status quo.

Today, any insurance company can, first of all, deny you coverage.

Secondly, they can impose a preexisting condition exclusion. They can say if you have a preexisting condition, we can exclude you for that coverage.

They can limit your lifetime benefits so that your protection runs out when you need it the most.

They can cancel your coverage when you get sick. We have had several examples in very recent weeks of employees with good companies that had their health care canceled for all of their employees because of the incidence of illness among just a few of their employees effectively canceled out within a 2- or 3-month period.

There is also the exclusion of any service from coverage, even a service that might turn out to be most important to you if someone in your family becomes seriously ill.

No American is guaranteed choice.

I think these following points are worthwhile to keep in mind. If your employer does not offer a plan you like, you can be out of luck. Eighty-four percent of employers offer only one plan. Of the employers that make available health insurance to their employees, they provide one plan, and you are effectively out of luck if you want an alternative choice. You can take it or leave it.

Second, if your employer does not offer a plan that allows you to keep your family doctor, you are also out of luck.

You say, look, I want to be able to keep my family doctor. The real life, real world today says: This is your plan. If your family doctor is not covered by that particular kind of plan, you are out of luck.

The Dole plan is better than the status quo alternative, but I do not believe it is good enough. The insurance companies can still impose preexisting condition limitations, and they can sell you a policy that does not cover the service you may need the most, because policies are not required to provide comprehensive coverage. You do not have the guarantee of choice.

We are likely to see an amendment offered sometime, perhaps today, or sometime in this debate, that will claim to protect the benefits the American people have today by effectively scrapping the requirement that every insurance policy must offer basic comprehensive benefits.

What it will do is effectively gut the protections that the Mitchell bill provides. It will allow every insurance company the abuse that exists today to continue with the preexisting condition limitations or the right of the company to terminate or not renew the policy.

There may very well be lifetime limits, inadequate protection for children and the disabled. One of the favorite provisions for many insurance companies, particularly those covering young families, is the exclusion of a child's coverage for the first 10 days of life. That is where about 93 percent of all medical complications arise.

I think of the scores of young couples that looked over the insurance policy and saw they got prenatal care, and then had these difficulties in the first few days of life, found out there was no coverage. That has been one of the continuing tragedies in too many instances.

Mr. President, any kind of an amendment that effectively would undermine the guarantee of at least a minimum package of benefits would undermine the amendment that we passed yesterday to protect children, because the guarantee of preventive services will turn out to be no guarantee at all.

The widely respected Actuarial Research Corp. estimated that because of adverse selection, if these benefits are available but not standard, it could cost a family an extra $450 a year. If they are included in what everybody buys, they would cost only $2 per month per child.

The supporters of this amendment will say that they are trying to preserve choice. But that is the same old argument that has been used to protect the profiteers of the status quo since the beginning of time. The opponents of change have always hid behind choice. Child labor laws deny children the choice to work 12 hours a day in mines and factories.

We will hear: Why should we have this standard benefit package available? Why do we know better than the people back home in local communities? Well, that debate was there at the time of the child labor laws.

In my own State of Massachusetts, in Lawrence and Lowell, you could go into the various plants and factories—and they still have museums up there containing little poems of children 10, 11, 12 years old, who used to work 10 or 12 hours a day, 6 days a week, and they would describe looking out the window at the parks, and so forth. Their life experiences had passed them by. They would generally last 8 to 10 years in those plants and no longer, for a variety of different kinds of tragic reasons. So when we hear, "We want to preserve choice," we can say that issue was addressed years ago. We had the child labor laws. They said, "Why should you in Congress pass child labor laws?"

Why do not we permit those who are in charge of the children have the choice of working more extensive time? Why deny us that kind of choice?

We have the same argument with the Fair Labor Standards Act which denies men and women the choice to work at less than the minimum wage. Why do not we permit men and women the choice of working less than the minimum wage?

There is basically a social compact which has been accepted by Republicans and Democrats alike that men and women who want to work 40 hours a week, 52 weeks a year ought to not be put in a position of poverty in this society. They ought to be able to have sufficient income to provide for their families, put a roof over their head, food on the table, afford a mortgage for their home, and live in some peace and in dignity. That was the concept.

We could say, well, let us eliminate any minimum wage laws. Let us just let the market go. Why do we know more than what is happening out in these local towns? We can find people who will work for less than the minimum wage.

We say, well, on the issues we have a sense of a common good about what our society is about. We care about

men and women who want to work, will work and will work for low wages, but they ought to be part of the American experience that they are going to live in some kind of peace and dignity.

We address the issues of choice on the Social Security Act, which denied people the choice to forgo pensions. Why not say, well, we had that debate. We are going to say under Social Security we are going to make that an option for people. We will give them the choice of having no Social Security, no pensions when they retire. Why not give them the choice of that so that they do not have to conform?

We have accepted the concept that we have a respect for those who have really been the architects of this great wonderful blessed land who really toiled in the fields and worked in the factories, fought the wars, built the country. They are part of our society. They are our parents. We are their children. And as a society, the only way that we could get it was the development of a Social Security system that was part of the social compact.

We have accepted in recent years what we call the lemon laws and deny the people the choice to buy cars that broke down all the time. Why not let anyone go out and buy whatever car they want, let it break down, touch the fender and it collapses, drive out of the parking lot and the engine is no good? Why not permit everybody the free choice to be able to do that? Why expect that there ought to be at least some requirement that would represent what the seller and the purchaser understand to be the value of it? We could say why have that kind of law, why have that kind of legislation, why have that kind of requirement? Let us just let the buyer beware when they go back out to those parking lots.

We had it for a period of time in the medical device legislation. We just said let women beware. Let women beware. We had 2,700 women who died from a perforated uterus. Let women beware, until we finally had some at least protection in terms of medical devices that were going to be implanted to show they were going to be safer and efficacious. We said there is at least some requirement and some responsibility.

So now the opponents of change want to give the American people the choice of substandard insurance coverage. They want to give the families the choice of denying their children preventive health care. They want to give mothers the choice of going without preventive prenatal care. They want to give people the choice to buy policies that will turn out not to cover the very people that it will need the most if they become sick. This kind of choice is really no choice at all. It is effectively an excuse to defraud the American people of the health security they deserve, and I believe it will be rejected.

Several days ago, one of the opponents of the Mitchell bill called it a health scare bill, and that is exactly what the proponents of this amendment are trying to do. They are trying to scare the American people into rejecting change. It did not work with Medicare a generation ago, and it will not work with the Mitchell bill now.

Mr. President, I yield the floor.

The PRESIDENT pro tempore. The Senator from Delaware [Mr. ROTH].

Mr. ROTH. Mr. President, for the first time in its history, the U.S. Senate has before it legislation to reform the Nation's entire health care system. Without a doubt, this is a historical debate. We must not lose sight that what we are debating will have tremendous repercussions on health care as we know it today.

The bill before us is immensely complex, in part, because it deals with an immensely complex issue. Even at this stage of the legislative process, it is not clear what direction the debate will take, and the final implications of whatever shape the legislation takes on are, therefore, unpredictable. In any event, let me make very clear that I strongly oppose the Clinton/Mitchell bill in its present form. Even the way this legislation was put together concerns me. And I am not alone.

In a recent column, Robert J. Samuelson quoted CBO chief Robert Reischauer, who warned that trying to find a compromise health care bill by combining provisions from different bills might make the health system worse. "You can't say I want a piston from Ford, a fuel pump from Toyota, and expect the engine to run." That is precisely what has happened with this bill.

There is a great deal that concerns me in this proposal. And I intend to look for answers, because what is contained in this legislation will not only dramatically affect the American people, but almost $1 trillion in medical services and about 15 percent of our economy.

At the top of my list of concerns is how this bill will affect the people of Delaware. In our State we have a population of about 660,000 people living in 3 counties. Right now, we have important and good health care services, delivered through partnerships and community involvement. Certainly, there are steps that we can take to improve access and affordability to these services, but they are delivering quality care—state-of-the-art care—to men, women, and children who depend on them.

Frankly, I am concerned with the effect this legislation will have on the balance of care now being provided—and, I am concerned with the effect the tax increases contained in the proposal will have on the economy and jobs in Delaware. This bill—one way or another—will have a dramatic impact on the system that currently exists. It will have a dramatic impact on employees, employers, as well as family security.

For example, in Delaware, the New Castle Chamber of Commerce, in cooperation with the University of Delaware's Bureau of Economic Research, conducted a study that shows:

> Mandated health care could lead to the loss of 27,800 jobs in New Castle County, due to layoffs and workers displaced by employers going out of business.

A second study, recently issued by the Family Research Council, states that families with children in Delaware bear the brunt of job losses due to employer mandated health care proposals. I would like to read from that study:

> Employer-mandated health care refers to the Federal government's requirement on employers to purchase 80 percent of their employees health insurance. * * * The impact of job losses in families is particularly acute when children are involved. The maximum number of impacted children would be in excess of the number of jobless parents with dependent children * * * Under the Clinton plan, 1,500 of the estimated 2,600 jobs lost in Delaware would be shouldered by families with dependent children * * *. Under the Senate Labor Committee plan, * * *, 3,200 of the estimated 5,600 jobs lost—would be shouldered by families with dependent children.

A third study, conducted by two Ohio University economists for the American Legislative Exchange Council [ALEC] projects that "Delaware would lose 3,200 jobs under the Clinton health care plan."

And a fourth study, conducted by CONSAD Research Corp., a firm that performs economic studies, estimates that "2,593 Delaware workers would lose their jobs, and another 72,977 would face reduced wages, hours or benefits" under the Clinton mandate.

These are real Delawareans with families that depend not only on a strong economy, but on competent health care providers. And as we consider legislation that will literally rearrange their environment we must see them in the most personal way and honestly determine how these 1,400-plus pages will alter how they live and do business. We must understand how this legislation will impact their health care providers. It is interesting to note that Delaware serves as a microcosm of America. In our State we have about every kind of health care practitioner, about every kind of hospital with their own unique services, characteristics, and needs. Rural hospitals, urban hospitals, religious, philanthropic, research hospitals, educational hospitals, veterans and childrens hospitals—we have them all. And it is revealing to assess this Mitchell-Clinton plan according to how it will affect these providers.

Let me give a few specific examples:

In our State, we have the Medical Center of Delaware, our largest facility which has a special relationship with

Jefferson Medical School in Philadelphia. I want to know how the medical education requirements of this proposal that will limit the total number of physicians in the United States will effect our medical center's ability to attract and retain new physicians-in-training.

We have Riverside Hospital, an osteopathic hospital serving northern Delawareans. I want to know the effect the bill has on osteopathic facilities.

We have St. Francis Hospital, which has a strong bond with the Catholic Church. The facility has a religious mission not to perform abortions. Again, this matter has not been clarified in the legislation before us.

We have Kent General Hospital in Dover and the military hospital on Dover Air Force Base—both of which serve Kent County. How will this legislation affect access to health care offered in both of these facilities for military personnel—active and retired?

We have a children's hospital heavily funded by an endowment from the Alfred I. du Pont Institute. In addition to the care it delivers to hundreds of children in the hospital, it has taken on a partnership with the State to expand access to care for Delaware's children. This is a creative partnership between public and private institutions. How will incentives for private groups to continue to donate and contribute toward providing needed health care be affected by both the tax and health policies contained in this legislation?

We have a veterans' hospital caring for thousands of veterans who have valiantly served our country. How will this legislation affect the continuity of care provided in that facility?

We have Beebe Hospital near our Delaware beaches which has an emergency room which must be able to serve both the year-round residents as well as the thousands who visit to our beautiful coastline each summer. Beebe serves a community where there has been an immense growth of individuals over the age of 65. Medicare reimbursements to the hospital have been, and continue to be, critical. How will the Medicare costs reductions included in this legislation affect Beebe's need to meet the needs of our seniors?

We have Milford Memorial and Nanticoke Hospitals serving rural populations in very innovative ways. It does not appear that this legislation will facilitate their abilities to create partnerships to share medical equipment and high-cost technology. Will this legislation continue to perpetuate the virtual medical arms race that is needlessly increasing the cost of health care delivery?

And, finally, we have the State hospital, which serves Delaware's chronically ill. What will be the State's future requirements to meet the needs of those now being cared for? Will there be an unafforable disruption in services?

In addition to these hospitals, we have many other organizations and people actively involved in the delivery of health care—three federally qualified community health centers, hundreds of physicians, nurses, chiropractors, psychologists, several medical research facilities, nursing homes, home health care agencies, hospice care givers, and many, many others. The list is very long—only exceeded by the numbers of men, women, and children who depend on the health care services they provide.

I am pleased to say that I have heard from Delawareans from top of the State to bottom; I have heard from these organizations. I have heard from many of our families. And I have benefitted from hearing their concerns. Their primary question is quite simple: How will all the new changes included in the Clinton-Mitchell plan affect me? Beyond this, they want to know how much will it cost. How many new Government employees it will require to run it. They want to know if it will limit their ability to choose the physicians they feel comfortable with. They are concerned about the future growth of such a program. Will it grow into an enormous and possibly unfundable entitlement with a life of its own? They want specifics concerning how Congress intends to pay for it with the deficit already so large. Others have asked if it is necessary to change the entire U.S. health care system—a system that currently covers 85 percent of all Americans—to reach the last 15 percent. They want to know if those remaining 15 percent could be covered in other ways.

These are all legitimate questions that must be answered as we move forward with this critical debate. And it is critical. We do need to make some important changes to our health care delivery system. The costs of providing health care are high. There are vulnerable Americans who are not receiving the coverage and medical care they need. Something must be done to control costs, to make health care coverage more affordable, to provide needed coverage to those now uninsured. I agree with this. As I have said many times, there are several very important steps that we should take to reform our Nation's health care system. Specifically, there are five points that we need to keep in mind as we move forward with health care reform.

First, that while there are major improvements that need to be made in our health care system, these improvements must be made without putting at risk the many good features that are working in our current system. As all doctors know, as we treat those conditions ailing the current system, we must first do no harm. Our health care system may have some shortcomings, but it is not broken. Consequently, it needs to be fixed or improved, not eliminated and substituted.

Second, acknowledging that improvements can, and should be made, we must focus on making those improvements. The areas that must be improved concern insurance coverage, removing the barriers that now exist. Reform should eliminate preexisting condition exclusions, and it should guarantee portability. Reform should empower small businesses in the marketplace and make coverage more affordable. These are all important steps, and I would like to address them individually:

Elimination of preexisting conditions: if a person has an illness or once was sick, they should still be able to get health care coverage;

Portability: Americans must not be locked into jobs, unable to change employment, because they may not be insured elsewhere;

Small business empowerment: small groups have very little leverage in the marketplace; any reform must provide them easier access;

Affordability: through the combined effect of cost containment measures—malpractice reform, cutting fraud and abuse, and administrative simplification—and an appropriately financed subsidy, real reform must assist low-wage workers in the purchase of health care insurance.

The third point we must keep in mind is that competition and choice have been fundamental influences in making our health care delivery system the world's flagship. Reform must build on market principles. Injecting more Government, creating more mandates, and hiring more bureaucrats is no way to make the system more efficient and effective.

Does this mean that Government has no place in this debate? Absolutely not. In fact, I have introduced a proposal that would put the strength and size of Government to work to benefit the small business man and woman. The Federal Government has the largest pool of privately insured individuals in the current system. Nine million Federal employees, retirees, and their dependents participate in the Federal Employees Health Benefits Program [FEHBP]. My proposal would put this pool to work by opening it up to others.

Small businesses and groups could buy into the Federal program, receiving the same rates that Federal employees receive. I understand that Senator MITCHELL's bill does contain a provision to use my idea to open up FEHBP, but as written, his utilization of my plan raises some concerns that I will address a little later.

Another measure that Government can and should make at this time is to give Americans the incentive to establish medical savings accounts, or MSA's. I have proposed legislation to establish medical savings accounts, and it has found broad support. Similar

legislation was even voted out of the House Ways and Means Committee.

A medical savings account is a savings account that is designed to pay for medical expenses. Under my legislation, individuals or families can convert the money that they and their employers spend on their health insurance policy into a less expensive catastrophic insurance policy, and put the balance into a medical savings account. For example, if a family has an average insurance plan costing $4,500 annually, they could convert those funds as follows: Part of the money would be used to buy a catastrophic policy for $2,000 to cover big expenses from, for example, cancer treatment or a heart attack. The balance of $2,500 would be put in a medical savings account. As long as the family spends less than $2,500 for routine health costs that year, all of their health expenses would be paid with pre-tax dollars from the MSA. In case of a medical emergency, the high deductible health insurance policy would begin paying the health costs once they exceed $3,000.

After a few years of low health expenses, excess MSA funds would be available in the account to pay for unexpectedly high health costs, for long-term health insurance or to make COBRA payments to extend coverage in case of unemployment. In fact, workers can use the money to pay for braces or eye care for their children, which often are not covered in a normal health care policy.

What makes my amendment work is the fact that Americans will know that whatever they do not spend on health care expenses, they can keep for themselves. Beyond offering patients choice, MSA's will help control health care costs.

The reason why is simple: it will encourage consumers of medical care to shop wisely, reject unnecessary treatment and conserve scarce medical resources because it is the consumer, not a third party such as an insurance company or the Government, who will be paying the bills.

In testimony before the Finance Committee, one company testified that in only 8 months after initiating an MSA program the average employee had savings of $602, and total savings for the company was $468,000. They stated that employees have been able to save because they are shopping around for medical care. In fact, one employee negotiated close to $4,000 off her hospital stay before she entered.

Already, six States have passed legislation enacting tax-favored medical savings accounts. They are Arizona, Colorado, Idaho, Mississippi, Missouri, and Michigan. Jersey City has implemented them as an alternative for their city employees, and the State of Ohio is contemplating a test program next year for State employees. Clearly medical savings accounts offer Americans a choice about their health care that should be fundamental in a country built on free market principles. It is the Federal Government that must now move ahead with this new idea.

Opening up FEHBP and creating incentives for Americans to participate in medical savings accounts—this is what Government can, and should, do. This is positive; it is achievable. It builds upon the proven strengths of the current program without creating mandates, without increasing taxes, and without creating large, overbearing government bureaucracies.

The fifth and final point we must remember is that America can ill afford new and higher taxes, new mandates, and new bureaucracies. The bureaucratic age is over. Small, lean, and efficient organizations—they are the future. It is no surprise that the engine of economic growth in America is small business. These businesses and the trends they set must be nurtured. Creating more Government won't do that; opening the benefits of a government program already in place to include them will.

Our answers to the the problems that do exist in our current health care deliver system must be innovative. But again, they must build on those principles within the system that are working. We must remember that in an entirely voluntary system, Americans still have reached a rate of almost 85 percent insured population.

Almost 20 million of the reported 38 million uninsured individuals are working, or are in a family where someone is working for a business which has 1 to 100 employees. What Government must do is make health care coverage more affordable for these small businesses.

One of the primary contentions of those supporting comprehensive national health care reform is that if we do nothing, our health care system will self-destruct. This is not true; it is a scare tactic. The truth is that in the past year, growth in health care costs have been at a 20-year low. Delivery of care is changing and efficiencies are emerging indicating that this is not a temporary trend.

The secret to successful health care reform is to build upon these trends and the principles that have made the American health care delivery system the foremost system in the world.

Mr. President, I would like to conclude by reading into the RECORD a letter of endorsement I received from the National Federation of Independent Business that supports my plan to open up the Federal Employee Health Benefit Plan. It reads:

On behalf of the over 600,000 members of the National Federation of Independent Business (NFIB), I am pleased to support your efforts to allow small business owners to purchase health insurance through the Federal Employees Health Benefits Program (FEHBP).

Since 1986, the cost of health insurance has been the number one concern of small business. Small firms often pay at least 30 percent more than large businesses for health insurance for their employees.

Your proposal to allow small businesses to voluntarily buy into an insurance pool with approximately 10 million people that offers a variety of plans is a terrific opportunity for many small businesses. It gives small businesses access to affordable health insurance.

Small business owners voluntarily buying insurance through the large FEHBP would have more purchasing power and lower administrative costs, leading to lower premiums. Pre-existing condition exclusions, sudden cancellation and rate hikes would no longer be problems—the risk would be spread over millions of people. In a recent survey of NFIB members, 70 percent believe small business owners should be permitted to buy health insurance through the federal program.

NFIB cannot support attempts to mandate small business participation in FEHBP. Additionally, businesses choosing to buy into the FEHBP should be able to purchase the same benefits at the same cost as federal employees and retirees, there should not be separate, higher rates for small business.

Thank you for leading the fight to help small business owners obtain affordable health insurance. We look forward to working with you. Sincerely, John J. Motley III, Vice President, Federal Governmental Affairs.

Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Iowa [Mr. GRASSLEY] is recognized.

Mr. GRASSLEY. Mr. President, for a couple weeks now, the newspaper articles reporting on the debate in the Congress about health care reform have been permeated with the politics of Capitol Hill. There is always going to be some politics on Capitol Hill on almost any issue.

I would imagine that the people out there at the grassroots really do not care about the politics of this issue. By politics, I mean Republican and Democratic sides of the issue.

I firmly believe that the people do not care whether a Democratic bill passes or a Republican bill passes or a bipartisan bill passes. I think what the American people are concerned about is that if we are going to pass legislation—and I say if because there seems to be a growing tendency on the part of people to be a little more skeptical about what we do and whether we should do anything. But I think the American people feel that if we are going to pass something, that the measure of whether or not it is good is not whether it is Republican or Democratic or bipartisan, but whether it is, in fact, a good piece of legislation. I think that is what they want us to struggle to accomplish, passing a good piece of legislation.

On the other hand, I think there is a political situation in Washington in which the strategy for this bill is that the other side of the aisle, the Democrats, along with the White House,

must pass a bill that the President will sign and that we will stay in session long enough during this summer break to do that, or we will stay here long enough until the other side can blame the Republicans for not passing such a bill.

That sort of strategy does not produce good legislation. It is not going to enhance the credibility of our institution, and it is not a very good position to be in and one that I hope we can get out of but probably cannot. So this sort of strategy could bring us to a position where we pass a more partisan bill rather than a good bill.

I hope that if we pass a bill that is as massive as this 1,400-plus page bill, that everybody in the country who thinks about their health care and their health insurance, on that day that it is passed, would write down in their diary—and tell the truth in your diary—of how you yourself view the health care system in the United States in 1994. Write it down. Write it down for yourself, write it down for your children and grandchildren. Describe your view of the American health care system and everything that is associated with it, including insurance, your doctor, your hospital, because you may look back in your diary and compare what you wrote in 1994 to what you have in 2000 or 2010 and find that in the future, you do not have anything of the quality or the quantity and the satisfaction that you had in 1994.

I think we owe it to ourselves to write that down because when you talk about passing a piece of legislation this size, do not forget it deals, to some extent, with veterans care paid for by the Government, Medicare, and Medicaid. All of these costs of Government, plus the cost of the private sector, add up to $900 billion plus in costs. One dollar out of every $7 of our gross national product is spent on health care in America, and a bill this size—and a lot of other bills that have been introduced, as well, some of them even Republican—is going to redirect every one of those dollars, to some extent.

That is Congress passing one piece of legislation, attempting to do it for a segment of the American economy that equals the entire economy of the country of Italy. Think of the U.S. Senate since March or April 1789 being in session 205 years. I do not think the Congress of the United States has ever before in the history of our country passed one piece of legislation having such sweeping impact upon the economy, both the private sector and the public sector.

We have tried in health care areas to do a lot less, and we have come up short of accomplishing what we wanted to accomplish. Remember in 1988, we passed catastrophic health care reform, just a small segment of some of the things that we are trying to accomplish in this legislation. I voted for it. It passed, I think, 87 to 11. I voted for it feeling I was doing not only what was right, but I voted for it doing what I felt my constituents wanted me to do.

It was not long when we went home and all of us ran into a buzz saw of discontent about that legislation, and we were back here within 1 year repealing that by almost the overwhelming margins by which we passed it in the first place.

So in another area of health care reform legislation, we passed a lot less in the 205-year history of our country and were not successful at it. I think the public is skeptical of Congress' ability to pass such a massive piece of legislation and do good in the process and do good for everybody. I think that skepticism has permeated the thought that has been filtering up to us from the grassroots from our townhall meetings, from our telephone conversations and, most particularly, from our mail.

Whether or not Congress can pass such a sweeping piece of legislation, guaranteed for everybody, and move forward, redirecting $1 out of every $7 spent in America and they have questions about it, I believe those questions lead to skepticism, and that skepticism at the grassroots has been affecting the debate on Capitol Hill over the last several months.

That is why I feel that if we do pass a piece of sweeping legislation like this, that perhaps you ought to write in your diary your thoughts about health care today.

It is my view that you will look back and say you wish you had those days with you again, that sort of environment for the quality and quantity of health care in America, albeit not perfect, not equitable, not entirely fair, as some people might view it.

Massive pieces of legislation like this, 1,400-plus pages are being promoted by people who have great faith that Government always does good. People who have opposition to this sweeping enactment, plus, I think, a majority of the people at the grassroots, are skeptical, question that faith in Government and probably have a greater faith in the marketplace. And I will just use one example that has been thrown out here of one approach in this bill of an employer mandate or a trigger that could bring an employer mandate that is working so well.

It is thrown out to us that Hawaii for 20 years has had an employer mandate, and that sets a good example for us as a nation as a whole to have one. My State of Iowa does not have an employer mandate, and by the Current Population Survey of 1993, Hawaii has 80.1 percent of its population with private health insurance. Iowa, without an employer mandate, has 80.3 percent; 80.1 for Hawaii, 80.3 for the State of Iowa. So you can get high participation in health insurance without an employer mandate, because we do not have one in my State. I think that is probably why the Iowa poll, which is a Des Moines register poll, shows high opposition to an employer mandate. I believe that is why our Governor Branstad of my State and his health task force have come out against an employer mandate. But an employer mandate is an example of having great faith in Government as opposed to having great faith in the marketplace.

Well, as has been said so many times, Mr. President, this big bill that I have held up, 1,400-page bill, is the third 1,400-page bill, or I should say the third draft of a bill that has appeared since its original introduction 2 weeks ago, I believe. It is difficult for staff and members to keep up with these changes. Senators are often heard to say that complicated legislation should not be done on the Senate floor, that that is the job of committees.

Now, of course, we have a completely now wrinkle in the process here. Legislation is being made in some never-never land between the committees and the Senate floor, and I suppose it is proper; the majority leader wants to develop majority support for his bill both inside the Senate and outside, and I suppose that is why it is necessary for some of these changes to be made.

But there is a question that is very pertinent to the debate, whether it is on the first draft, the second draft, or third draft. Why is it, when we are about to act on reform of our health care system, which has so much potential for good, that so many Americans are fearful of what we might do? And they are uncertain and they are fearful, Mr. President. Recent polls show it.

The Wall Street Journal/NBC poll released August 2 found that 52 percent of the respondents disapprove of health care reform, only 40 percent approve. To the question of whether or not Congress should pass a bill this year or debate now but act next year, 61 percent in that poll said we should act next year. And a more recent Newsweek poll found fully 65 percent want us to come back to this matter next year.

On last Wednesday afternoon, CNN reported that 54 percent of their respondents had said they thought they would be worse off if Congress passed a bill, and 32 percent—only 32 percent—said that they would be better off. Other Senators have cited other polls with similar results on this floor.

It is not only the polls that are showing this uncertainty. I have heard it loud and clear in over 25 listening posts, or town meetings as some of my colleagues call them, that I have had in towns, large and small, all over my State. In many of the meetings I have had, not devoted just to health care reform but to any issue that might come up, this issue is always raised, and it is always raised with the same kinds of

concerns. I do not believe that this uncertainty and fear is just the result of propaganda campaigns of interest groups devoted to preserving the status quo. Certainly, such efforts are underway and have been made for some time on both sides of the issue. We know that. Certainly such campaigns can confuse and mislead. Maybe they are meant to confuse and mislead. But there are a number of reasons why our fellow citizens are justified in their concerns about this legislation. Our fellow citizens are asking whether we can possibly know what is in this big bill and, more broadly, whether we really know what we are doing with such a comprehensive proposal.

The Presiding Officer knows Chancellor Bismarck's quip about legislation-making and sausage-making being similar. That remark was made over 100 years ago, but it is pertinent today maybe even with this legislation.

As our fellow citizens focus upon this legislative sausage factory at work on health care reform, they have every right to wonder what in the world is going on in the Senate. And some of us wonder why the public holds people who are in politics in low esteem.

But citizens are also concerned about the fundamental changes that would result in our health care system were the Clinton-Mitchell bill or the Gephardt bill in the House enacted.

Maybe the way to begin is to remind those who are listening what it is that Americans value in their health care. I am referring to the choice of personal physician. I am referring to the physician's traditional patient-centered ethic. I am referring to ready access to the most advanced diagnostic methods and to quick and easy access to the most competent specialist. I am referring to easy and convenient access to high quality care in general, and I am referring to the flexible private health insurance tailored to individual and family needs.

Now, remember, surveys of the American people have always found that, whatever their concerns with the way the system as a whole works generally, large majorities say that they are satisfied with their doctor. Large majorities say that they are satisfied with their hospitals. And, yes, most are even satisfied with their insurance companies. Our citizens are concerned because they understand that very fundamental changes are being proposed that could profoundly affect these things that they value so highly. They understand that the Clinton-Mitchell bill is going to lead to too much Government involvement in health care as well as higher taxes, lost jobs, and rationing. They realize that there is a very big question as to whether these changes can really work in the real world. And the people are completely justified in their concern, Mr. President.

When I read the review of the Congressional Budget Office of the Clinton administration's health reform plan last year, I was struck by the skepticism that the writers exhibited in the face of the nationalization of health care system that plan called for. I want to say I have spoken about the skepticism from the grassroots, but now I am referring to the skepticism of Government analysts, people inside the beltway.

The CBO asks:

> . . . whether it would be possible to implement the Clinton purpose fully in the timeframe envisioned, and whether there might be unintended consequences that could affect the system's viability.

This is CBO-speak for: "Is it really possible to implement such a scheme, and could it possibly ruin the health care system?"

They went on to say, and these are their words:

> Policymakers and analysts can only speculate about such questions because of the magnitude of the institutional changes being proposed.

Continuing to quote:

> Thus, the potential for unforeseen consequences, both favorable and unfavorable, would be significant.

If I can put that into CBO speech, it would say this: "All we can do is guess what might happen if we implement this plan."

More recently, the CBO and the Joint Committee on Taxation finished reviewing the health reform proposal of the Committee on Finance, not the one that is before us. I do not want to mislead you; I am speaking of the committee's proposal.

I was struck in reading this analysis by the same note of skepticism that the earlier authors displayed about the Clinton plan last year.

The authors seem to appear as doubtful that the reform plan as envisioned, even by our Senate Finance Committee, could actually be carried out. What they said was that in CBO's judgment, however, there exists a significant change that the substantial changes required by this proposal and by other systematic reform proposals could not be achieved as assumed.

If I can put those words into CBO speech, it would say this: We have no real world example of this managed competition system, and it will not work.

So now we have Senator MITCHELL's bill before us, this 1,400-page bill, the third printing of it. Mr. President, it is another risky proposal to comprehensively transform the American health care system, redirecting $1 out of every $7 in America, to some extent, greater or less. Great effort has been made to claim that this bill has no relationship whatsoever to President Clinton's original bill that I quoted CBO's analysis of. But the Mitchell bill seems to have more than a passing resemblance to what President Clinton offered. The health insurance purchasing cooperatives are back. They are not in this bill mandatory. But let me predict on this very day that they will end up being mandatory.

A national board, which the President created, with very major and sweeping powers is in the Mitchell bill. The mandates are there, even though they would only be invoked if certain target levels of coverage were not achieved. The standard benefit package proposed by the President is in the bill. The budgets and the premium caps are there, or something darned close to them. The complicated subsidy schemes for individuals and families are there. When you talk about subsidies for business, and lower-income people to buy health insurance, remember when it comes to the Government they want you to accept a mandate because there is a subsidy connected with it. Remember that mandates are forever, but subsidies tend to be temporary.

Subsidies are supposedly going to soften the blow of the mandates. But after a period of time, the mandates continue. The subsidies are fleeting.

The Mitchell bill is at least as complicated as earlier bills. It is even longer than President Clinton's bill, 1,410 pages compared to 364 pages. I forgot, because now the bill is up to 1,443 pages.

There are at least 30 major healthcare related topics on which the bill proposes major changes. I want to list them to give our listeners some idea of the scope of this legislation.

Major change No. 1, employer mandates with triggers;

Major change No. 2, new subsidies for 100 million people;

Major change No. 3, a number of new taxes or tax increases, 18 at last count;

Major change No. 4, many new Government bureaucracies, 49 last count. That is my count. Yesterday I saw another count that it was up almost to 60;

Major change No. 5, a new Medicare prescription drug benefit;

Major change No. 6, abortion coverage;

Major change No. 7, administrative simplification requirements;

Major change No. 8, antitrust and medical malpractice law changes, including repeal of McCarran-Ferguson as it relates to health insurance;

Major change No. 9, changes in the employee benefits law;

Major change No. 10, new rules for health insurance plans;

Major change No. 11, proposals for rural and urban underserved populations;

Major change No. 12, proposals for Medicare reform;

Major change No. 13, integration of the Medicaid program into the private sector health care system;

Major change No. 14, major changes in the way that our medical teaching institutions do their work;

Major change No. 15, new proposals for medical research;

Major change No. 16, long-term care provisions;

Major change No. 17, antifraud and abuse provisions;

Major change No. 18, expansion of many existing public health programs, and the creation of some new ones;

Major change No. 19, changes in the workers compensation programs;

Major change No. 20, some changes in health insurance as related to automobile coverage;

And major change No. 21, for the Federal Employees Health Benefits program.

Each of these topics—and there are more, but I do not want to continue the list. All of these topics has any number of major topics. So we are in fact, Mr. President, contemplating literally hundreds of major changes that will affect our health care system.

In any normal legislative session, passage of a bill with provisions similar to those of Senator MITCHELL's bill on any one of these topics would be a major legislative achievement.

Do we all know what major items might be buried among these hundreds of subchapters? For example, how many of my colleagues are aware of the fact that the national benefits board created in this bill is specifically exempt from the Federal Advisory Committee Act? You want to remember that what that means is that the board is going to make decisions about what benefits Americans are going to receive through the standard benefits package. And this is the same Federal Advisory Committee Act the First Lady's health care task force refused to comply with, and the White House is now being sued in Federal court over because the meetings and records were not open to the public. This means that some of the most basic decisions of health care can be made in secret proceedings, with no notice of meetings and no access to information.

This might be Star Chamber health care, Mr. President, but it is not surprising coming from those who believe in Government-run health care, because they do not want that to be scrutinized by the public.

There is a question of access to the courts raised by the legislation. I do not know whether this has been discussed yet on the floor, but access to the courts ought to be very important to anybody. When you are passing this sweeping piece of legislation, it ought to be more of a concern. Colleagues who vote for this bill will have to tell their constituents that if those constituents believe that they have had a constitutional right violated, they are going to have to come all the way to Washington to vindicate that right—not there in the local district court of their particular State, but right here in Washington, DC.

I think that provision has some implications that ought to be elaborated on, because if a person believes that some part of this bill is unconstitutional, the first thing he or she will have to do would be to come here to Washington, DC, to appear before the U.S. district court here, and even if that person demonstrates that he or she will suffer immediate or irreparable harm as a result of some part of this act, and even if that person shows that there is a substantial likelihood that the act or one of its provisions is unconstitutional, this bill renders the court powerless to grant temporary relief.

When it comes to health care, Mr. President, I am sure that we can all think of examples where an individual might suffer irreparable harm. Maybe it is some needed treatment that this bill curtails; some may be denied choice of a particular physician. Whatever the case is we are talking about, we are in fact talking about people's health and their lives, and any delay could prove critical. But this bill prevents the court from granting immediate temporary relief by limiting its power to grant "any temporary order or preliminary injunction restraining the enforcement or execution of this act or any provision of this act."

So one whose health may be impaired will have to wait until a panel of three judges can convene, wait until they finally decide the merits of the case—wait, Mr. President, for who knows how long.

Yes, as unbelievable as that might sound, the Clinton-Mitchell bill engages in court-stripping and forum-shopping of the rankest kind. It even deprives the court of authority to issue injunctions against operations of the act that might be unconstitutional. So now we will have health care that can never be taken away, not even by a court that might think some parts of this bill violate the Constitution. Whether you are a liberal Democrat or liberal Republican, there are a lot of my colleagues who have spoken eloquently against similar attempts to strip court jurisdiction and to eliminate form shopping. I hope that those people will be consistent and read through this legislation and speak just as loudly against those provisions, whether they are in this bill or some other piece of legislation.

There is even more, Mr. President. How many know that squirreled away among these hundreds of provisions is what can only be described as a naked power grab by the American Trial Lawyers Association and its high-priced lobbyists? Although it is titled "medical malpractice reform," it would be more accurate to label this as medical malpractice "deform." Written of, and by, and for the trial attorneys, it would arguably preempt the laws of 21 States which placed some limit on noneconomic and economic damages and replace it with no limit on damages. I say arguably because the provision has changed in Clinton-Mitchell three.

Apparently, the trial lawyers' greed went too far and was too obvious, and they hope no one would be able to read this bill, the third version, and notice what they were up to. Make no mistake about it—because you should be concerned about the intent of this provision—it is a stealth preemption of State law, and those States with malpractice reform laws will be the ones which suffer.

While this bill may be a windfall for trial lawyers, it would be a disaster for the health care system and the American people. It would stifle medical innovation, reduce the accessibility of health care, particularly in rural areas, and keep more money out of the hands of injured patients. Those States like California, which have enacted progressive liability reform that has succeeded in reducing health care costs, would see their efforts go up in smoke under this bill. But even that is not enough. These lawyers have succeeded in putting into this bill new civil actions with unlimited punitive damages, which creates the potential for explosive litigation—again, to the benefit of the trial lawyers and to the detriment of cost containment within the health care system.

It just goes to show that those who scream the loudest about special interest groups are the ones who have the most to hide.

I want to make my position clear on this issue. While there is some genuine, meaningful medical malpractice reform language in the health care bill, it will have failed to address one of the primary causes of escalating health care costs, and for that reason alone, it should be opposed.

There is another provision in this 1,443 pages about which I am concerned, and that is the proposed modifications of McCarran-Ferguson. And as far as health insurance reform and workman's comp and hospitalization as it relates to car insurance, there is a preemption—I should not say a preemption—there is a repeal of those provisions of McCarran-Ferguson. This act recognizes that certain cooperative actions were essential to the nature of the insurance business and provided for State regulation of such actions. The enormous growth of State insurance laws and regulations show that the States have been performing that function, as intended by Congress 49 years ago, very well.

There are few industries as competitive as the insurance business: over 3,400 companies selling insurance with no company having more than 9.2 percent of the market. In my State of Iowa, the insurance industry is a thriving component of the State's economy

with many, many small firms competing for business. The net effect of repeal of this part of McCarran-Ferguson would be to drive the small- and medium-sized insurers of Iowa and other States out of business, leaving insurance concentrated in the hands of a few giant companies. Without industry-wide data collection and rate advisory services, smaller companies will not survive. This would be a severe blow to my State, and I am opposed to that provision.

Mr. President, there are some good provisions in this 1,410 page health care proposal, no doubt about it. But that is not really the point. Do we really have even the foggiest idea of how any of this would actually work in the real world were we to pass it? And I think, just like CBO said several months ago, we ought to stop kidding ourselves. We have absolutely no idea at all, because again I think we need to emphasize again that, in the 205-year history of the Senate, there has never been legislation that would redirect $1 of every $7 in the American economy.

Remember again what the Congressional Budget Office found in their analysis of Senator MITCHELL's bill. These are their words: "There is a significant" chance that the "substantial changes required by this proposal . . . could not be achieved as assumed."

As many Senators have pointed out, we really have not had sufficient time to study and analyze Senator MITCHELL's bill. But a quick review suggests that it has any number of provisions that are going to create serious problems for many Americans.

A quick review also suggests that it is very likely that the original bill proposed by President Clinton would have those same problems and that this bill is very much like that bill.

The bill includes a delayed employer mandate which we have to assume will go into effect and will have a negative effect on small business and the employees of small business.

It includes a complicated tax on the rate of increase of health care premiums. This tax on the rate of increase in health plan premiums is really the Clinton global budget and premium cap concept, however, in disguise.

It is a global budget concept because aggregate national per capita health care expenditures in 1994 would become the total amount of spending from which national health care spending could increase in the future.

Then the Congressional Budget Office at that time would determine the acceptable rate of increase for the years until 1997. Thereafter, control of health spending would be on semiautomatic pilot. When finally implemented, it would be allowed to increase only at CPI plus 2 percent, restricted by what the Congress said in this bill the country can spend on its health care.

These cost containment features of the bill are almost surely going to drive right out of the market plans that allow you to go to any doctor you want and pay, through your health insurance, for the care you and your doctor decide you need.

I heard the author last night take some exception to our reading of his legislation that way. I heard every word he said. I still stand by this statement.

Even if health plan sponsors are required by the Mitchell bill to offer such fee-for-service plans, such plans may cease to exist, or people will not be able to afford them. People are going to be driven by economic pressure into low-cost managed care plans, or insurers will no longer be able to offer fee-for-service plans. The remaining managed care plans are going to be under great pressure to vigorously economize in the delivery of health care services, and that is the beginning of rationing.

The health insurance purchasing cooperatives called for in this bill have been described as voluntary, but they are not really going to end up that way. They probably will end up in reality as mandatory. All employers with under 500 employees must enroll their employees in this cooperative and may offer a choice of 3 private plans. But why would an employer attempt to negotiate with other plans if the employees can take the employer contribution and join any plan in the local cooperative?

If I understand the bill correctly, no insurer may charge a premium different than that negotiated for that insurer's plan through any purchasing cooperative. So why would an insurer even bother to offer a plan outside of the purchasing cooperatives?

Mr. President, Iowa is a rural State, and I want to digress just a moment to view this legislation from the perspective of my State and any rural State of America. From this standpoint, I believe that Senator MITCHELL has worked hard to include in this bill many provisions designed to help rural areas. We on this side of the aisle may have some problems with this or that rural-specific provision, but those differences can probably be worked out between us. In fact, many of the rural-specific provisions that have found their way into Senator MITCHELL's bill were developed earlier by both Democratic and Republican Senators, including myself, and were included in the Finance Committee bill and the Labor Committee bill.

Many of these same or similar provisions, by the way, are in the Dole-Packwood bill.

Unfortunately, I have to say to my colleagues that the question for those of us who represent rural areas has to be whether the major elements of Senator MITCHELL's bill are good for rural States, even though some of those specifically directed to certain specific problems in rural America are very good. Are those good provisions offset by some bad aspects of this major bill? I think the answer to that is yes, that they will. I think Senator MITCHELL's bill, as a whole, will not be good for rural areas.

I wish I could say otherwise as an answer to that question. I want to tell you why I cannot give a confident yes to this question.

The bill continues to discriminate against the self-employed. It fails to provide 100 percent deductibility of health insurance premiums for the self-employed.

A greater percentage of people in rural areas are self-employed than in urban areas—around 13 percent compared to 7½ percent of urban workers.

In farm areas and all over main street, small town, America, there are ordinary self-employed people who buy individual insurance and pay for it out of pocket after tax dollars. Now there is that 25 percent deductibility today, but even that ran out at the end of last year. We have let it run out before so that cannot even be counted on.

So these people's ability to afford their health insurance would be considerably enhanced with 100 percent deductibility. For instance, the American Farm Bureau Federation has estimated that for a typical family of four at the 15-percent tax level a full tax deduction could generate over $1,200 in savings per year.

Now, as a matter of fairness, large businesses get to deduct what they pay for employee health insurance. The employees of large businesses get a health insurance benefit tax free. Why should not our rural citizens and small business people get the same tax treatment?

In addition, the bill does not include medical saving accounts, and the distinguished Senator from Delaware spoke well about that issue before so I will not go into that. But medical savings accounts would help very much, maybe even more so in rural America than in urban America.

The bill outlaws self-funding of insurance for any business with fewer than 500 employees. Many small businesses found in rural towns now self-fund and are doing a good job offering insurance to their employees and cost containment. This ban on self-funding for employee groups of that size is going to disrupt health care coverage of all of them. Why should we not retain the self-funding option for rural areas as one more way of getting people covered?

I just cannot understand when we have such a high percentage of people in America and particularly employers self-insured that we want to hurt that approach. It seems to me what we ought to do is build on what private initiative has already accomplished in America and not do harm to it.

If the mandates laid out in the bill do get triggered in and are eventually required of small businesses, I think it

could be devastating for more fragile lower wage economies of rural areas.

The cost of private health insurance in rural areas is almost certainly going to rise as a consequence of this bill. If I understand how some of the features of this program are going to work, it looks as though they will conspire together to seriously disadvantage rural residents.

Fee-for-service plans are still more common in rural areas. And they probably will be for some time to come. Medicare payments tend to be a bigger factor of health care life in rural areas than in cities. Under this legislation, the Government is going to continue cheating on what it owes for Medicare services even more than it does now. Thus, providers are going to cost-shift to the fee-for-service plans more common in rural areas. The premiums of those plans are going to go up. As the premiums go up, the total amount of money taken by the 1.75-percent tax and shipped away to the east coast increases. As the premiums go up, they run right into the 25-percent excise tax called for by Senator MITCHELL's bill.

Furthermore, this 25-percent tax is really a global budget and premium cap provision. This is going to unfairly freeze providers in low-cost States at low levels of reimbursement. It seems to me that the same thing is going to happen to some of these States, including my own State of Iowa, that happened when the Medicare Cost Containment System was put in place. Unfairly low reimbursement levels were put in place and held in place by Federal law and Federal agencies. Only this time it would be not just the Medicare Program that is affected, but the entire private health care system in some of these States.

This provision is probably going to kill any hope of private investment in health care systems in rural areas. It is well understood here in the Senate that a substantial investment in rural health infrastructure and in rural health workers is needed. In fact, most of the bills recognize this by including provisions designed to do exactly that, including Senator MITCHELL's bill and Senator DOLE's bill.

The problem is that private health plans are not going to want to incur the additional cost of investment in health care if they face a tax on their premiums when they try to achieve a return on those investments. This is going to be true generally, not just in rural areas.

But the problem is going to be more acute in rural areas. Those areas do not have the population density that could make it easier for health plans to get back a return on the investments they make. They will almost surely face higher costs if they wish to invest their own resources in rural areas. Those costs will have to be reflected in their premiums.

Why should a private insurer take the risk of investing in an underserved rural area if they are going to face a 25-percent excise tax on the premiums they have to charge to cover the higher cost involved in investing in such areas?

So I hope that we can do something about making that very clear.

I would like to call the attention of my colleagues to two letters, one from the American Farm Bureau and the other one from 115 other organizations. Those organizations have concluded just the Mitchell bill is not going to be good for rural areas. They include some of our most important national farm organizations.

Mr. President, I ask unanimous consent to have these letters printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 12, 1994.

Hon. CHARLES GRASSLEY,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRASSLEY: On behalf of more than 100 farm and rural organizations we would like to voice our concern with the Health Care Reform Proposal offered by Senator Mitchell, as presently written.

We have spoken forcefully in favor of 100 percent tax deduction for the self employed and against an employer mandate * * * and against mandatory alliance.

We cannot support any plan that:

1. Does not achieve a 100 percent deduction.

2. Lays out the foundation for an Employer Mandate.

3. Sets up "required" participation in purchasing alliances, a "de-facto" Mandatory Alliance.

But there are other rural concerns that require bi-partisan attention.

Paperwork. It sets up administrative and reporting requirements that will be highly burdensome for small employers.

Cost of insurance may rise. Farmers traditionally buy plans with high deductibles. The Mitchell Plan limits this option. Community rating pools are broadly defined so that—in many instances—rural citizens will subsidize the health costs of their urban and suburban cousins, places where medical costs are not only higher, but so is utilization. In addition, age banding is unnecessarily restrictive. States have the option of setting up a community rate for the entire state.

It limits choice. It would allow states or the D.O.L. to determine, based on unstated definitions, that there is insufficient competition in certain rural areas so they are not required to even offer more than one plan to their employees. That one plan must always be the HIPC, and the HIPC must always include the FEHBP. This amounts to a potential back-door single-payor system for rural states.

Cost-shifting. It cuts into projected Medicare expenditures, which will hurt many rural hospitals, and because it shifts billions in Medicaid costs to private insurers, cost-shifting will take place. Net result: a massive, unintended cost-shift that will fuel insurance costs of fee-for-service plans—the primary insurance vehicle for rural communities.

Taxes. The new tax on plans with fast growing health premiums will hit fee-for-service plans hardest, especially those in rural areas, for reasons already noted in previous paragraph.

Association Plans. About 1 in 3 farmers and very-small rural small businesses have their health insurance through "association plans", which pool businesses or individuals in a form of voluntary cooperative. These plans are more likely to have begun to negotiate PPO and cost-savings with providers. However, these plans are essentially made ineffective by making them a part of a community rated pool, and not part of an experienced rated pool, despite the fact that many of these plans have more than 500, and some more than 5,000 individuals enrolled. Solutions: allow large association plans to be experienced rated, but require an annual open enrollment for members. The long-range impact of weaker private sector pooling arrangements is to eventually force very small businesses, and the self-employed into the state or federal-directed HIPCs—which may be the insurance of last resort for the poor.

Subsidies. Subsidies do not clearly distinguish the realities of farm income, in which it is true that farmers have relatively high "gross income" but "low net income". Careful consideration should be made for agricultural producers, especially young farmers, because "gross incomes" may not be the best determination.

Health Board. It gives enormous power to several new agencies, especially the National Health Board, but it does not include provisions that would guarantee rural representation on those boards. Health care is not necessarily better, or worse in rural America, but it is different. The composition of any agency with important health powers should include stronger rural representation.

Medical Savings Account. It does not include Medical Savings Accounts. Farmers would benefit from MSAs, and have been pioneers in the use of the MSA concept by blending high deductible plans with personally-funded tax deferral savings vehicles. MSAs are a proven "concept", the Mitchell Plan does not acknowledge their value in any way at all.

There are many positive enhancements to the recruiting of health professionals to rural areas and grants for demonstration projects, but on balance is not a plan we can embrace.

Sincerely,

American Agri-Women; American Dry Pea and Lentil Association; American Sod Producers Association; Communicating for Agriculture; Farm Health Care Coalition; Farmers Health Alliance; International Apple Institute; National Association of Wheat Growers; National Barley Growers Association; National Cattlemen's Association; National Contract Poultry Growers Association; National Cotton Council; National Cotton Council of America; National Council of Agricultural Employers.

National Council of Farmers Cooperatives; National Christmas Tree Association; National Christmas Tree Nursery; National Grange; National Milk Producers Federation; National Pork Producers Council; United Agribusiness League; United Egg Producers; United Fresh Fruit & Vegetable Association; Women Involved in Farm Economics; Agricultural Council of Arkansas; Agricultural Producers; Alabama Contract Poultry Growers Association; AZ Cotton Growers Association.

Arkansas Association of Wheat Growers; Arkansas Contract Poultry Growers Association; California Association of Wheat Growers; CA Cotton Ginners Association; CA Cotton Growers Association; California Farm

Bureau Federation; California Grape & Tree Fruit League; Colorado Association of Wheat Growers; Florida Contract Poultry Growers Association; Florida Fruit & Vegetable Association; Florida Nurserymen & Growers Association; Georgia Contract Poultry Growers Association; Idaho Grain Producers Association; Idaho Onion Growers Association.

Illinois Cattlemen's Association; Kansas Association of Wheat Growers; Kentucky Contract Poultry Growers Association; Kentucky Small Grain Growers Association; LA Cotton Association; LA Cotton Producers Association; Louisiana Contract Poultry Growers Association; LA Ginners Association; LA Independent Cotton Warehouse Association; Delmarva Contract Poultry Growers Association; Minnesota Association of Wheat Growers; Mississippi Contract Poultry Growers Association; Mississippi Delta Council; Montana Grain Growers Association.

Nebraska Wheat Growers Association; New England Apple Council; New Mexico Wheat Growers Association; North Carolina Apple Growers Association; North Carolina Small Grain Growers; North Carolina Sweet Potato Commission; North Dakota Grain Growers Association; North Dakota Stockmen; Ohio Contract Poultry Growers Association; Oklahoma Contract Poultry Growers Association; Oklahoma Wheat Growers Association.

Plains Cotton Growers Association; South Carolina Contract Poultry Growers Association; South Dakota Wheat Incorporated; Southern Cotton Growers Association; Southeastern Cotton Ginners Association; Tennessee Contract Poultry Growers Association; Texas Cattle Feeders Association; Avian Cooperative of Texas; Texas Citrus & Vegetable Association; Texas Wheat Producers Association; South Texas Cotton & Grain Association; Rolling Plains Cotton Growers; Virginia Agricultural Growers Association; Virginia Contract Poultry Growers Association.

Virginia Small Grain Growers Association; Washington Association of Wheat Growers; Washington Cattlemen's Association; Washington Growers Clearinghouse Association; Washington Growers League; Washington State Horticultural Association; Washington Women for the Survival of Agriculture; Western Growers Association; Western Pistachio Association; Wisconsin Christmas Tree Producers Association; Wyoming Wheat Growers Association; Curtice Burns Foods/Pro-Fac Cooperative; Dovex Fruit Company; Eastgate Farms, Inc.

El Vista Orchards, Inc.; Florida Citrus Mutual; Forrence Orchards, Inc.; Grainger Farms, Inc.; Grower-Shipper Vegetable Association of Central California; Hood River Grower-Shipper Association; Johnny Appleseed of Washington/CRO Fruit Company; Knouse Fruitlands, Inc.; Lyman Orchards Country; Newman Ranch Company; Nyssa-Nampa Beet Growers Association; Princeton Nurseries; Rocky Mountain Apple Products Company; Torrey Farms, Inc.

Valley Growers Cooperative; Ventura County Agricultural Association; Wasco County Fruit & Produce League; Yakima Valley Growers-Shippers Association.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, August 11, 1994.

Hon. HOWELL HEFLIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEFLIN: The Senate is poised to begin voting on the most important social question of this Congress and probably of the last 30 years. You have the responsibility to represent the views and best interests of America and your state's portion of the 4.2 million members of the Farm Bureau. Your constituents expect and deserve a health care reform law that remedies what is wrong and protects what is right with our present system.

Farm Bureau has closely followed and has attended numerous meetings on the subject of health care reform, from the early efforts by the White House to those of many members of the House and Senate, as well as with various organizations and coalitions. We have intentionally not joined any formal coalitions nor have we aligned ourselves with any of the many proposals that have surfaced. We have instead pointed out what, in our view, would be valuable or detrimental to the needed improvement of our system.

Farm Bureau members have made this a priority issue and are obviously users of the present health care system. As users, we have benefitted from the unbelievable advances in medicine and also have suffered through the unrelenting double-digit medical cost inflation of the last 20 years.

The farmer delegates to the American Farm Bureau Federation's annual meeting approved two full pages of policy regarding health care. The essence of Farm Bureau policy is expressed as follows.

We favor:

1. Reform of the current health care system;
2. Financial assistance to those unable to afford it;
3. One hundred (100) percent tax deductibility of health insurance costs paid by the self-employed;
4. Medical savings accounts;
5. Sensible insurance reform dealing with portability, prior existing conditions and modified community rating;
6. Malpractice tort reform;
7. Targeted rural benefits, such as incentives for medical professionals to locate and stay in rural areas, fair reimbursements on Medicare and Medicaid, and greater use of technology for modern "telemedicine."

We oppose:

1. Employer mandates, including triggers to impose them at some future date unless the Congress must vote for the imposition;
2. Government-imposed price controls on the various components of the health care delivery system;
3. Massive new taxes; and
4. Repeal of the McCarran-Ferguson Act.

We are not opposed to any of the proposals in their entirety and do not criticize any proposal completely. However, some of the proposals have more points with which we agree than others. Thus, we will support or oppose bills, amendments and substitutes accordingly.

The reform of health care in America is not a sporting event that has one side winning or losing. We will all win or we will all lose based on the outcome of this debate. We don't believe either the next congressional election or the next presidential election can be predicted based on this issue. Therefore, a purely political vote will benefit neither you nor America.

We urge you to consider AFBF's policy as you vote on this important question and support constructive change.

Sincerely,

DEAN R. KLECKNER,
President,
American Farm Bureau Federation.

[From Farm Bureau News, Aug. 15, 1994]

CONGRESS BEGINS DEBATE ON HEALTH CARE REFORM

Debate on legislation to reform the nation's health care system began last week in the Senate. It had been scheduled to start in the House this week, but House leaders have now postponed it for at least another week.

At the center of the debate are plans crafted by Sen. George Mitchell (D-Maine) and Rep. Richard Gephardt (D-Mo.) that contain controversial provisions requiring employers to pay part of the cost for their employees' insurance.

In the House, a bipartisan alternative that does not include employer mandates has been put forward by Reps. Roy Rowland (D-Ga.), Michael Bilirakis (R-Fla.), Jim Cooper (D-Tenn.) and Fred Grandy (R-Iowa).

Because of different rules in each body, the Senate is expected to consider dozens of amendments while the House plans to consider only a handful of major proposals. The first battle in the House will be a decision on the rule that governs debate. Farm Bureau is urging House members to adopt a rule that will give alternative plans a fair opportunity to be considered.

American Farm Bureau Federation President Dean Kleckner, in a letter to all members of Congress, noted that Farm Bureau does not oppose any of the proposals in their entirety but "some of the proposals have more points we agree with than others."

"The reform of health care in America is not a sporting event that has one side winning or losing," Kleckner told lawmakers. "We will all win or we will all lose based on the outcome of this debate. A purely political vote will benefit neither you nor America."

The Gephardt and Mitchell proposals as they are currently written fail to meet Farm Bureau policy, according to Hyde Murray, an American Farm Bureau Federation governmental relations director. The Rowland bipartisan measure comes closer to meeting Farm Bureau's objectives, he added.

Farm Bureau supports health care reform that provides financial assistance to those unable to afford it; 100 percent tax deductibility of health insurance costs paid by the self-employed; medical savings accounts; sensible insurance reform dealing with portability, prior existing conditions and modified community rating; malpractice tort reform; and targeted rural benefits including greater use of technology for "telemedicine."

Farm Bureau opposes employer mandates, government-imposed price controls, massive new taxes and repeal of the McCarran-Ferguson Act, which provides an antitrust exemption for the insurance industry. A provision to repeal the act is included in the Gephardt bill.

Mr. GRASSLEY. Mr. President, I believe that many Americans are concerned about losing some of those features of the American health care system that they value so highly which I listed at the beginning of my statement.

If the Clinton-style global budgets and premium caps go into effect, these things we now value so highly could be threatened. Health plans will have to strenuously economize in order to remain profitable. Economizing means that the quality of care could decline, access to care could be reduced and rationing could result.

Doctors are at risk of becoming employees of big insurance companies. In the new managed care plans, there could certainly be at work a financial incentive to underserve. Those who

serve as the gatekeepers through which people will have to pass to get health care will be under instructions to make people wait, to delay or deny access to specialists, to delay or deny access to sophisticated diagnostic procedures.

I do not fear for the young and healthy, the kind of people found disproportionately in health maintenance organizations. I fear for those with costly and life-threatening or handicapping illness. I do not want to see a state of affairs come about in which such people find that their care is delayed, or their access to advanced diagnosis is put off, or their access to the best specialists is restricted.

We all agree on the need for cost containment, Mr. President. I think all of us have presumed that cost containment is one of the major goals of reform.

But there is an obvious tension between vigorous cost containment and these things we value so highly in our health insurance and health care arrangements. This tension cannot be sidestepped just by claiming that we are going to eliminate unnecessary care and drive out waste, fraud, and abuse, as worthy as those goals are and as necessary as it is that they be accomplished.

Remember, in my opening comments, I said to write down in your diary the day this 1,400-page bill passes the Congress and is signed by the Senate what you think of your health care system. Because I do not think you will ever see it this great in the future.

I want to quote Rudolph Penner. We all know him, unless you are a recent Member of this body. I think everybody knows him anyway; a scholar today, but former director of the Congressional Budget Office and a respected economist. He gave an assessment of price controls in health care for the Alliance for Management Competition. He cited a comment from the Congressional Budget Office that puts this tension pretty well, the tension that I cited between cost containment and the reduction of the quality of care and access to diagnostic treatment and to specialists; in other words, where we do not have rationing today, where we might have rationing in the future. This is what Rudolph Penner quotes from CBO.

> In the process of changing the present health care system to achieve greater control over costs, some of the desirable features of the current health care system would be adversely affected. In particular * * * less spending on research and development, longer waiting times for access to new technology, and limitations on our existing choices of providers, health insurance coverage, and treatment alternatives.

Now, again, this person I quote is a person who understands Government. He understands the shortcomings of Government. If he has questions about these massive changes in our health care system, then is it any wonder people at grassroots America are skeptical of our deliberations and what we might do to that health care system with the passage of this legislation?

If there is one thing of which I am very confident, it is that the American people—that broad stratum of well-insured Americans who are pleased with their doctor, their hospitals, and their insurance companies—are very much not of a mind to give up these things that they value so highly.

With the power of Government behind you, it is possible to dream up practically anything in the mind's eye. It is possible to put those ideas down on paper. It is even possible to write legislation based on those ideas. Whether they will come even close, though, to working out there in the real world, that is a completely different matter. The plans offered by President Clinton, by the congressional committees which have reported bills, and by Senator MITCHELL, would launch our people on a wildly experimental venture.

As much as they want to see changes in our health care system, I am confident the American people do not want to be laboratory rats for some grand Government-dominated national social experiment. When people answer polls about wanting some changes made in the system I think it is summed up best by people in my State—and I will bet there are people like them in every State —who would say, in a very common sense approach, to their Senators or their Congressmen, something like this: "Well, we know that you have a problem out there in Washington. You want to do something about the health care system. You want to do something about cost containment. You want to do something about the people who do not have insurance."

In making that statement they are really asking a question: "If you have to deal with those things, can't you find a way of doing it where you do not screw up our health care that we have today?"

Many of our fellow citizens are, thus, trying to tell us they want improvements in the way our health care system works but they do not want to revolutionize that system. They want to see the uninsured are insured. They are moved, I think, by the plight of the uninsured. There was not one of us who listened to Mrs. Clinton last night, or listened to the people she had on the podium there with her, who had special problems, who would not be moved by that. But the people at the grassroots believe that these problems can be solved without vastly increasing the role of Government in the workings of the health care system. They believe these problems can be solved without throwing the entire system into turmoil. They want a reform that is done right. They do not want a contraption hurriedly stuck together with baling wire and chewing gum so we can throw something out to the voters this year to satisfy the electoral needs of politicians and that the bureaucrats in the Department of Health and Human Services will have to finish for us, fill in the blanks with regulations next year and for every year thereafter.

The American people are telling us they want to put this entire health care reform project off. That is what a majority of people are now saying in those polls. A year ago they did not say that. A year ago they did not know any more than we did what we were talking about in a 1,400 page bill. We know that they have now had a chance to look at it. I still do not think it has to be put off. I think we can pass some incremental legislation this year and build on it. We can have some useful reform this year, a good bill: Not a Democrat bill, not a Republican bill, not a bipartisan bill—but just a good bill. I am of the view we should not proceed with what might be called a big bang approach to health care reform. We should pass those limited reforms that will do some good. Then see what happens. Then we should return to the task next year and the year after, making adjustments that seem appropriate in light of what incremental reforms have been accomplished.

In other words, not to make the mistake we did in 1988, as sincere as that was. We had the ability to do this up right, pass one big bill redirecting $1 out of every $7 spent in America—the most massive impact on the economy of any piece of legislation ever passed in our history. If we could do that and people had confidence we could do it, that is one thing. But the people are skeptical about it now. That should cause us to be skeptical. But more so the track record of 1988 ought to signify to us we should make changes where there is very wide agreement among us on those things that can pass almost unanimously and then in the future—in the very near future—do more; in that very near future do some more. But do it slowly so we do not make mistakes.

I yield the floor.

The PRESIDENT pro tempore. The Senator from New Hampshire [Mr. SMITH].

Mr. SMITH. Mr. President, this has been and will continue to be a long, extended debate on an issue that is very, very important to the American people. As we look at where we are and why we are here, we started, of course, with health care being an issue in the last Presidential campaign. To the credit of the President and the First Lady, they made it an issue, and because of that we now have this debate at center stage.

Like most of my colleagues, I go out and get involved in the process, trying to understand the issue as much as possible. It is a very complex issue and

takes a lot of work to do it. My office has received thousands of phone calls and letters—more phone calls and letters, I think, on the issue of health care reform, both sides, than on anything since I have been in the Congress. I hosted a statewide health care conference earlier this year, in April, that featured leading policy experts from every facet of the health care delivery system. There were doctors, there were providers, nurses, patients—everyone who in some way had an impact or was impacted by any change or legislation in the health care industry was there. It was a fascinating seminar, to say the least, to listen to the concerns and the recommendations that were made by these people.

In addition to that I have 10 counties in my State. I held a town meeting in each of those counties. We do not call them town meetings in New Hampshire. There is only one town meeting in New Hampshire and that is the one held by the town. But I called them citizen forums. In these forums we were there to hear directly from constituents regarding the issue of health care reform. They spoke out. There were hundreds of them there in all of those town meetings, more than attended any of my citizen forums on any other issue.

In addition, as I said, I have met privately with numerous doctors, nurses, administrators of hospitals, insurance executives, private citizens and patients, as we have all done. This is not something that has been unique to me. All of us here in the Senate have tried to do this because of the complexity of the issue. In short, I guess the fairest thing to say is I have heard New Hampshire speak to me, and with me, on this issue. Overwhelmingly what they are saying is they do not want the Government any more involved in health care than it is already involved now. In other words, less Government involvement. I think there is a concern, unfortunately, that comes through as we listen to these constituents and providers and all of those who are in any way affected by this pending legislation—there is a concern that the Government is going to do something to me on this issue. I think that is coming through loud and clear, and it is a very valid concern. Rather than helping us, they are going to do something to me that may cost me my good quality health care.

The national polls—which have changed dramatically from overwhelming support for what President Clinton had proposed to the opposite, now—show America shares those same feelings as the people in New Hampshire.

(Mr. KERREY assumed the chair.)

Mr. SMITH. Mr. President, I do not think there is a great difference between the States—no matter what State you represent—on this issue.

I believe, based on what I have heard from the people I have talked with, that most Americans would oppose not only the underlying finance bill, which is technically on the floor, but also the Clinton-Mitchell-Gephardt or Clinton-Mitchell bill as we have here.

Fifty-three percent, according to the polls, worries Congress will pass a plan that gives the Federal Government too much control. And that is a very valid concern. They are suspicious because Government has proven again and again that it is not efficient, it is not compassionate, it is not thrifty; therefore, should not be trying to provide health care needs of people—least of all health care.

If a mistake is made by a Government official in perhaps the administration of the IRS or some other program, or the Post Office is late delivering the mail, it is a problem, maybe, but it is a minor problem compared to some slipup in the treatment of your health.

I think of the thousands of times—we all have done it—I tried to do an estimate, but it is in the thousands of people that have contacted my office in the past 10 years in the Congress to seek help with the Government bureaucracy. Sometimes we help them, and sometimes we cannot. It is as simple as that. It is a complex maze that citizens have to go through.

I think of those huge numbers of cases—veterans, Social Security, immigration—all of the things that we deal with. I think, OK, it is a hassle, it is a problem, it is a mess. We try to straighten it out. We go here, we go there and help them get straightened out to get them out of the country, back into the country, get their Social Security check, whatever. And they are important to them, but they are not as important as their health.

I cannot imagine having the caseload of our offices increased because somebody was having problems with the Federal Government's involvement in health care and seeking our office's help, or any help, to try to help them when they have been denied access or some other problem which may crop up.

They are worried. People are concerned. They are worried that they are going to lose their choice in their health care providers, they are worried that the quality of their health care will go down, they are very worried that their personal freedom will be diminished, and they are worried that they will be denied access to health care under certain circumstances, and that their costs will go up. These are very, very legitimate concerns: Costs, access, personal freedom, quality. These are concerns, and they are legitimate concerns of every single American.

I would also point out that this type of legislation we are discussing today is something that is going to impact every single American in one way or another. Very few people go through life from cradle to grave without having to meet a doctor along the way. It may happen, but not too often, if it happens at all. So somebody is going to be affected at some point in the chain. We need to understand that people are very concerned about that.

So that is why this is a controversial issue; it is a tough debate. People with good intentions on both sides have brought it to the forefront. The debate has been, I think, fair and pretty spirited at times, but I think it is necessary.

Let me talk a little bit about the process and what brought us here, and then get into the substance of the issue.

Because it affects every man, woman, and child in America in one way or another, I am a bit concerned about how we have gotten here in the process. I mentioned the fact it was brought up in the campaign. Then we had the White House Task Force on Health Care Reform, which essentially met in secret, as you all know, and for the most part precluded many who would like to have been involved, from being involved.

As a matter of fact it is now, probably, a violation of law and will be before the courts for a while to see how that will be resolved as to whether or not any laws were violated. Then after that, the so-called Clinton bill gets knocked around for almost a year, taking a downward spiral in the polls because of the debate that ensued. Then we have a meeting. Some decision is made by some in the Government—not on our side of the aisle from what I have been able to understand—that this bill, the Clinton bill, cannot make it, is not what the American people want. It is obvious. So there is a secret meeting or some type of meeting at the White House between the President and the majority leaders in the House and Senate, and then the decision is made to present two bills to the Congress: One the so-called Gephardt bill and one the so-called Mitchell bill.

I will just say, and I know there has been a lot of debate on this and I am not going to go into it to any degree, but this is a big bill. There are a lot of big bills that come through here, as Senator MITCHELL said the other day, and he is right. Do we get a chance to read them all? No. This is a bill with a huge impact on the American people. I might tell you, I started going through this thing. This is not a Tom Clancy novel we are talking about here, and it certainly is not John Grisham either.

This is tough reading. You need to have the television off and the music off and the kids in bed when you start reading this baby because this is really complex stuff. It takes a lot of time and it takes a lot of focus. It is 1,400 pages.

I just feel that when we talk about immediately moving to the bill, talking about threatening all-night sessions if we do not get amendments offered, if we do not do this, do not do that.

To the President's credit, his bill was debated for a year or longer out there. We knew pretty much what was coming down. Then suddenly the doors close, the President's bill is declared dead and out comes this one, out comes this thing. We now are told if we do not get to this thing and get it voted on shortly, we are going to stay in session all night until we do it. Then there was some blinking, and we wound up with some amendments being offered.

I do not have a problem with amendments being offered, but I want to make sure this thing is debated fully and every Member of the Senate has a chance to read it. What disturbs me even more, I would like to have the opportunity after I read it, after this debate, and before the vote, to go back to New Hampshire and talk with my constituents about it, because they have no idea what is in it.

They had some idea what was in the Clinton bill. That was done in a correct way. That was debated. This is not the Clinton bill. Not exactly. There are a lot of Clinton provisions in it. We do not know exactly what this bill is, nor do we know what the impact of it is.

I think the people all over the country—not just New Hampshire—ought to know what is in it. The only way that is going to happen is if we have the opportunity to go back and speak with them, after having read it and learned what is in it.

So we are now going to move to this bill, which we have done, with the threat of all-night sessions. So here we are. It is clear the push for health reform now has acquired a life of its own. It is no longer just a simple piece of legislation. It is breathing on its own.

Robert Samuelson pointed out in a Washington Post column last week that the Democrats are much more interested in putting together a bill that can pass for political reasons than doing what is right for our country. I do not know that I would totally subscribe to that, but I do think that the point is that what is politically expedient is not always necessarily what is right for the country.

So, again, I hope that reason will prevail; that perhaps those of us who have had to cancel plans might have the opportunity to get back home, talk with our constituents about this, come back here, take a few more weeks to allow this thing to be debated fully and make an intelligent decision. I am not optimistic that is going to happen, but I hope that it happens. We have to wait and see how that plays out.

Let us take a look at what some of the concerns are on this legislation. We know that this bill contains employer mandates. We know that the majority of businesses in this country, especially the small businesses, are opposed to that; that it is a problem. Whether you are talking about Clinton or Gephardt or Mitchell, they all have the employer mandates in one form or another.

The bill introduces a Government-chosen standardized benefits package. That is another provision. The Mitchell bill allows a commission to set the package with certain guidelines, so Americans will never know, really, until after the law is passed what is in there. This is another situation where we have not dealt forthrightly with the issue up front. We have just created a commission, and this commission now is going to establish some guidelines. So we are not going to know what is covered and is not covered until after the bill becomes law. That is not a good way to legislate.

The Mitchell bill does pave the way for direct Federal control of health care. There is no question about that. Any reasonable look at this is obvious. The Federal Government, under Mitchell, establishes an exclusive alliance for certain workers in areas where States do not create their own alliances and rules governing this system would be drawn up in Washington.

Washington. Why is it always Washington? The Mitchell bill introduces price or spending controls. It gives vague powers to a new national health care coverage and cost commission, which is going to recommend ways to hold down costs and require Congress to vote on its recommendations in an expedited up-and-down process. And then the bill claims a fail-safe provision to prevent any increase in the deficit. But if the bill's sequester mechanisms actually were invoked, according to CBO it could make previously eligible people ineligible for subsidies and would reduce the extent of health coverage.

Some problems. The bill is going to discourage self-insurance. No question about it. And the bill will create a huge new bureaucracy and place unfunded mandates on the States.

When we are courted, and we all are, on our votes, whether or not it is by the majority leadership—for the most part it would be the majority leadership courting votes, and not too many of us are getting courted on our side, although some are—there are claims being made that this is not the Clinton bill; this is something different. But do not be fooled by that because it is essentially the same. Supporters of the Clinton plan are trying desperately to gain votes for bills which in isolation and by careful reformulation have problems obtaining access to health services and need community health centers and other safety net programs. So there is a problem.

Now, this standard benefits package is a real problem. By adopting a comprehensive standardized benefits package approach rather than trying to assure that all Americans can obtain at least a basic catastrophic plan, this bill has chosen to ignore the fact that millions of Americans, millions of Americans, most notably the younger and the healthier ones, may not want and possibly cannot even afford such a "standardized" generous package. And those who need service not included in the standardized benefit package would have to buy the service out of their own pockets or buy supplemental coverage without any tax relief. Americans should be wary of a Congress or a commission to establish a comprehensive benefit system for all Americans especially in an era where medical technology is improving and making rapid advances. Senator DURENBERGER gave a very good statement on that point earlier in the debate.

There is a heavy burden on States under the Mitchell bill. For instance, the Mitchell bill requires States to oversee and enforce the complicated rules governing health plans under the new system. It would also require them to operate a risk adjustment system designed to transfer billions from health plans primarily serving healthier families to an unusually higher proportion of sicker Americans. So States would also have to assemble vast amounts of insurance and health data, would be responsible for creating a network of health purchasing cooperatives.

Here again we have essentially an unfunded mandate. Nobody really knows, nobody really knows how the Gephardt bill, the Mitchell bill or, for that matter, the Clinton bill, or the conference bill, how it is actually going to work. Some say pass Mitchell, pass Gephardt, whatever, get it to conference, and we will take care of it.

Well, you saw what happened with the crime bill. We passed that out of here, and that went to conference and look what happened. It is now the subject of national debate. Many Members of Congress are getting dinner invitations to the White House now to be pressured to change their votes. This thing fell to pieces because what passed the Senate was not what turned out in conference. A tough crime bill became a weak crime bill, and now they are trying to put it together.

What happens in conference, frankly, is a far cry from what the Founding Fathers thought about democracy. What happens in conference, my colleagues, is secret meetings, closed doors. We do not call them smoke-filled rooms anymore because not too many smoke cigarettes in the Senate. But they go into the conference and they close the door and nobody knows who put in these provisions. You cannot find out. You ask every conferee and nobody knows the answer. It just appears.

With all these changes, we are not going to know what is going to come out of conference. So if you are going to vote for Mitchell to get it into conference, good luck. That is the bottom line.

The more the American people found out what the Clinton bill did to their health care, the less they liked it. So my sense is that with the best of intentions, a bill moves into conference and then it is changed dramatically from what passed on the floor, and I would say dramatically changed for the worst.

So the very fact that this debate has inertia of its own that runs counter to the feeling of the vast majority of Americans —I did not talk to every American. I did not talk to a majority of Americans, but I talked to a large number of citizens from New Hampshire, and I have talked to some from around the country who have called, and they say that anything resembling the Clinton bill, anything resembling it—and regardless of your feelings on the majority leader's bill, it certainly resembles the Clinton bill —they say would be disastrous for the country.

Well, maybe they are wrong and maybe they are right. But they are the American people, and they are talking to us. They are talking with us. They are asking us to listen to them. It ought to at least give us a chance to pause, to step back and say, "Hold on. Wait a minute. Maybe we are going too fast. Let us not be concerned about moving too quickly."

Remember, 85 percent of the American people are covered by insurance, 15 percent are not. I saw Mrs. Clinton last night. As Senator GRASSLEY talked about, those people need help, and we can help them. There is not a person in the Senate who does not want to help them, or in the country for that matter, as far as I know, who would not like to help those people. But why do we have to throw out the entire system to make unhappy 85 percent of the American people to help the 15? Would it not be better to reform gradually and help the 15 percent? Does that not make better sense? That is what the American people are asking us to do. That is all they are asking us to do—to go slowly, help the 15 and leave the 85 percent alone that are covered. That is what they are asking us to do.

Now, given that fact, let me specifically discuss several things about the Clinton-Mitchell bill that I find particularly onerous and things that I cannot support and frankly I believe the majority of the American people do not support.

No. 1 is the bureaucracy. And again this publication has been put together by Senator COATS and Senator GREGG. It is entitled "Primer to the Clinton-Mitchell Bill, New Bureaucracies, New Mandates and New Federal Powers." It is something that has been shown here on the floor, and I am not going to read from it other than to simply say that just looking at the table of contents would give you some indication of what kind of a bureaucracy we are talking about here. We do not even have to read the book.

But I have heard it said on the floor that this is not a Government bureaucracy. Here is the table of contents. There are 50 new bureaucracies within the bill, there are 33 responsibilities for the national health benefits board, there are 25 responsibilities for the national health care cost and coverage commission, there are 177 State responsibilities, 815 powers and duties of the Secretary of Health and Human Services, 83 powers and duties of the Secretary of Labor, and 6 powers and duties of the Office of Personnel Management.

That is just the table of contents. You can read all about it. There will be more discussion on that at the appropriate time. But with 175 new mandates on States, this bill creates these 50 new bureaucracies. These bureaucracies range from the very trivial—I grant that some are very trivial and relatively meaningless and harmless—and go to the very powerful. They run the whole gamut. Let me pick one.

The National Health Care Cost and Coverage Commission; section 10002 of the Clinton-Mitchell bill establishes that the commission shall be composed of seven members appointed by the President and confirmed by the Senate.

That sounds relatively innocuous; another commission, seven people. Big deal. OK. Let us quote from the bill. The general duties of the commission are to—

> * * * monitor and respond to, one, trends in health care coverage; and, two, changes in per capita premiums and other indicators of health care inflation.

Then, the commission will also have the responsibility to determine whether or not mandates will be necessary to meet the coverage goals of the Mitchell bill. Then the recommendations of the commission would have to be considered by Congress under fast-track rules, which means there will be no opportunity for amendment on the floor of the Senate, and there will be limited debate. It is the fast track.

So my question is—I do not think anybody here can answer it—will seven people be able to do this all by themselves? What kind of people are they? Who are they? What is their stake in this? How much is this going to cost? Where will the commission be housed? Where are we going to put them? How many staffers does this commission need? How much research? How many dollars for research? What kind of research? How many computers? What do we need? Are we willing to invest such a huge amount of power to a bureaucratic entity not accountable to the taxpayers? We are going to create this commission. Who are they going to be accountable to? The President appoints them, we confirm them, and there they sit, a bureaucracy growing.

That is one bureaucracy out of the ones that I have cited. That is only one. I only picked one just as an example.

Are we willing to invest the power to the other 49, including a National Health Care Cost and Coverage Commission, a National Advisory Board on Health Care Work Force Development, a National Quality Council, and a Health Information Advisory Committee, and on and on?

In short, and, in fact, the Clinton-Mitchell bill will turn over the sensitive health care decisions of millions of Americans to bureaucrats, pure and simple. There is no other explanation for it. There is nothing else that you can say to deny it. It turns over the health care decisions of millions of Americans to bureaucrats. If those are efficient bureaucrats, if they do a good job, maybe it will not hurt you. Are you sure? Is there anybody out there who would want to take a chance when you watch some of the problems that we have seen in the Post Office, the IRS, the other agencies, and the EPA where there are problems which are constantly harassing towns and communities all over this country? Do you want those bureaucrats in between you and your doctor? Do you? If you like Uncle Sam, you will surely love Dr. Sam.

In the process, there is the bad news. Americans will lose choice. They are going to lose quality, they are going to lose access. They are going to lose their personal freedom, and they are going to see their costs go up. Not everybody; there will be some on the receiving end whose costs will not go up because they do not have any costs because they are receiving some type of entitlement from the bill.

But those who are working and carrying the load, it is going to happen. Those costs are going to go up. Clinton-Mitchell creates 17 new taxes. That is all I can find. There may be more. There is a 25-percent tax on plans to exceed the Government-set spending limit; 1.75 spending tax on all of the health plans. It is another tax. And there is a 45-cents-a-pack increase on the cigarette tax.

Then we have the Clinton-Mitchell community rating, which would raise rates on young Americans, which is, in effect, a hidden tax that forces the young to subsidize coverage for older Americans. It forces them to do it. They do not do it voluntarily here.

I have heard it said on the floor that this bill is a voluntary bill. Come on. There is nothing voluntary about this. It forces the young to subsidize the coverage for older Americans. Community rating is going to force insurance

companies to charge all of their customers, everybody, the same rate, regardless of their age. This means that older Americans will pay less for their coverage at the expense of younger Americans who lose care by comparison. It is not light. It is a bad plan. It does not work. It will not work.

How are you going to enforce it? Are you going to fine some 25-year-old young guy who says, "I am going to buy a Porsche. I am going to have fun. I am not going to get insurance. I am going off and do my thing." What are you going to do, chase him down with another Porsche, and, say, "You are going to pay some dollars in fines because you do not have health insurance"? Will you do that because he does not want to buy a plan that subsidizes somebody else who is 85 years old? Is that American? How are you going to do that? Are you going to have a bunch of bureaucrats chasing these people down?

I cannot imagine what this America is going to be like under this thing. Neither can the American people, and that is why they are opposed to it.

In addition, the issue of entitlements. Clinton-Mitchell creates, through new entitlement programs, subsidies covering those with incomes up to 300 percent of poverty, or $44,000-plus for a family of four. So, if you are a family of four making $44,000 roughly, you get a subsidy. That sounds great. Boy, that will pull in the votes, will it not? Because there are a lot of people out there in that category. So, if I can get something from the Government and I am making up to $44,000, I can vote for the plan. That is basically the rationale.

The American people are smarter than that. They can see through that.

There is prescription drug coverage for older Americans. It sounds great. Every drug is paid for. Who is going to pay for that? Who do you think is going to pay for that? Is it growing on trees? That is what we seem to think around here. We can pluck if off the trees like an apple. It is just Government money. Just send it down there, and everybody gets a free prescription. It does not cost anybody anything. Just ask them.

That will cost the taxpayers, for long-term care, prescription drugs, and subsidies, about $172 billion. That is with a "b." Add that onto your national debt, which is about $4.5 trillion now. Just keep adding it on.

The Senator who is occupying the chair right now is working on an entitlement commission for entitlement reform. I have thousands of postcards about him. I am depending on him, I might say, to do the job and to make a recommendation.

Here we are again with three new entitlements in this bill alone. At least 100 million people out of 260 million are going to receive some form of subsidy from the Government in this health care bill, the Mitchell bill, 40 percent. We are talking about entitlement reform because it is driving our country to economic ruin. And we are going to create this thing? Forty percent of Americans are going to have to deal directly with the Government when it is paying their health care. I hope they like it. I hope they like it. I hope they like their doctor. I hope they like wherever they are sent for that care. I hope they like the paperwork. I hope there is no objection to any of that, especially when you are sick, because you get what they give you. That is it. You cannot complain.

At a time when we recognize again that entitlements—and we have to recognize it, we know it, and every Member knows—are sucking the country dry; 50-plus percent of the budget of America is entitlements, and 16 percent is interest on the national debt. There is not much left for anything else.

What are we going to do about it?—adding three or four more entitlements, and adding billions of dollars, tens of billions, perhaps hundreds of billions of dollars more in Government spending in entitlements because it is all free. It is free. Just pick it off the trees, and send it down to somebody down there who will have their hands out eagerly waiting for some benefit.

We hear a lot of talk about special interests around here. The only people that do not have a special interest around here are the taxpayers. There is no taxpayer that gets a chance to testify before committees around here. It is always some other special interest. It would be nice to just pull a taxpayer off the street, and say, "Hey, Mr. Brown, would you like to testify today since you pay all of these bills?" That would be nice. That would be refreshing. But I have not seen it happen.

The obligations of these entitlements are going to be borne by our children. That is who is going to pay for this, if they can. I doubt that they can. Who do you think is going to pay for all of this debt that we keep piling and piling on? Who is going to pay for it? It is so sad and so irresponsible and so un-American to pass our debt on to our children.

As a father, I like to think that maybe, if I have anything left, when I die, if Uncle Sam has not gotten it all, I would like to say I would like to leave something of my assets to my children, not my debts. Not my debts, I would just as soon pay the mortgage off and leave my kids the house. They will fight over it, but I would rather leave it to them debt free.

That is not what we are doing here in the United States of America. We have run the debt now to $4.7 trillion, and it is rising. Every time we pass another entitlement, we raise it a little more. The entitlements and the interest are squeezing everything else down to this very thin little sliver of pie—about 30 percent it is now—and it is getting squeezed further and further every day. What is in that sliver of 30 percent? That is, you add the interest and entitlements and get approximately 70 percent. What is left in the 30 percent? What is it? Environment, education, national defense. And it is not getting any better. It is getting smaller and smaller.

How far do you want to squeeze? Do you want to bring it down to 1 percent? Do you want to increase interest to 90 percent? Where do you stop? If we do not stop, we are going to bring this country to its knees economically, and then nobody will get any health care—nobody—because there will not be any money left for anybody for health care, for national defense, for environment, for education, or anything. We will be broke, and our creditors will be in here picking up the pieces.

If that is what we want, that is what we are doing. We are creating a massive entitlement program, a massive new Government involvement in our lives. We are creating it here on the floor of the Senate if we vote for this bill. It will come back to haunt us for years and decades to come, I guarantee you.

I am willing to let my word stand on the record right now and say that this will come back to haunt us. It will haunt us in less quality. It will haunt us in larger expenses. It will haunt us with more debt. It will haunt us with rationing, and on and on and on. It will. A lot of people in here know it.

Samuelson, today, in the Washington Post had another very interesting article. But before going to that, I would like to read from a letter sent to me by a constituent regarding entitlements. I will not read the entire letter, but it is a sample of the hundreds of letters and phone calls I get. And I think the American people ought to be heard. I will not name the writers, but I think in concept they should be heard:

DEAR SENATOR SMITH:

I am writing to you to express my great fear that Congress will pass a health reform law that will harm our children. What I see at play in Washington is a desperate need by a group of elected officials to pass a law that, good or bad, they can claim shows they are so hard at work. The proposals that are on the table ignore the fiduciary responsibility we have as adults to the next generation. We will break our children's backs with new obligations. We cannot even meet our current obligations without borrowing from the rest of the world. The Clinton plan, the Mitchell plan, and the Gephardt plan are bonanzas to our industry.

He is a hospital CEO.

I suppose I could be crucified by my colleagues for writing you this, but the reason we have given so much support to health reform is partly because it will flood our coffers with new money. The health cost controls the Government has tried do not work.

The market forces that business and managed care are generating are working, however. For a real change in costs under Government's direction, health care must be nationalized, and we are not ready for that. I implore you to do everything you can to slow this process down.

And on and on. That is the point, and that is what we are hearing. What does Robert Samuelson say today? He is somewhat critical of the press in the sense that the press seems to have missed the point as to what is exactly happening. He points out:

In July, the bipartisan Committee for a Responsible Federal Budget issued a report warning that all health plans could involve huge spending increases. "Common sense tells us," the report said, "that everyone cannot consume more health care and pay less."

"Common sense tells us that everyone cannot consume more health care and pay less."

The committee includes two former heads of the House Budget Committee (both Democrats), five former heads of the Office of Management and Budget (three Republicans and two Democrats) and the ex-head of the Federal Reserve. The report wasn't covered by The Washington Post, the New York Times, the Wall Street Journal or any major TV network news programs.

It was not even covered.

To go on a little more, Samuelson says:

Unfortunately, the Times' coverage the following week ignored health costs. In midweek, the CBO issued a report on Senate Majority Leader MITCHELL's health plan. Previously, the CBO had estimated that health spending could increase to one-fifth of the Nation's income (gross domestic product) by 2004, up from a seventh today. The Mitchell plan, the CBO said, would increase it slightly more. The Times didn't report that.

Then he goes back to the CBO report:

The CBO found that much of Mitchell's plan is probably unworkable. States couldn't easily determine who would be eligible for insurance subsidies. A tax on insurance would be "difficult to implement." It would not "be feasible to implement" Mitchell's so-called "mandate" without causing severe "disruptions, complications, and inequities."

That is quoted out of the CBO report. Samuelson makes the point that he thinks that is "news" since this is the most significant piece of legislation to come before the Senate in 25 years, according to some. So he thought it should be covered.

"The New York Times ignored it," according to Samuelson, "and The Washington Post brushed it off with a couple of paragraphs . . .." And, "To their credit, the Wall Street Journal and Washington Times ran major stories; likewise, NBC 'Nightly News' reported these findings." But, the major media treat this as a coherent plan without practical problems. So be it.

So there is a paradox here. Samuelson says:

Many reporters seem infatuated with "reform" even when, by personal experience, they ought to know better. Journalists are supposed to be seasoned skeptics, and most Washington reporters are familiar with Government's defects. We have covered agencies captured by "special interests." We know of many worthy but unkept promises. We know that Congress evades difficult choices and, as a result, tends to march off in five directions at once.

I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DID THE PRESS FLUNK HEALTH CARE?

As Congress debates health care, the press ought to be asking itself whether it has blown this story just as it blew the savings and loan scandal. The answer is yes, I think—though in different ways and for different reasons. We have not ignored this story, as we initially ignored the S&L crisis. But our vast reportage has not made health care any more understandable. We have not clarified in our own minds or the minds of our readers what the debate is ultimately about or shown sufficient skepticism about whether "reform" can work as intended.

In some ways, our problem is that health care is too many stories. It's about personal care, the economy, technology (high-tech medicine), ethics (who deserves expensive care?), styles of medicine ("fee for service" vs. "managed care")—and of course, politics and interest groups. We have written thousands of column inches on all these subjects and in the process have overwhelmed our readers and obscured some of the larger issues.

The most important of these is health spending. With good reason, this is what the "health crisis" was once about. Ever-higher spending is squeezing other government programs and, through employer-paid insurance, take-home pay. For example, Medicare and Medicaid now represent 17 percent of federal spending, up from 5 percent in 1970. President Clinton harped on high health costs in the 1992 campaign, and his initial plan did—on paper at least—deal with them. But the spending issue vanished as the Clintons focused on "universal coverage."

The press went along; the major media stopped listening to concerns about spending. In July, the bipartisan Committee for a Responsible Federal Budget issued a report warning that all health plans could involve huge spending increases. "Common sense tells us," the report said, "that everyone cannot consume more health care and pay less." The committee includes two former heads of the House Budget Committee (both Democrats), five former heads of the Office of Management and Budget (three Republicans and two Democrats) and the ex-head of the Federal Reserve. The report wasn't covered by The Washington Post, the New York Times, the Wall Street Journal or any major TV network news programs.

Sometimes editors and reporters don't even seem to read their own papers. On Sunday, Aug. 7, Robert Pear of the New York Times wrote a front-page piece saying that "the goal of cost control has been eclipsed by the furor over universal coverage." A solid story. Unfortunately, the Times' coverage the following week ignored health costs. At midweek, the CBO issued a report on Senate Majority Leader George Mitchell's health plan. Previously, the CBO had estimated that health spending could increase to one-fifth of the nation's income (gross domestic product) by 2004, up from a seventh today. The Mitchell plan, the CBO said, would increase it slightly more. The Times didn't report that.

Now obviously, I have a point of view. I think health spending matters and doubt that these "reforms," if enacted, would work as promised. But it is not necessary to share my views to think that these are legitimate issues that haven't been adequately aired in daily coverage. If a major "reform" is adopted and doesn't operate as advertised, people will ask: Where was the press?

Good question. There have been warnings. Return to that CBO report. The CBO found that much of Mitchell's plan is probably unworkable. States couldn't easily determine who would be eligible for insurance subsidies. A tax on insurance would be "difficult to implement." It would not "be feasible to implement" Mitchell's so-called "mandate" without causing severe "disruptions, complications and inequities."

This strikes me as "news." The New York Times ignored it, and The Washington Post brushed it off with a couple of paragraphs in a small story. To their credit, the Wall Street Journal and the Washington Times ran major stories; likewise, NBC "Nightly News" reported these findings. But in general, the major media tend to treat each of these health proposals as a coherent plan without practical problems. This makes the story a neat combat between "reformers" (implicitly good) and opponents (implicitly bad).

There is a paradox here. Many reporters seem infatuated with "reform" even when, by personal experience, they ought to know better. Journalists are supposed to be seasoned skeptics, and most Washington reporters are familiar with government's defects. We have covered agencies captured by "special interests." We know of many worthy but unkept promises. We know that Congress evades difficult (a k a, unpopular) choices and, as a result, tends to march off in five directions at once. Yet the skepticism that this ought to breed withers in the face of an appealing "reform."

What also has been missed is the basic political nature of this debate. Once government decrees what insurance must cover (by creating a standard insurance "benefits package"), it has effectively nationalized insurance. The obvious way of doing this would be a single-payer system that taxes people and provides government insurance. But that looks too much like a government takeover. The use of "mandates" and regulation disguises this and seems to have fooled many reporters. Hundreds of billions of dollars of spending would still come under federal control.

By now it's clear that the public is deeply puzzled by the whole debate. The responsibility for this falls mainly on our political leaders, President Clinton and his critics have not been candid. They won't acknowledge that the goals that most Americans share—better insurance coverage, personal freedom in medical choices and cost control—are, to some extent, in conflict with each other. In this sense, there can be no ideal reform; somehow, incompatible goals will have to be balanced.

But the conflicts will not vanish just because Democrats and Republicans refuse to discuss them. The press's job is to bring candor and clarity to issues where political leaders haven't shown much of either. We don't make society's choices, but we can illuminate what those choices are. On health care, we haven't.

Mr. SMITH. In conclusion, Samuelson says:

What also has been missed is the basic political nature of this debate. Once Government decrees what insurance must cover (by

creating a standard insurance "benefits package"), it has effectively nationalized insurance.

That is absolutely right. You can say it is not a Government-run system if you want to, but, in effect, you have nationalized the whole insurance situation when Government decrees what insurance must cover by creating a standard benefits package.

The obvious way of doing this would be a single-payer system that taxes people and provides government insurance. But that looks too much like a government takeover.

So we use the words "mandate" and "regulation," and this seems to disguise, basically, the issue of Federal control or takeover.

So it is clear that the public is deeply puzzled by the whole debate.

The responsibility for this falls mainly on your political leaders. "President Clinton and his critics have not been candid," Samuelson said. "They won't acknowledge that the goals that most Americans share—better insurance coverage, personal freedom in medical choices and cost control—are, to some extent, in conflict with each other. In this sense, there can be no ideal reform; somehow incompatible goals will have to be balanced."

Mr. Samuelson has gone right to the heart of the whole issue. He hit it right on the head, 100 percent accurate.

I urge my colleagues to take a look at that article.

Let us look at the benefits under Clinton-Mitchell. The Clinton-Mitchell bill will create a one-size-fits-all standardized benefits package and make most existing plans totally illegal. The plan that you have will be illegal in most cases. If you have a plan out there now, you like it, you have good coverage, forget it. Hopefully, it will be as satisfactory as the Government plan because you are going to lose it. So if you like what you have, you may want to let your Senators know how you feel before the vote because this bill is going to radically, radically diminish consumer choice.

We include in this so-called standard benefit package abortion coverage. I am not going to get into the abortion debate today. But a lot of the American people do not want abortion in the health care bill. It is stretching it a bit to call abortion health care.

In June 1994 a Gallup poll found 59 percent of Americans are against including abortion in the Federal health care benefits package. Again, this goes to the heart of choice—freedom. Is that not what America is all about? Is that not what for 200 years people have died for?

Think about this. A Catholic church cannot provide a health care plan for its parishes or its employees if it so chooses without having abortion in the package.

That is exactly what is going to happen under this bill. That just is not right, pure and simple. It is wrong.

You can bet that we will be down here in the future—we have already done it once—voting under fast-track rules to add more services. We just did it yesterday with the Dodd amendment, and tomorrow it will be the chiropractors or someone else. There is always going to be someone trying to get in here saying, "I have been left out. I want to get in here."

So what we are doing is the same thing we did with Social Security, Medicare, Medicaid, and all of it. It is just like taking a balloon and blowing it up. It is going to get bigger and bigger and bigger until it bursts.

It all sounds good. Get the kids covered. Get pregnant women covered. Get all these people covered, get everybody covered, because we cannot resist it. Congress could not resist yesterday. The Senate passed the Dodd amendment. So already we have found the first amendment mandating insurance companies cover specific services for pregnant women and children passes, whatever it was, 58 to 42, something like that.

There will be more. They are going to be coming. Believe me. That is just the beginning, and the Senate will find it very difficult, as it did yesterday, to vote against them, because these are services for the people who need them. Of course, there are people who need. But is this best way to help those people by breaking the United States of America with a huge entitlement that has no end, that according to Samuelson, and many others, is going to go from one-seventh to one-fifth of the economy? Is that what we want?

How can you vote against kids? I heard that yesterday. How can you vote against pregnant women? I heard that yesterday. How can you vote against immunizations?

How can you bankrupt the future of our country for all the children in all the future, who are going to have to pay for all of this? How can you do that?

I did not hear that stated by the supporters of that yesterday. We will be back here again and again and again and again, not just in this debate. We will be here for a while. Lord knows how long everybody has given up vacations? Anyway what difference does it make? We will be here as long as it takes until there is some blink and we decide to wrap it up and go home and come back. After that, after this thing passes, that is just the beginning. Wait until we try to implement this little guy. This is going to be really something. When we start implementing this thing and we find out what we have to do and how much it is going to cost, then we are going to be back here. We are going to be back here quite a few times, believe me.

Let me tell you what is going to happen. Either premiums are going to go up or care is going to be rationed because we cannot promise the American people more care for less money. You cannot do it. You cannot bring everybody into the system, into the package, into the care, and do it for less money. It is impossible. Common sense will tell you that.

If you do it, you are going to decrease quality, or you are going to ration it. Sure, you can put a cap on it. You can cap costs, and you can bring the quality down. You can cause rationing. And that is exactly what is going to happen. The American people better understand what this Senate and what this Congress is going to do to you and to your health care today and your children tomorrow if this thing passes.

They are going to be forced to obtain benefits that they do not need in the standard plan, and they are going to be forced to take benefits that they do not want.

Let us go to employer mandates. Millions of middle-class Americans, the very people that the President ran to help, millions of them are going to find their salaries cut, their benefits cut, and if they are not, most without a doubt in many cases will have their jobs lost. That is what is going to happen to middle-class America, because who do you think is going to pay for this? The poor do not pay for this. They are on the receiving end. They are not paying. The rich—do you think the rich are going to pay for it? Come on. Middle-class America is going to pay for it. That is who is going to pay for it. That is where all the dollars are. Only 1 percent of the people in America are rich. Look, the poor get the money. So who else is left? It is the middle class. That is who is going to pay for it. Do not be fooled by the debate how it is going to help the middle class. Come on.

As to employer mandates, in my State alone in New Hampshire, according to estimates it is liable to cost anywhere between 4,800 and 4,900 jobs. That is a lot of jobs in a State with a million people that has been hit hard in the past years. Over 100,000 New Hampshire workers face reduced wages or benefits if they did not lose the jobs. That is basically a decision the employer is going to have to make. Do I reduce the benefits, reduce the wages, or cut some jobs and leave the wages and benefits for the survivors as is.

I have two letters I would like to read that would make that point. I think they make it better than I do.

DEAR SENATOR SMITH: I am writing at this time regarding the ongoing battle over health care reform. As a small business owner, I was appalled by the recent remarks made by Hillary Clinton with regard to free loading small businesses. While it is understood that neither Mrs. Clinton nor the President has ever had to run a business, it seems hypocritical of them to ignore the very real concerns of small business owners who have risked everything to build a business. Employer mandates will cripple many

small businesses by adding a constantly escalating non-voluntary expense to operations. In addition, much time and expense will be lost to paperwork, regulatory compliance and administration. I fear the present administration has little regard for those of us who have already carried an excessive share of the tax burden.

Another letter:

DEAR SENATOR SMITH: Normally, I am not one who gets involved in the political process. However, since you will soon be voting on several different bills involving the reform of the health care industry, I feel it is necessary for my Representatives and Senators to know my opinion about the likely impact on small business if some of these bills passed. I am classified as small business. At present I employ eight people in various roles from administrative to technical design work. I am proud of the fact that I have been in business since 1988, and I have always tried to keep layoffs to a minimum even when it was not in the best interest of the company. For 5 of the 6 years I have been in the business, I provided company paid life insurance and made health insurance available to my employees with the company paying 50 percent of the premiums. I am currently in the process of adding disability insurance in a benefits package. You see health insurance and welfare of my employees is not something I consider lightly. However, I am concerned about the ramifications of instituting mandatory health insurance. Small companies with under 25 employees should not be forced to implement an insurance package for their employees. The end result will be increased company expenses by way of premiums and taxes which will yield an increase in layoffs, business failures, and decreased wages which in turn result in overall lower standard of living for all.

New Hampshire under these mandates of this bill will lose approximately a half a billion dollars in personal income, almost $1,500 for a family of four. The State of New Hampshire would lose over $60 million in much needed tax revenue. Clinton-Mitchell would ban self-insurance for companies with under 500 employees, and this will mean that 18 million middle-class Americans will suddenly find themselves without insurance and end arrangements that save some firms thousands of dollars in premiums.

Is that really what it intended? Of course it did not. It is not the intent of the majority leader to have people without insurance. The intention is to have them covered by insurance. But what is going to happen is suddenly 18 million middle-class Americans—I emphasis middle-class Americans—will suddenly find themselves without insurance.

There are 32,254 businesses, as best that I can count, in my State. Of these, 32,186, or 99 percent, have under 500 workers. Several of these are currently self-insured, with great success, I might add, that would no longer be able to do so.

Again, a brief comment from a letter I received from a constituent:

Our company provides insurance for its employees through a self-insurance plan. We are concerned that self-funding may no longer be an option for small businesses like ours if a 100-employee cap, or any cap, is imposed. By eliminating self-funding and increasing cost of health care, it is possible that many jobs will be lost. The same is likely if employee caps are imposed, which would also raise costs and jeopardize employee coverage.

He basically goes on to say small employers should not be penalized.

Mr. President, there are alternatives to this. We should not stand here on the floor and be totally critical of the majority leader's bill. He wrote the bill and brought it up in good faith, and we have to criticize it, if we are going to, in a responsible manner and have some alternatives.

I think those of us on our side of the aisle and many on the other side of the aisle are united in their support for actions that would help millions of Americans right now, today. You can do it without throwing out the best health care system in the world. You can do it by prohibiting insurance companies from dropping individuals due to sickness. You can do it by dealing with preexisting conditions.

If someone in my home area, the Lakes region of New Hampshire, in Wolfeboro, for example, has a daughter with cancer, that person should be able to get insurance at a reasonable rate. That insurance should not be canceled if that person moves to another job because his or her daughter or their daughter has cancer. We can stop that and that is what we should do. You do not have to throw out the entire health care system in America to do that.

Portability. If a person in Nashua, NH, wants to switch their job and move someplace else, they take their policy with them, just like you take your auto policy or your life insurance policy. You can extend help to the working poor through vouchers, which both bills provide for.

And perhaps, most importantly, and missing from the Mitchell bill—and this is something I feel passionately about; it is so important, and it is totally ignored by the Mitchell bill—and that is the establishment of a medical IRA, an IRA account; or, another way to say it, a medical savings account. It is one of the best ideas that has been brought forth in any of the debate, and it is totally ignored in the Mitchell bill—not a word.

The medical savings account would do more to help contain medical costs in our country than anything in the Clinton-Mitchell bill, anything at all, and would do so by relying on the market rather than Government bureaucracy.

People with medical savings accounts could purchase high deductible coverage to guard against catastrophic costs and they would pay for those out-of-pocket costs in the account that they set up. Most health care expenses would, therefore, be paid by the individual who set up the account, rather than a third party.

Let us get into that a little bit further. I believe that the main reason our current system fails to rein in runaway health spending is that it removes the consumer from the decisionmaking process.

When the tab for health care is picked up by somebody else, not you, a third party, either employers or the Government, for the great majority of Americans, the consumer has no incentive, none whatsoever, to keep his or her own health costs in check.

For most Americans, there is no financial reward for staying healthy. What is the reward? What is the reward for staying healthy? What is the reward for seeking preventive care? What is the reward for shopping around for the best available price? None. And under the Clinton-Mitchell bill, absolutely none.

To put this in perspective, let us compare health insurance just for the sake of debate—and we will probably hear some of my adversaries in the media say, "Now, Smith says auto insurance and health insurance are the same thing." Lest there be some temptation to do that, I will say up front, they are not, and I recognize that health insurance is more important to our well-being than auto insurance.

But I use the comparison for this reason. If I drive recklessly, get several speeding tickets, and cause an accident, my irresponsible behavior will be greeted with a higher premium. That is what is going to happen, and rightfully so. It is to my financial advantage to drive carefully, drive safely, avoid speeding, wear my seatbelt, whatever.

But if somebody else were paying for my auto insurance, I might not have the same incentive. What is my incentive? My insurance is not going to go up. If somebody else pays, I could care less if it goes up. I am not paying for it.

It is the same thing in health care. With another party bearing the responsibility for any costs, individuals have no incentive to keep themselves from incurring expensive health care bills. That is what medical savings accounts are all about. And they are totally ignored in this bill. Responsibility. Is that not what America is all about, responsibility?

Think back to the Founding Fathers and what they did when they founded this great country, and the numbers of people who were wounded and died in 200 years of war. Responsibility. Why cannot we take on some responsibility for our own well-being if we have the capability to do it?

And for those who say, "Yeah, but there are those who do not," I am willing to help those 15 percent. I am talking about the 85 percent right now.

It places the responsibility for health care costs where it should be—on you,

on the consumer. With a medical savings account, the consumer, not a third party, will have to make decisions that will have a direct financial impact on themselves.

If you want to drive a Porsche, you want to go out every night and drink, you want to spend your money, go ahead. If you want to buy a health premium, you want to buy an insurance policy, set yourself up a medical IRA and say, "I'm going to assume responsibility for me. I'm responsible for me. Not the Government, not my neighbor, me. I'm responsible."

Exercise some responsibility. Set up the medical IRA account. And then lead a healthy lifestyle, and you will save money, big time. If you lead a healthy lifestyle and you seek routine preventive care, you will be rewarded with accruing balances in your medical IRA.

Now, sure, something can happen. That is why you have an insurance policy. That is why you buy the policy, to protect yourself from injury or accident. However, you will accrue balances in that IRA if you take preventive care and you will have enough in there to pay for your insurance and still have money left over. Let it accrue, and this will defray future medical costs and even allow you to buy a catastrophic policy at some point when you are ready. You are holding down your personal health costs; individuals will help our country hold down our overall health costs. We will all do it as individuals.

Not a word, not a mention of medical savings accounts in this plan. This is too American. I guess it makes too much sense. It is common sense. God forbid, we could do anything that makes sense around here in Washington inside the beltway.

And, in addition, and in conclusion on medical IRA's, medical savings accounts will also unleash the market forces onto the health care delivery system; unleash, and that is exactly what we need to do, unleash the market forces on the health care system. Today's system encourages providers to bill for as many services as possible. With millions of individual consumers shopping around for quality care at low prices, providers are going to have to find ways to cut overhead costs and provide care in an efficient manner. That is the market.

And these adjustments in the marketplace could be made today as we speak, and they would help millions of Americans to obtain less expensive health care insurance.

In closing, we have heard many stories, many horror stories, about those who are not covered, about our current system and how tragic it is that 37 million Americans lack health insurance. And there are some horrible cases. There is not a person in the Senate or in the Congress that does not want to help those people, including this Senator. And we can.

There is a right way and a wrong way to do that. It is wrong that people are suffering because they cannot get coverage. But who are these 37 million people? They are people, sometimes, who are between jobs. They lost their job, they move to another job, their insurance gets canceled so they need portable insurance. We do that. They are people who have a preexisting condition, either themselves or someone in their family has perhaps a terminal illness, something that involves a lot of medical costs, they lose their job and the next provider says, "I am sorry, that is a preexisting condition. It would cost us too much and we are not going to insure you." That is going to need to be changed. And we do that in our bill. That is a large group of that 37 million.

We can take care of these cases through providing insurance market reforms and providing assistance to the working poor. But for some reason—I do not know what the reason is; I am not going to make any allegations about political reasons—but for some reason we are concentrating on disrupting the entire health care system which 85 percent of the American people are happy about for the sake of 15 percent. Why not just help the 15 percent when you can do it without disrupting the other 85 percent? It is going to be a grave mistake if we do this. We are going to regret the decision made in 1994 on the floor of the U.S. Senate, because we have the finest health care delivery system in the world. We know it because people come from all over the world to receive it. Doctors come from all over the world to learn medicine, to practice medicine. Everybody knows it. If you are sick, if you have a problem, where do you want to go? Guatemala? Mexico? Russia? Canada? Or the United States of America?

Let us take advantage of the quality and the innovation and the creativity of the best physicians and health care providers in the world. Let us take advantage of it. Let us not throw it out.

So now we stand, as I speak, at a fork in the road—and it is a fork in the road. We can go to the left, as the Senate considers a massive restructuring of one-seventh of the economy, which will probably make it one-fifth Government involved. We can take that path toward a health care system controlled by an inefficient, uncompassionate, expensive government bureaucracy. We can take that path. That is one choice we have. Or we can go this way, to the right, which will lead us to a more efficient marketplace that can meet the needs of all Americans. The left fork gives us bureaucracy, more taxes, job-killing mandates, rationed care, diminished quality. The right fork will help those who are truly needy while preserving the world's best health care for everyone. Access, low cost, personal freedom, quality, choice. That is what we get when we go to the right. Bureaucracy, mandates, less personal freedom, more controls, less quality, less choice—to the left.

What is the decision?

Let me read just a couple of lines from two more letters.

DEAR SENATOR SMITH, I am writing to you to advise in my opinion that health care as presently espoused by Washington will not work. We all would cherish an umbrella of universal care, but at a reasonable cost and especially at a cost which is no greater than we presently pay. This means no additional taxes. Unfortunately, the record suggests programs managed by the Government are many times barely effective or efficient.

Then he cites a couple of examples and goes on to say:

The warmth and general concern for our well-being are not well known as priority attributes in our Federal employees, IRS, FBI, et cetera. To have a government manage anything as important as health care is ludicrous. And to be bullied into this legislation is akin to lemmings heading with a blind eye for the cliff.

The first step, it seems to me, would be to analyze the problem of health care. The major problem is not the quality of health care. We have the best in the world. The problem is associated costs which are and have been out of control.

The last letter:

SENATOR SMITH, I am writing about my concern on the current health care proposal now in Congress. Improvements in health care are needed and desirable but I feel many of the plans include restrictions and mandates that are contrary to a good health care system and a free enterprise system that has made our country so successful and great.

I take the time to read these letters because these are the American people who are going to be impacted and affected by the decision that we make, sitting here inside the beltway, without talking with them, without having the opportunity to go out and speak with them. We are here making this decision that impacts them. They ought to be heard on the floor of the Senate. That is why I am taking the time.

Restrictions that would prevent you from choosing your choice of doctors is a horrible thought. Before I go to a doctor I check his dossier and I talk to people that know him. Let's face it, all doctors are not equal. Some are better than others. Not all ailments or illnesses fit into a standard mold. A doctor has to have a keen analytical or diagnostic ability to accurately identify, in a timely way, what is ailing a patient and what medication or treatment is best for that patient. It is not uncommon to change doctors when his or her prognosis does not render relief, or to get a second opinion before a serious medical or surgery procedure. Some doctors are more skilled than others and you want the doctor with the best track record and the one you can get along with.

These people are concerned. They are concerned. Let me put it even stronger—they are scared. They fear.

I am going to close with a quote from a gentleman who came to one of my 10

county meetings. We talked about health care, and he said to me, "Senator, I have known you more than 20 years. But let me tell you what bothers me. I am afraid of my Government. I am afraid of my Government. I don't want to be afraid of my Government. I want the Government to be afraid of me."

I yield the floor.

The PRESIDING OFFICER (Mrs. BOXER). The majority leader.

Mr. MITCHELL. Madam President, I want to address two subjects that were raised by the distinguished Senator from New Hampshire and several of our Republican colleagues with respect to the pending health care legislation. One involves the question of choice in health care. The other involves the role of Government in health care and the reaction of our colleagues to that.

The statement of the Senator from New Hampshire was filled with references to less Government involvement, no Government control, and fear of Government by Americans. That has, of course, become the dominant theme of the statements made by our Republican colleagues seeking to capitalize on a public sentiment of disillusionment with Government and even hostility to Government.

I would like to make two points with respect to that argument as it relates to this debate. First, it does not describe my bill. The statements are not correct as they relate to the bill which is pending before us. My bill does not provide for a Government-run health insurance system. It provides for a voluntary system of private health insurance. Indeed, in a significant respect, my bill is the opposite of what our colleagues are trying to portray it as. A large Government program is Medicaid, a Government program which provides health insurance to those Americans whose incomes are below the poverty line. Under my bill, that program would be virtually abolished and 25 million Americans who are now in one of the largest Government programs would be out of that Government program and would purchase their health insurance on the private market as do most other Americans.

It is simply inaccurate to characterize legislation which would virtually abolish one of the largest Government programs in existence and encourage and assist the people now in that program to purchase private health insurance, it is simply inaccurate to describe that as a Government-run program. It is not.

I recognize that our colleagues are having some success in this false portrayal. It is a pattern we have seen before. But success does not mean accuracy. We went through it just a year ago when we debated the President's economic plan, when the very same Senators now saying that this bill is a Government-run health insurance system said to the American people that the President's economic plan would raise everyone's taxes and was a tax on small businesses. They said it over and over again, it was reported by the press and, as a result, the American people believed it. Polls showed overwhelming majorities of Americans believed that their income tax rates would go up as a result of the President's tax plan, even though those statements were untrue and the beliefs were unfounded. It was an aggressive effort at misinformation which regrettably did succeed and, therefore, creates incentives for a similar campaign of misinformation now.

But I want to state clearly, so there can be no misunderstanding, the characterization is incorrect. My bill creates a voluntary system building on the current system of voluntary private insurance. It virtually abolishes one of the largest Government programs and takes 25 million Americans now in such a program and has them enter the private insurance market. So that is my first point. It is not a Government-run health insurance system.

But now my second point deals with the attitude of our colleagues toward Government insurance and Government health care and the vast gap between their rhetoric about it and what they do about it when it affects them and their families.

First, they say they are against Government health insurance and Government health care. Well, the largest Government health care system in the country, indeed the largest health care delivery system in the country, is the Veterans' Administration health care system. If they truly believed what they are saying here about Government health care systems, they would abolish the Veterans' Administration system. But, of course, they do not say that and they will not say that.

In fact, with respect to that Government health care system, their actions directly contradict their words. The very same Senators, our Republican colleagues who stand here and say, "We are against Government health care systems," when they go back to their home States, they go seek out the veterans and they run television ads promising the veterans that they will protect the veterans health care system, even though it is a Government-run health care system and it is the largest health care delivery system in the country. Their actions contradict their words.

The same is true with respect to Medicare. Medicare is a Government-run health insurance system, and nearly 40 million Americans, most of them elderly, participate in that system. And the Republican Senators who stand here and say they are against Government-run health insurance all support the Medicare system. They go back home and they seek out elderly citizens. They go visit senior citizens' centers and fall all over themselves in promising to their senior citizens that they will protect Medicare, and they run television ads seeking reelection, promising their senior citizens that they will protect Medicare, even though it is a Government-run insurance system. Their actions contradict their words.

The same is true with respect to Social Security, the largest of all Government programs, a Government-run system which includes health care by virtue of incorporating Medicare part A. Our Republican colleagues go back home and also seek out senior citizens and also run television ads promising to protect Social Security, which is a Government-run program.

So I hope the American people will not be fooled by the rhetoric they are hearing here today. And I hope the American people will also think about the irony of these Republican Senators getting up here day after day after day and denouncing Government health insurance and Government health care as bad for their constituents, even as they benefit from it themselves as individuals and their families. Every Member of this Senate participates in the Government-run health insurance system that is available to all Federal employees, and the Government pays 72 percent of the cost of that health insurance for these Republican Senators who are standing here telling their constituents that it is bad for the constituents even as they participate in it for themselves and their families.

You, American taxpayers, are paying through the Government 72 percent of the cost of health insurance in a Government-organized health insurance system for the very Republican Senators who are now telling you that you should not want Government-run health insurance. And you are entitled to ask yourselves: If it is so bad for you, why is it so good for them and their families?

Has one of them stood up and said, "My constituents, Government health insurance is bad for you, and to prove how much I believe that statement, I'm going to voluntarily drop out of the Government insurance system, and I'm going to put my family in the same place where your family is"? Have you heard one say that yet? No, and you are not likely to.

I urge you to listen to the debate, and as these Republican Senators stand up and tell you, Mr. and Mrs. America, that Government health insurance is bad for you, ask yourself, "If it is so bad for me, how come it is so good for them and their families? And if they really believe it is bad for me, if that is what their conscience and conviction tells them, why do they not drop out of it for them and their families and put themselves in the same position I am, an average American who doesn't have access to that?"

That is just the insurance. Now let us talk about direct care. If one of these Republican Senators does not feel well, if he gets a headache, or stomach ache, he walks a few feet down the Capitol and he goes to the Office of the Capitol Physician, a Government employee. He is greeted by a clerk who is a Government employee, checked by a nurse who is a Government employee and then goes in to see the doctor who is a Government employee.

If Government health care is so bad, why do these Republican Senators insist on having it for themselves? And then if they get sick, if the doctor says, "You've got to go to the hospital," they go to the Bethesda Naval Hospital or the Walter Reed Army Hospital—Government hospitals.

Well, my gosh, ask yourself, Mr. and Mrs. America, if these Government facilities are so bad, why do these Republican Senators want to go there themselves? And it is not just Senators. President Reagan and President Bush were, in their capacities as President, the most powerful men in the world. They were independently wealthy, and they could have gone anywhere in the world when they got sick. And where did they go? Why, they went to these Government hospitals. And who can forget the photographs taken of them waving out the window to the public and the press in those Government hospitals. Why are you telling us that it is good enough for Presidents but it is not good enough for ordinary Americans?

Mr. and Mrs. America, leave aside politics. Leave aside health care. When a fellow walks up to you and says, "I've got something, and its good for me and my family, but you really don't want it for your family," you ask yourself: Who is he thinking about? You or him?

This debate has not been about health care reform. This debate has been about slogans. When the first Republican Senator stands up and says I believe so much in my conviction that Government health insurance is bad that I am going to withdraw myself and my family from the Government-organized health insurance system and I believe so much that Government health care is so bad that I am going to promise if I get sick never to talk to a Government doctor and, if I have to go to the hospital, never to go to a Government facility, when that happens, pay attention to what they say thereafter.

But until that happens, you can take what is being said as slogans, separated from the reality of daily lives. If they want it for their kids, if they insist on having it for their kids, if they will keep it for their kids, then why is it so bad for your kids?

I want to repeat what I said at the outset. My bill is not a Government health insurance system. It is not a Government health care system. It is the opposite. It is a private system, voluntary, in which people are encouraged to purchase private health insurance. And I have mentioned this debate about individuals and health insurance here only to make the point of the inconsistency of the arguments being made by our colleagues.

To summarize, they are all for the Veterans Administration, which is a Government health care system. They are all for Medicare, which is Government health insurance. They are all for Social Security, which is the largest Government program. Therefore, their statements here against Government participation simply do not ring true because they will not stand up and say they oppose those programs, they want to abolish them. And then their actions in placing themselves and their families in a Government-organized health insurance system and getting direct Government health care for themselves, even as they say to their constituents, "That is not good for you," I say be aware, on guard, listen carefully.

Now, just the other day one of our colleagues came out here and said, well, the insurance program we are under is not a Government program because although it is organized by the Federal Government and 72 percent of the cost is paid by the Federal Government, it is really a mechanism where private insurance plans can be made available to Federal employees.

Mr. President, the denial negates the original claim, because that is essentially what my plan would do. It would create a mechanism whereby employers would offer to their employees a minimum of three different types of private insurance plans, and employees would choose among them. There would be no requirement on the employer to pay for any part of the cost unless we did not reach 95 percent coverage by the year 2000, as I believe we will.

And so it is ironic that the explanation about the Government insurance plan effectively negates the original allegation about my plan being Government insurance in the first place. So our colleagues cannot have it both ways. If my plan is not Government health insurance, then their original argument falls. On the other hand, if the Government-organized, Federal employees program is Government health insurance, they are all participating in it, willingly, taking it for them and their families while they tell their constituents it is bad for them.

Madam President, I will have more to say on that subject. I now want to mention just briefly the subject of choice. The Senator from New Hampshire said if our plan is adopted, "Americans will lose their choice."

That statement is untrue, categorically untrue. There are two types of choice in health care. The first is in choice of health care plans. How much choice does the individual American have in selecting a health insurance plan? Right now, almost none. Most Americans are insured through employment. The employer negotiates a plan with the insurance company and presents it to the employee, and the only choice the employee has is to accept or reject that plan, to either participate in it or not to participate in it.

Under my plan, the individual employee will be offered a minimum of three different plans. They will have the same standard benefits package, but they will deliver care in three different ways: either in the form of traditional fee-for-service, or a health maintenance organization, or in some other form. So in the first dimension of choice, that of health plans, my bill will dramatically expand choice for almost all Americans. For the first time, individual Americans will be able to choose from more than one health plan.

Second, the element of choice in physician or other providers. It is simply not true that choice will be denied under my plan. Since everyone will be offered at least three types of plans, one of which must be traditional fee-for-service, every American will have the opportunity to continue to have the fullest freedom of choice with respect to physicians. No one will be denied that opportunity.

Interestingly enough, the current trend in the country is in the other direction. As costs of health care rise, employers are increasingly turning to managed plans, HMO-type plans in which the individual's choice is limited. So if we do not adopt health care reform, more and more Americans will be denied choice in provider. So you have a reduction of choice in the one area where it now exists and continuing lack of choice with respect to health plans.

So I think it is important that Americans understand that my bill will do the opposite of what our colleagues have alleged. It will greatly increase choice in health plans and it will preserve fully choice of providers. Anyone will still be able to see any doctor they want, choose anyone they want to see in nurses or any other form of provider.

I hope that we all understand that.

Finally, the statement was made, "Don't throw out the entire system," thereby creating the implication, since the remarks were on my bill, that my bill does throw out the entire system. Madam President, it does not. It builds on the current system. It says that most Americans now receive their insurance through employment, and we should continue that. We should encourage those who do not have insurance to get it. And what we ought to do is to try to increase the number of Americans who have health insurance

through a voluntary system of guaranteed private health insurance.

Now, what my bill does do is to provide health security for the 85 percent of Americans who now have health insurance but do not have health security.

Right now many of them face the incredible situation where their health insurance could be canceled if they become sick. Think about that. A person buys health insurance to protect himself in case he becomes sick, and then when he becomes sick the policy is cancelled. My bill will prevent that from occurring. It will prohibit that from occurring.

Second, right now, a person can be denied health insurance on the basis of a preexisting condition, something that affects millions of Americans. My bill will prohibit denying on the basis of preexisting condition. By contrast, the Republican bill would permit that to continue on an ongoing basis. My bill will phase out the preexisting condition exclusion completely by a time certain in sharp contrast to the Republican bill which permits the denial for preexisting condition to continue.

My bill will make it possible for a person to change jobs without the fear of losing his or her insurance. That is a real problem today. My bill will make it possible for people who are between jobs, temporarily unemployed, to continue with insurance. The insurance will be private, it will be guaranteed, it will be renewable, and it will not be able to be canceled. I think that is what Americans want who have health insurance. Yes. They are happy to have health insurance. But many of them are concerned about their lack of security, the fact that they do not know for sure whether it is going to be canceled tomorrow, whether the premiums are going to be doubled, or whether it will cover what they want when they become sick.

So, Madam President, I emphasize that my plan will increase choice. It will prohibit current insurance practices which leave Americans who have insurance insecure, and it will encourage those who do not have insurance to get it. It will abolish one of the largest Government programs that have those people enter the private insurance market. It is a voluntary system. And I ask Americans to keep that mind as they listen to the debate.

Madam President, I yield the floor.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Madam President, I would like to comment briefly on the majority leader's remarks, at least a few of them.

I think that it is the duty of the leader, as the majority leader or as the minority leader, to represent a party position or a political perspective. I admire both Senator MITCHELL and Senator DOLE for their able and professional way of carrying out those duties.

But I also think that the American people are alert enough and wise enough to know that the leadership of the U.S. Senate on either side of the aisle cannot easily categorize, as the majority leader has today, the Republicans all in one position and the Democrats all in another position. That is just an inaccurate portrayal of this issue, and the things that divide us on this issue.

I happen to be participating with what we call the mainstream coalition. These are at least nine Democrats who are not happy with the Mitchell bill. These are at least 9 or 10 Republicans who are not happy with the Dole-Packwood bill. But nevertheless, they are trying to seek to join together in a bipartisan effort to create a piece of legislation to lead us to wise, effective, economical health reform.

So I just want to clarify the record on that point, that my leader, Senator DOLE, as much as Senator MITCHELL's contingent of Democrats, are not easily divided as has been portrayed this afternoon.

Second, I would like to indicate just for clarification that somehow we have a coverage that is a Government operation, our own medical coverage. I would like to clarify that record to say that Blue Cross-Blue Shield is one of the many contractors with the Federal Government. I gain my health care from Blue Cross-Blue Shield where the Federal Government has a contract with the plan, and like many private industries, pays a portion of our health care premiums. Portraying that somehow the Members of the Congress, in particular Republican Members, are getting this great benefit out of the Government operation, as we have heard today, is just not accurate. So I want to clarify the record on that point.

I might also say we have thresholds, or we have deductibles. We have copayments. And yes we may go to see the Capitol physician but we pay a premium. I pay a fee for that kind of service. So this is not some broad-based freebie as that is being portrayed here today.

Madam President, the Senate has embarked on a very historic debate, and health care is probably one of the most important social issues that I think we will probably debate this entire century. During the last several months, we have heard a lot about the need for health security, that health care is a right that can never be taken away. I subscribe to that. And we have all heard the tragic stories of those who have fallen between the cracks in our health care system and have faced huge financial losses when faced with a health crisis. We have heard about the uninsured, and the cost shifting that occurs as between those of us who are insured to those who are uninsured who seek their health care services in hospital emergency rooms.

There is no doubt that our current health care system is not meeting the needs of a large segment of our country. We all share a commitment to achieve the finest health care delivery system possible in the United States to be extended to all in the United States. That is the purpose of this debate.

I would like to take the perspective as an appropriator. Let me use the old jingle that is often used, that authorizations—and that is what both the Mitchell bill and the Dole-Packwood bills represent, authorizations—are but a hunting license for an appropriation. We on the appropriations committees have found that there has been much action to authorize many programs in this century by the U.S. Congress, and then somehow it ends up in our lap to try to find the money for it. It is awfully easy to make promises. It is awfully easy to paint great broad brushes of new credits or new entitlements or new subsidies or new coverage. But someone at some point has to provide the money.

Let me say also that having been involved in Government for a few years, I am not willing to put my entire expectation and hope and trust on some kind of prospective savings. We have been through many of these experiences in the past. Under President Franklin Roosevelt, we had the Browley Commission; under President Truman we had the Hoover Commission I; and, under President Eisenhower, Hoover Commission II, studying the reorganization of the executive branch of Government and projecting the savings that could be achieved out of those reorganization proposals.

The first year out we found there were some savings that could be directly attributed to those reorganization efforts. But as time went on in the outyears, those savings disappeared pretty quickly.

So to undertake a program that is so heavily dependent upon prospective savings, of changes, and so forth, I am a little bit dubious. I am not saying we have not achieved some, of course, but to say that we are going to fund a portion of this health care program under the Mitchell bill out of those savings I think is a little risky business. And I know what will happen. If those proposed or prospective savings do not occur, it will be back on the Appropriations Committee to come up with the money to fund the commitments that have been made.

So I would like to focus a few comments on two key areas: The cost analysis of health care reform; and second, the nonmonetary issue as the legacy we are leaving for our children and our grandchildren. "Legacy" might be translated, also, into the word "indebtedness." We began this debate more

than 4 years ago when it became apparent that health care costs were rising at a rapid rate and would endanger the financial stability of our country. We are now at a point where national health care expenditures make up more than 14 percent of our gross national product and near $1 trillion.

By the year 2000, national health expenditures, at this continuing rate, are expected to reach more than $1.6 trillion; and by 2004, they will exceed $2 trillion. According to the estimates released on Tuesday of this week by the Congressional Budget Office—the legislative arm of the Congress—the legislation proposed by the majority leader, Senator MITCHELL, will exceed these estimates. I can only draw a conclusion that this does not represent cost containment.

Yes, we need health care reform, but we cannot forget the impact new Federal spending and new entitlement programs will have on our children and our grandchildren, who will be faced with paying the bills associated with these increases of today.

We have a bipartisan commission on entitlements and tax reform that recently released findings which showed that even if increases in health care costs were held to the growth of the economy by 1999, due to the aging and changing demographics of the aging population, Federal outlays for Medicare and Medicaid will still double as a percentage of the economy by the year 2030. In fact, they will increase from 3.3 percent of the economy today to 11 percent of the economy. Mark you, these findings and projections do not include the effect of the new health care entitlements envisioned by the Mitchell bill.

Let me stop here a moment and say, as I indicated in the very beginning, no leader in this body can speak for all the Members on his respective side. You have heard a lot of talk about Republicans saying "no new taxes." Well, this is one Republican who will vote for new taxes if it is to fund the high priority that I place on health care reform. I am not talking about depending it on the cigarette tax or the sin taxes; I am talking a basic tax increase, because I want to remind ourselves today that when we went through the throes of getting catastrophic illness and everybody wanted catastrophic illness, led by the AARP, when the people of this country found it was going to cost them $3 to $4 more a month in premiums, there was almost a stampede into the well of this Chamber to see who could be down there with the first bill to repeal the act passed by the previous Congress, in order to respond to the American public's outcry that they were not willing to pay a $3 to $4 increase for coverage of catastrophic health care. I am one Republican—and I am sure there are others—who will say that we put such a high priority upon covering all Americans with decent health care access that we are willing to stand and vote the tax to support it and to guarantee it and not make promises that cannot be guaranteed by saying prospective changes or prospective reforms are going to provide us with the money.

Let me also say that under the Mitchell bill, many are going to find themselves paying more for their health care. By the year 2002, all Oregonians will be paying the same rate for premiums regardless of age. According to a recent editorial in the Washington Post written by Neil Howe and Bill Strauss, this so-called pure community rate will increase costs for young people by 100 percent. Essentially, this means that we will be taking at least $40 billion yearly out of the pockets of young adults—those under the age of 35—and putting it into the pockets of adults over the age of 45. It is a cost shift.

While there is no doubt that reform needs to be made in the insurance industry—for example, to make insurance portable so you can take it with you when you change jobs and available to you regardless of your health status. In fact, I was recently chatting with a gentleman in my office who is now among the ranks of the uninsured. He changed jobs and became self-employed. Due to the change, he lost his employer-provided health insurance, and in the meantime he learned that he had diabetes and now cannot find health insurance because nobody will insure him with this preexisting condition. These are the kinds of problems we must address in our current insurance system. Yet, we must do so in a way that does not bankrupt our children and grandchildren. This is the challenge that makes this debate so difficult, because there is no easy answer. Again, what is the legacy we want to leave to the future generations?

As many of my colleagues know, the State of Oregon has taken substantial steps to enact health care reform which controls health care costs and achieves universal coverage. The Mitchell bill could negate the innovative Oregon health plan. Although Oregon's Medicaid waiver appears to be grandfathered, none of the other reforms Oregon enacted into law receive such protection against Federal preemption or Federal prescription.

For example, Oregon has developed a standard benefits package under the Oregon health plan. This unique benefits package explicitly recognizes that we cannot afford to provide every service to every person.

Madam President, there is not a plan out here that has taken the tough position to say we cannot provide every service to every person. What we are trying to do in Oregon is to provide everybody with standard primary health care. We are not going to separate every Siamese twin born in Oregon. We are not going to guarantee, in a sense, that everybody has a right to any medical procedure—over 9,000 of them under Medicare alone. We have prioritized them. People say, oh, that is rationing health care. Well, we are rationing health care, yes, but we are doing that today based on economics, which is certainly discriminatory, far more than saying to a person who is 80 years old, if you have a life expectancy added to your life by 1 year, are we going to engage in a very costly medical procedure as against covering 100 women with prenatal care? No, we cannot afford to do it. That gets down to where the real rubber hits the road in terms of having to make the tough decisions that somehow we are going to offer everyone any medical procedure or access to any medical procedure. That is the implication, because we have not addressed those thousands of medical procedures, and we have the attitude that any one of them—it is very clear—would be open to anybody.

Oregon focuses on the position of preventive health care services and provides an access to primary health care before serious health problems develop. It looks at the effectiveness of treatment and draws lines to exclude payments of services that are noneffective or add to the individual's quality of life.

I think we have to face this reality in the national picture as well. It was difficult for Oregon. It was complicated. But they gathered the best brains and representation of the people, theologians, philosophers, doctors, lawyers, humanists, people from all walks of life, people from all incomes, and they sat down and worked out this dialog.

Under the Mitchell bill, will Oregon be permitted to continue to offer this unique benefit package to all Oregonians? Oregon has also taken steps in the private insurance market which have completely changed the nature of health care in the State, and has contributed to a significant lowering of health care costs in Oregon compared to the national average. Oregonians are familiar with managed care, where they join a network of providers through whom they can access health care services.

These networks include primary care physicians, hospitals, specialists, and other health care providers. In fact, more than 60 percent of the 1.1 million Oregonians who have coverage through Blue Cross/Blue Shield of Oregon are enrolled in managed health care plans. And in addition to that, Kaiser Permanente has more than 400,000 subscribers in Oregon out of a total population of 2.9 million.

However, there is a provision in the Mitchell bill that threatens the ability to health plans, such as those that are

covering the majority of Oregonians, to manage health care costs by limiting ineffective treatment and care. Under the claims dispute mechanism which would be established if the Mitchell bill is passed in its current form, health plans will have no incentive to manage cost because every decision, every claim—and there are millions every year in this country—could be reviewed through an administrative process, or in Federal or State court where damage awards available would be "any appropriate relief"—underscored—"any appropriate relief" possible, a true lawyer's paradise. This could be called in a sense a lawyer's economic development act.

Let us be clear about this. The disputes we are talking about here are contractual disputes over service coverage in health plans. These are not malpractice claims, not malpractice claims. They are not disputes that arise over negligent medical care. The implications of this provision for our ability to control costs through managed care are erroneous and they become also more enormous. It will completely undermine cost containment efforts.

I have long advocated that we give States more flexibility to develop a database to assist us in formulating a Federal role in health care reform. Certainly, I agree that there need to be certain Federal standards that assist us in achieving the goal of universal coverage. However, I do not believe the Federal Government should be dictating a regulatory and prescriptive process to the States and that each State then must follow to reach these Federal standards.

This approach penalizes States such as Oregon that are progressive. Many States have been working on these issues for many years, and I believe it is wrong for the Federal Government to come in and undo the reforms that we have already established and are experiencing.

For example, the Mitchell bill includes a provision that will preempt all State laws in the area of medical liability reform that are different from the new Federal laws established if the Mitchell bill is passed. In Oregon, that would mean that our medical liability law which includes a cap on noneconomic damages and has contributed to a significant lowering of costs would be preempted because the Mitchell bill does not include a similar provision of a cap. The Federal Government should not be paternalistic in this realm. Some States, like mine, are years ahead in their reform efforts.

So you ask, what about the States that are not as progressive as Oregon? How do we get them to do the right thing?

I believe we must set minimum Federal standards and then provide those States with guidance—not mandates—about how to reach those standards. We should provide incentives and credits for innovation, not more regulation. In all areas, our Federal system penalizes States that are more progressive and reduces them to the standards of the lowest common denominator. Our citizens expect better, they deserve better, and Oregonians certainly demand it.

Madam President, I want to make it clear that I am committed to reforming our health care system. The concerns I have raised must be addressed before we pass comprehensive health care reform. This is not a stalling tactic. This is asking for the data and information. Let me digress for just a moment. I happen to have been Governor when Kerr-Mills was first established as a precursor to the Medicare Program. Under Kerr-Mills, the Federal Government indicated the States should develop a database upon which to designate, to define, and to analyze the health care needs of the elderly citizens. Oregon, I am proud to say, was the first State out there to start the process of developing this database to know what the Federal role legitimately and rightfully should be. There were those who wanted to rush through a Medicare bill which came to be known as the King-Anderson bill superseding the progress that was established under Kerr-Mills, and they pronounced as the ultimate statement of costs in 25 years it would not cost more than $10 billion under King-Anderson.

Madam President, in 25 years it was $65 billion, and it is going sky high. It is going to eat up our whole budget if we do not do something about cost containment.

My point is simply this, that we can prove at the State level and if we had the time to develop the base I am sure we would have a finer and a better, more efficient Medicare system than what we are now experiencing. Concerns I want raised must be addressed. We cannot legislate in the dark, afraid to face the reality that we may not be able to afford unlimited health care for everyone in this country. However, we must assure that everyone has access to preventive and primary health care.

As a Member of the Appropriations Committee, I have directly experienced the struggle we face to allocate funds for our complex array of domestic programs. This discretionary funding funds the operation of those all three branches of the Government. It pays for the roads and the bridges of our transportation infrastructure, the loans that go to provide public housing, student loan assistance and small business startup, our national parks, and many more purposes which have nearly universal support. These funds have been drastically diminishing over the years as the entitlement programs have grown. The programs authorized under health care reform will put further pressure on the Appropriations Committee to make funding decisions.

And do not forget that the budget caps we are now under require us to cut discretionary spending next year by $5 billion. And as entitlement programs continue to grow, less and less will be available to discretionary programs. We are literally facing choices between running the Government and paying for our biggest entitlement programs—Social Security, Medicare, and now a new health care bill.

I return to the premise with which I began—what kind of a legacy are we leaving for future generations? Because I have this in common and have this with many of my colleagues and I share their concern. I made a commitment to work with this bipartisan mainstream coalition, which includes Democrats and Republicans, to try to improve upon the reforms in the Mitchell bill.

We are not rejecting either bill. We are just saying we cannot accept either bill in its current form.

I want to repeat again that I am one Senator who is willing to pay the bill to improve our health care system. But let us face the responsibility for paying for it now rather than later. We have an obligation to future generations to approach this issue of cost up front. We have all seen the illusory nature of projected savings over the years. This time we cannot afford to saddle future generations with mistaken cost estimates and glossed-over realities of the fiscal tradeoffs.

We must be conscious of the costs of such a system and make a commitment to control these costs. If we are up here getting ready to adopt a new health care plan and engaging in all sorts of rhetoric, political and otherwise, I think we have to understand that we have an obligation to tell the American public precisely how it is going to be funded. To only dodge that issue to me represents more a fraudulent approach than an honest approach.

We must make a commitment also in this or any other bill we adopt to funding medical research. We must assure that we make sufficient provisions to address the needs of our rural and underserved areas.

It is very interesting to note that rural America was left out of the original proposals that were called upon to be adopted in the Congress. It was only after pressures from within the Congress that rural America was seen as having a very special problem of rural health care because of the gravitation of medical resources to the urban centers.

We must enact meaningful malpractice reform. We must pass a bill that is less prescriptive and regulatory on State Government. And finally, we must encourage innovative and creative approaches to health care that are occurring in our States and private

health care markets now. We are not going to write a bill in concrete. We cannot do so because of those changes that are occurring now, even before legislation is adopted. Meaningful reform is possible if we keep these goals in mind.

I look forward to working with my colleagues to fashion a bipartisan solution that addresses these goals.

We cannot afford to pass a health care bill that has 51 votes from one side of the aisle or 50 plus 1.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I would like to speak today about an amendment I intend to offer, or a couple of amendments, to the health care reform bill.

I will not go on at great length. I know that others wish to speak.

The PRESIDING OFFICER. The Chair would note that the Senator from North Dakota stood on his feet and his voice was heard and he was recognized. He was on his feet first and that is the reason the Chair recognized him.

(Mr. WELLSTONE assumed the chair.)

Mr. DORGAN. Mr. President, I would observe that I have been here since 12 o'clock, with the exception of about 10 minutes when I left the floor, and I believe I watched for about an hour and a half or an hour and 45 minutes on the other side and about 15 minutes on our side.

But, nonetheless, I will be very brief.

I want to talk about an amendment that I intend to offer with my colleagues—in fact, two amendments.

THE FEDERAL RESERVE BOARD

Mr. DORGAN. Mr. President, before I do that, let me say again, just on another subject, the Federal Reserve Board action of yesterday is very disappointing. Today, we have all read the newspapers about that.

I was thinking about maybe suggesting we cut off the air conditioning down at the Federal Reserve Board. Somebody suggested if I did that legislatively, somebody would get up and suggest that we cut off the air conditioning in the Capitol Building.

But clearly we need to push some different air into the Fed to see if we cannot get some better decisions on interest rates.

HEALTH SECURITY ACT

The Senate continued with the consideration of the bill.

Mr. DORGAN. Mr. President, let me discuss briefly the amendment that I and a couple of my colleagues will offer to this piece of legislation.

I discussed yesterday the number of health care proposals that are before the Senate. I discussed the fact that there is great merit and need in discussing universal coverage. Universal coverage is essential. No American should wonder whether they have the ability to take their child to a doctor when their child is sick. It should not be a function of how much money you have in your pocket when you decide to get health care for a sick child. So it is clear we need better access to health care.

We need universal coverage. That is not something that I question. It is a goal we must move to, and as quickly as possible.

It is also clear to me, as I mentioned yesterday, that we must do something about the cost of health care. If we do not put the brakes on skyrocketing costs, we will be chasing the target of coverage forever and we will simply not be able to obtain it.

Yesterday on the floor I used a chart which shows what is happening to the cost of health care and I would like to show the chart again. The United States spends much more on health care than any other country in the world. We spend more than 14 percent of our gross domestic product on health care; Canada is at 11 percent; and no other country is even at 10 percent.

The fact is U.S. health care costs are growing and growing exponentially. And every single plan that is before us—the Dole plan, the Mitchell plan, the Clinton plan, the mainstream plan, the Finance Committee plan—every single plan, at the end of it, in the year 2004, will see the cost of health care as a claim on the gross domestic product of this country increase by nearly one-third.

Instead of keeping health care at 14 percent or 14.5 percent, which is much more than any other country in the world spends on health care, at the end of every plan, by the year 2004, according to the Congressional Budget Office, we will be at 19 or 20 percent of gross domestic product.

That is not success. We will not achieve universal coverage unless we find some method by which we put the breaks on skyrocketing costs. We, I think, need a thoughtful debate about how to do that. I think there would be great differences. Some would suggest cost controls, cost containment mechanisms that are real; others would suggest a market that might incentives cost containment. The fact is, if we do not dig in with cost containment devices that work, whether it be in the private or the public sector, we will not obtain universal coverage under any condition.

Again, let me say, every plan that I am aware of, including the Republican plan, will, at the end of the plan, mean that we will spend a third more than we now spend on health care as a percent of our gross domestic product. That cannot and will not be viewed as a success by the American people.

On one part of this issue, I am going to offer an amendment that I want to discuss today. It is an amendment on the issue of the cost of prescription drugs. It would be hard to find a better heeled industry than will fight this amendment, I am sure.

The pharmaceutical industry is a very, very large industry with an enormous amount of resources. They do a lot of good things. They produce wonder drugs, manufacture life-saving drugs, invest a lot of money in research and development. And I salute them for that.

On the other hand, they produce products that are a necessity, not a luxury. People need, as a matter of course in their daily living, to take the medicines and prescription drugs that are prescribed by their doctor.

The way they price prescription drugs in this country in my judgment defies all good sense. And I have used these charts before. I am going to use a couple of them again, just to describe why this amendment is necessary.

The biggest selling drug in America is Premarin, used for estrogen replacement. Here is the price for Premarin by the same manufacturer, for the same pill, put in the same bottle. I have held up on the floor before the bottle of pills for which it is $93 in Sweden, $100 in England, $113 in Canada, and nearly $300 to the U.S. consumer. Why? Why would we be charged more than triple the price for the drug Premarin when compared to Sweden or England?

Xanax, for anxiety, $10 in Sweden, $56 in the United States.

Zantac, a drug that is used for ulcers; a wonder drug, as a matter of fact, saves the need for a costly operation. But why do we pay $133 for the same size bottle, for the same pills, produced by the same manufacturer, when it costs $64 in Sweden and $84 in England?

When I offer the amendment, I will show chart after chart after chart that shows exactly the same thing—two different sets of pricing data. A price for people who live in Italy, Germany, France, England, Sweden, and Canada, and then a separate price, a higher price, for the United States consumer. Why? By what justification should we believe the U.S. consumer should be charged double, triple, 5 times or even 10 times the same price than other consumers around the world pay?

I intend, with my colleagues Senator PRYOR, Senator SASSER, and Senator FEINGOLD, to offer two amendments, one which would have the Secretary of Health and Human Services do a survey, to collect information, and require the pharmaceutical companies to furnish the information, on the wholesale prices at which they market their drug in various countries. And from that, construct an index that is released periodically to the American people so

that we know what price we are paying for the same drug that is being consumed at a lower price by other people in other countries.

That is number one. It simply requires the drug companies to provide the information and requires the Health and Human Services Secretary to get it, to compare it, and to produce an index so that we have public information and allow the public to put the pressure on the pharmaceutical manufacturers for fair pricing.

The second amendment would be exactly the same step leading to the acquisition of these prices and the comparison of these prices, and then a determination based on the results. If they find that a drug is sold in this country for 25 percent more than the average price at which it is marketed in other countries, more than 25 percent above the average price at which it is marketed in the rest of the world, then it would result in a show cause hearing at HHS. If the drug companies could not show cause that was justifiable, then the Federal Government would only pay, under the Medicaid contract, the average price of which that drug is marketed in all the rest of the world.

Those two amendments, I assume, will provoke a substantial amount of debate. There is certainly room for disagreement about drug pricing. But I do think that we ought to have a discussion about that component piece of the cost of health care.

I would like to make one final comment, and then yield the floor.

There is, I know, great rancor, anger, cynicism by some about this health care debate, about Congress generally, about the Government, about Washington. All of us see it and hear it. We feel it every day from the phone calls we get and contacts when we are back home. Times have changed, and part of it is understandable and very real. Part of it bothers me some—I listened carefully this morning to some of the discussion—the notion by some in this Chamber that somehow Government is awful, Government is untrustworthy, Government cannot do anything. The fact is, Government is a system by which we put together the schools and educate our kids, we construct our roads and a police force to keep us in safety, and a force of firefighters to fight fires. Government is all of those things. Government was, when it constructed REA, and rural telephone system, the instrument by which we electrified rural America and brought telephone service to rural America. We have done a lot of remarkable and good things through our Government, together—things that work. Things that work well.

I respect the fact that there is great disagreement about how to respond to the health care issue. I do hope that, as we move down this road, we will, in a thoughtful way, disagree without being disagreeable. Even though there are substantial differences in public policy between us, all of us now serve in government. I hope we all aspire to make government effective. Whatever we do, let us make it effective. Let us do it right.

It may be, some think, we should do less of it. That is perfectly legitimate. But we ought not make it our fulltime occupation to denigrate everything done. I am telling my colleagues, there are plenty of people doing that these days. I hope those of us who work here, Republicans and Democrats, and who care about public policy will tone down some the description of what we are. I was told recently by a person that we are all liars and all a bunch of frauds in Congress.

I said, "You know, I do not think that". I work with the Senator from Arizona, Senator MCCAIN. I work with Senator DOLE. I work with Senator COATS. I do not know of one person in this Chamber I work with that I think that of.

Every person here, in my judgment, is here because they care a great deal about public policy. They might have widely divergent views about what that policy may be, but they come early in the morning and work late at night because they care about public policy and honestly want to address it in the right way. I hope, as we move forward in this health care debate and as we talk about crime and other things, we can always keep in mind that all of us are trying in our own way to do the right thing.

I have indicated yesterday that I desperately believe when we turn out the lights for a recess—if we have a recess here—and we have done something about health care, if we do not do something about the cost of health care, then we will have failed. Costs are skyrocketing. I frankly do not think any plan presented at this point will get costs under control. I have indicated that. I have some notions about how we should try to do it.

But no one in this Chamber, in my judgment, has the divine wisdom to come here with a piece of paper and say, "Here is the answer. Here is the right answer. Here is the only answer. Here is the answer that works for America." It is just not possible that one person has that kind of wisdom.

What we ought to expect from this Chamber is a debate in which we get the best of what everyone has to offer instead of the worst of what each has to offer. If we can get the best of the ideas from the Republicans and the Democrats and the conservatives and the liberals and the mainstreamers and the upstreamers and whoever else is out there streaming these days, maybe we can construct something that the American people will respect and say: Yes, they did a pretty good job. They understood the problem. They searched for the best possible solution. We respect them for that.

I hope that will represent the tone of the debate.

Mr. MCCAIN. Will the Senator yield for a comment?

Mr. DORGAN. I will be happy to yield.

Mr. MCCAIN. First, I express my apologies for my impatience to the Senator. I was unaware he was on the floor since noon. When I came to the floor he was not there, and I expressed some impatience. I hope he understands I have waited a number of days to give my opening statement.

Second, regarding his statements concerning the level of rhetoric. There should be a statement that each of us, even though we may take different approaches to this very critical issue, we should be partisan but not personal in our remarks and in our debate. I think it is a fortunate admonition, since most of us had anticipated being home at this time with our families, and from the looks of things, things are going to get perhaps more tense around here rather than more relaxed. I hope all of us can take the words of the Senator from North Dakota to heart. I thank the Senator from North Dakota.

Mr. DORGAN. Mr. President, I appreciate those remarks. Senator COATS is on the floor, and he and I have talked about the fact that this is not a family-friendly place. When people say that Government cannot be trusted and we are all lazy—the people like Senator COATS and Senator MCCAIN, like so many others who work late at night and come in early in the morning and spend half their weekends back in the home State make enormous sacrifices. I think all of us with young children would prefer to be able, during an August break, at least in some small measure be able to spend some time with them. But this is not a very family-friendly place. I hope we can change that, too, at some point in the future.

I will be happy to yield the floor. I appreciate the patience of the two Senators.

The PRESIDING OFFICER. The Senator from Indiana [Mr. COATS].

PRIVILEGE OF THE FLOOR—S. 2351

Mr. COATS. Mr. President, on behalf of Senator WELLSTONE, I ask unanimous consent Alexandra Clyde, E. Richard BROWN, Ellen Weissman, and Mark Anderson be accorded the privilege of the Senate floor for the duration of consideration of health care reform legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Mr. President, I only intend to take a few moments. Then I trust my colleague from Arizona could be recognized, who has waited very patiently for a number of days in order to make his comments and statement regarding the health care bill that is before us. I want to take a brief amount

of time to respond to the comments just recently made by the majority leader.

The majority leader has on several occasions now, the latest of which was just moments ago, come to the floor in defense of the bill that he has introduced, which is obviously his right. And we would expect him to do that. What I am responding to, however, is that the rhetoric of the majority leader does not seem to square with the reality of the legislation. I am one of those Senators who took the pledge, the pledge to read the entire bill. I wish I could say I have completed the reading and understand every line and every word of this 1,448-page document. I am well into it. I think I understand a great deal of it. But much of it is technical and references other sections of the United States Code and other sections of the bill.

So I am still plowing through it. But as I listened to the majority leader make his rhetorical statements, I began to scratch my head and think, are the statements relative to the same bill that I am reading? I know we have had three bills submitted by the majority leader. We label them Mitchell 1, Mitchell 2, Mitchell 3. I have been focusing my efforts now on the bill that is before us, Mitchell 3.

But as I hear comments made by the majority leader and then try to square it with what I have just read, there seems to me somewhat of a disconnect. For instance, on the subject of consumer choice, yesterday and repeated again today, Senator MITCHELL came to the floor and attacked Republicans claiming that Republican Senators had misrepresented the facts about an individual's choice of plans under his bill. But in reading the bill, it is clear, at least to this Senator, that employers are severely penalized for offering health plans that are more generous or less generous than the standard benefit package that will be determined by the National Health Board and that employers of under 500 employees are prohibited from self-insuring. Those are limitations on choices.

So while the majority leader says, and I quote from a floor statement made on August 2, 1994, "The bill would expand the choices Americans have for their health care," the bill that I have read, Mitchell 3, says this on page 145, section 1309: Employers are subject to a civil penalty of $10,000 per employee if they offer a health plan that is more generous than the standard benefit package.

Let me quote from that directly. I want to make sure I am not mischaracterizing, or attempting to misrepresent, what the majority leader has said. The majority leader said this would expand choices for Americans in health care. But on page 145, section 1309 it says:

In the case of a person that violates a requirement of this subtitle, "the Secretary of Labor may impose a civil money penalty in an amount not to exceed $10,000 for each violation with respect to each individual."

The requirements under this subtitle are that a standard benefit package, determined by the National Health Board, be offered. And, if anything less or more than that is offered—if it is more, it has to comply with the supplemental plan— there is a $10,000 fine that may be imposed by the Secretary of Labor.

That does not sound like an expansion of choices to me. On page 1,170 in section 7112, the bill imposes a 25-percent excise tax on high-cost, high-growth health plans. That 25-percent tax is assessed on the difference between the premium and the reference or target premium.

On page 137, section 1301 of the Mitchell bill, despite what the majority leader said about expanding choices for Americans, it says "Employers with fewer than 500 employees are prohibited from self-insuring, cost-sharing benefits." Their provision alone would deny choice to the 400,000 firms in America that insure 16 million Americans today under self-insurance plans. This is when the employer sits down with the employees and says, "We're going to write our own plan. We will form our own group. We will determine what benefits best fit this company, and we will self-insure."

Those firms under 500 employees will now be prohibited from doing that. They will be prohibited from offering plans they now offer that cover 16 million Americans. That is not expanding choices.

It seems to me, Mr. President, that consumer choices are severely limited under the Mitchell bill because employers are strongly penalized for offering anything other than the one-size-fits-all-Washington-designed standards benefits package.

Senator MITCHELL has claimed that his bill would not raise taxes, nor tax small business. On August 15, 1994, on this floor, just a couple of days ago, he said, and I quote:

> Over and over again, our colleagues said of that plan that it would raise everyone's taxes and be a tax on small business. Neither of these statements are correct.

That is the majority leader's statement. But the words of the majority leader do not conform with the words of his own bill. This bill contains numerous new taxes and tax increases. Let me just name three.

In section 7111, page 1,158, the bill imposes a 1.75-percent tax on all health insurance premiums for insured and self-insured plans. So whatever your plan now is, as an American, you are going to have a 1.75-percent tax on that plan.

Section 7112, page 1170, imposes a 25-percent excise tax premium cap on high-cost, high-growth health plans. Section 7132, page 1205 imposes a 15.3-percent tax increase on income of certain service-related subchapter S corporations, shareholders and partners.

Mr. President, these are three of the 17 taxes included in the Mitchell bill. I will not take the time, in deference to my colleague from Arizona, to go through the others, but I have a list of all the taxes imposed under the Mitchell bill.

Senator MITCHELL, when he spoke about the impact on business, was correct when he spoke about the plight of small business owners. In a floor statement on August 9, he said, and I quote:

> These are typical small business people trying to create their own stake in society, building their own enterprise and doing what the rhetoric of entrepreneurship is all about. And yet their efforts are being devastated by something entirely beyond their control.

I agree with those words. But what is entirely beyond their control is where I disagree. What is entirely beyond their control are the 49 new responsibilities that they are being burdened with. I have a list of employer responsibilities under the Mitchell bill. I will not take the time to read them, but I ask unanimous consent to print them in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

EMPLOYER/PLAN SPONSOR RESPONSIBILITIES UNDER THE MITCHELL BILL

RESPONSIBILITIES AS AN EMPLOYER

Sec. 1301: Offer at least 3 certified standard health plans.

Sec. 1301: Forward the name and address of each employee to the certified standard health plan in which the employee is enrolling.

Sec. 1101: Maintain records and provide states with data to audit certified standard health plans.

Sec. 1301: Provide payroll withholding of employee premiums upon request.

Sec. 1301: Provide employees with information on all certified standard health plans in the community rating area.

Sec. 1301: Provide employees residing in other community rating areas, information on all certified standard health plans in these other community rating areas.

Sec. 1111: Provide 180 day notice to participants of plan non-renewal.

Sec. 1111: Comply with regulations concerning transfer of plan sponsorship from one employer to another due to acquisitions.

Not available: Modify plan documents and SPDs to reflect legislative requirements.

Sec. 1486: Maintain certified Wellness Programs to be eligible for premium discounts.

Sec. 4522: Comply with Nondiscrimination regulations.

Sec. 1302: Maintain data on standard health plan premiums and employer contributions.

Sec. 10113: If trigger mechanism goes into effect, employers must contribute 50% of premiums for all employees.

Sec. 7202: Loss of Section 125 FICA exclusion.

RESPONSIBILITIES AS A STANDARD HEALTH PLAN SPONSOR

Sec. 1001: File application for plan certification in each State.

Sec. 1201: Comply with Standard Benefits Package.

Sec. 1111: Comply with regulations concerning guaranteed issue, availability, and renewability.

Sec. 1113: 6 Tiers of premium rates required.

Sec. 1002: Open enrollment required.

Sec. 1111: Allow disenrollment for cause.

Sec. 6006: Provide enrollees with individual subsidy applications.

Sec. 6006: Forward subsidy applications to states.

Sec. 5001: Supply data to the National Quality Council at both a state and national level for:

Sec. 5002: Quality of health care service and procedure measurement;

Sec. 5002: Determination of access to care;

Sec. 5002: Determination of appropriatenes of care;

Sec. 5002: Determination of population health status;

Sec. 5002: Health promotion/disease control initiatives;

Sec. 5004: National surveys of plans and consumers;

Sec. 5005: Consumer report cards;

Sec. 5007: Additional information requests for health care researchers; and

Sec. 9000: Workers' Compensation data must also be supplied.

Sec. 5009: Supply data to the State and National Centers of Consumer Information and Advocacy on plan performance and consumer report cards.

Sec. 5111: Comply with the standards of the National Health Information Network for electronic transmission of the following health information:

Sec. 5112: Standard unique health identifiers for each enrolled individual, employer, health plan, and health care provider;

Sec. 5121: Eligibility data;

Sec. 5121: Enrollment data;

Sec. 5113: Enrollee and provider signatures;

Sec. 5114: Claim forms;

Sec. 5114: EOBs;

Sec. 5121: Premium Payments;

Sec. 5121: First Report of Injury;

Sec. 5121: Claims Status; and

Sec. 5121: Referral certification and authorization.

Sec. 5301: Comply with Attorney General data requests for fraud and abuse enforcement.

Sec. 1124: Issue Health Security Cards to all enrollees.

Sec. 1101: Participate in state guaranty funds.

Sec. 1101: Comply with grievance procedures.

Sec. 1117: Participate in National Reinsurance Program for multi-state employers.

Sec. 1118: Comply with solvency requirements.

Sec. 1122: Comply with performance standards.

Sec. 1122: Communicate quality outcomes to enrollees and providers.

Sec. 1125: Provide enrollee communciations in a variety of languages.

Sec. 1126: Provide information on patients rights.

Sec. 1128: Coordinate additional payments to providers for individuals with cost sharing subsidies.

Sec. 1128: Verify provider credentials and licensing.

Sec. 1128: Demonstrate that sufficient providers are available both in and out of network.

Sec. 1129: Demonstrate that sufficient specialized treatment expertise is available.

Sec. 1129: Disclose utilization review protocols to enrollees and providers.

Sec. 1129: Disclose provider incentives to enrollees to make them aware of potential quality of care issues.

Sec. 1141: For supplemental plans, maintain a loss ratio of at least 90 percent.

Sec. 1305: Complying with requirements in single payor states.

Sec. 2106: Conduct quality case review of sample records.

Sec. 2106: Reporting instances of abuse, neglect, and exploitation.

Sec. 2106: Reporting of enrollee/provider complaints.

Sec. 3093: Special reporting requirements for employers of health care workers.

Sec. 7111: Pay 1.75 percent Premium Tax.

Sec. 7112: Conduct test for 25 percent assessment on high plans.

Mr. COATS. Mr. President, 49 new responsibilities, mandates on business under the Mitchell bill. Yes, small business people are being burdened by health care, but they are being burdened by the mandates that are being placed on them on the so-called proposal to undo that burden. Those are the new responsibilities that are beyond their control.

I will skip naming some of those, but there are 49 of them. Senator MITCHELL said in regard to bureaucracy, and he has said it over and over and over again, this bill, he says, the Mitchell bill, is not a Government-run program. I heard him say that just a few moments ago.

Believe it or not, we have counted the word "shall." The word "shall" means it is not discretionary, you do it. If a piece of legislation enacted into law and codified into law says "shall," you have to do it. If you do not do it, there are penalties, and this bill is full of the penalties.

We have counted the number of "shalls" in this legislation—2,681 times it does not say this is what we recommend insurers do, this is what we recommend businesses do. It says this is what "shall" happen; this is what "shall" take place. The States "shall" comply with these requirements. Small business "shall" comply. The National Benefits Board "shall" do these items.

So when we say this is not a Government-run program, it does not square with the bill.

I have compiled a primer to the Clinton-Mitchell health care bill's new bureaucracies, new mandates, and new Federal powers. This list identifies by section number the mandates, the requirements, the new agencies, the bureaucracy that is outlined in this 1,448-page bill. This is 81 pages of print so small that my eyes can no longer read it, but this lists the 55 new bureaucracies that are created, a mixture of Federal and State government bureaucracies that are required under the Mitchell bill—55.

This lists the 815 new duties that are given to the Secretary of Health and Human Services; probably a new office for every one of those and who knows how many employees and how much money to fund that; 815 duties and powers, new to the Secretary of Health and Human Services; 83 new duties and powers to the Secretary of Labor.

I could detail what some of those are—overseeing State plans, requiring certain submissions by medical providers, and on and on it goes. If that is not a Government-run program, I do not know what is.

Mr. President, I hope every Member will have a chance to leaf through this. This is not political rhetoric. This is language taken directly from the bill and referenced to section numbers. Every word in these lists is taken directly from the bill and referenced to the section number. So Members do not have to see this as just Republican rhetoric, Republicans trying to scuttle the Mitchell health care proposal. This is factual, it is there for everybody to see, it is there for everybody to reference for themselves.

The worst thing I have ever done and the best thing I have ever done, relative to the legislation that is before us, is to take the pledge to read this bill, because the rhetoric sounds wonderful and there is plenty of rhetoric to go around on both sides. Oftentimes, that just is lost in the discussion, and pretty soon it all starts to sound alike and everybody is saying the same thing.

The reality is this legislation. The reality is this legislation, and I just challenge every Member of the U.S. Senate to read this bill. If you read this bill, you will see it as the single greatest expansion of Government in the history of this Nation. You will see it as Government control run amok.

The goals of the majority leader are honorable goals. They are goals shared by Republicans. The reforms that are outlined in terms of health security, of keeping your plan, of not losing it when you change jobs, not being denied coverage when you are sick, of the small business reforms and the insurance reforms, they are all incorporated in ideas and plans submitted by Republicans. We all agree on that.

Senator Bentsen, not a Republican but then Senator Bentsen, a Democrat, leader of the Finance Committee, submitted legislation 2 years ago. Had we enacted that, the rhetoric would have been solved. The problems that the rhetoric discloses would have been solved. Would it have solved every problem in the health care field? No. But it would have taken us a long way towards health care reform. Millions and millions of Americans today would have health security they now do not have because we are presented with this or nothing.

The President has drawn the line in the sand and said, "You enact this and nothing less or I will not accept it." And so those of us who have worked together to provide meaningful reform

and health care for millions of Americans have nowhere to go. This is the bill before us. So if it is this or nothing, then we are determined to show the American people and our colleagues what this is. And this has been detailed now and outlined in section-by-section form for Members to check for themselves. I just think that the rhetoric needs to match the reality of that with which we are faced.

With that, Mr. President, I yield the floor.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, first I would like to note the presence of my friend from California, Senator BOXER. I would say to the Senator, I intend to speak for about 25 minutes, if that is agreeable to her, so that she could adjust her schedule accordingly. And I appreciate her many courtesies which have been extended to me for many years. I wish to assure her that if I am ever in the majority I will try to extend the same courtesies to her that she has to me. And I am very appreciative not only of her courtesies but her friendship. She and I came to the House of Representatives together longer ago than she would care for me to recollect. So I thank the Senator from California.

Mr. President, one of the most oft-used adages I know is that those who ignore the lessons of history are doomed to repeat them. History teaches us many things about the prospects for this legislation, and in my view none of them are favorable. For the sake of our Nation, I believe we should avoid the errors of the past.

Among history's most important lessons—and I would cite five of them—as far as health care legislation is concerned are, first, a major piece of legislation that fundamentally alters our basic institutions requires strong bipartisan endorsement, not a narrow 51-percent majority; second, any major health care bill must be understood and endorsed by the public before it is passed if it is to have any chance for successful implementation; third, Government-run approaches to providing health care are overly bureaucratic and do not result in quality services or consumer satisfaction; fourth, health care access problem is fundamentally a cost problem, and any bill that does not strongly address the cost of health care through market forces in my view will be doomed to fail; and fifth, the cost of entitlements are always underestimated when first proposed, and it is politically impossible to remove them once they are enacted.

I would like to discuss each of these lessons to ensure that we do not ignore them in the course of this debate.

First, health care reform requires strong bipartisan support. Mr. President, this is not an issue that should be decided on a party-line vote with 51 votes in favor and 49 against. This is an issue that will affect every American in a very personal manner. It will fundamentally alter an industry that comprises one-seventh of our economy, and history shows us that from major civil rights legislation to the creation of new Government social programs, if we are to truly succeed in changing the status quo, it must be done in a manner that is supported by the broadest cross section of Americans.

It is clear that this bill is not bipartisan. The objective is to pass it, even by a single vote. The Clinton-Mitchell bill does not have a strong bipartisan support because it does not have the support of the American public.

To try to force through a bill that the public does not understand, in my view, will result in disaster and will further undermine the credibility of the Congress in the eyes of the American people.

A second lesson of history is that the public must understand and support the health reform bill that ultimately becomes law. History assures us that a bill that is not understood by the public will not be successfully implemented.

I would like to remind my colleagues of the last time we passed a major health care bill that the public did not understand that was when the Congress enacted the Medicare Catastrophic Coverage Act of 1988. Once senior citizens learned that they were being forced to pay substantially more for benefits that did not meet their top priorities and were not worth it for many, they stormed our offices with angry letters and calls, and I am proud to have been the sponsor of the bill that repealed this legislation.

I think it would be useful to review the political history of that doomed legislation. In 1987, the Medicare Catastrophic Coverage Act was introduced to provide seniors with protection against the spiraling costs of illness requiring long-term or frequent hospitalization.

On July 22, 1987, the Senate passed the measure by an overwhelming 86-to-11 vote, the House measure bearing the same title was passed 302 to 127. As the bill moved through the legislative process, what happened? Benefit after benefit was added. The scope and cost of the legislation changed dramatically from the original legislation. Good intentions were once again paving a road to a destination the public did not understand, want or support. But that did not matter to the Congress. We did not seek the consultation and endorsement of the American people who would have to live with our reforms. We were going to give them what we decided was best, and we did, with the aid and abetment and efforts of the AARP. The conference report on the catastrophic bill passed the Senate 86 to 11 and the House by 328 to 72. I voted against the conference report even though I was a prime cosponsor of the original bill. I did so because I listened to the seniors of Arizona.

I was looking back in the RECORD of the congressional debate at the time of passage of the conference report on June 8, 1988. I said at that time—now, nearly 6 years ago, over 6 years ago:

> In a speech in my State earlier this week at a typical middle-class mobile home park I came to find that none of the 80 to 100 seniors present supported the conference report. First, they protested the fact that the cost of the supplemental premium had risen by 50 percent over that of the supplemental premium under S. 1127.

That is the original legislation.

> Second, they were extremely upset about the fact that participation in the benefit was mandatory, regardless of whether or not they already had private coverage. Third, 80 percent of them cited a desire to seek coverage of long-term care and they were willing to pay an additional $500 to $600 a year for such coverage. And last, only 5 percent of them supported the prescription drug coverage provided in the bill.

That is what I learned back in 1988. That is why I voted against the catastrophic bill, and that is why inside the beltway, by overwhelming numbers, this bill was passed. And what happened? What happened, Mr. President, 1 year later, after the seniors realized what the bill did not do, a veritable revolt ensued. Still Congress balked. Notwithstanding the public outcry, amendments offered to delay implementation of the catastrophic bill on April 1, June 7, and July 27, 1989, were defeated. Each vote, however, received broader support as public reaction swelled. By October of that year, public outrage had reached a fever pitch. On October 4, I introduced a bill to repeal the onerous portions of the bill. The measure was passed on October 6 after 11 hours of debate and after the defeat of 8 substitute amendments by a vote of 99 to nothing.

Why was the repeal passed, Mr. President? Because the American people demanded it. Democracy may take time but inevitably it works. So we have a very clear example of how a major change in our health care system started and how it ended.

That is history, Mr. President. We should all learn from it. I will tell you what I am hearing from the seniors and younger people and middle-aged people in Arizona, and that is they do not understand this bill. They do not understand it. They do not know what it is about. They want it explained to them before they sign on to it. And by a 2-to-1 margin they are saying we prefer a gradual approach. We prefer a gradual approach because we do not want to be saddled with Government intervention in our health care systems that we do not understand.

Now, maybe, Mr. President, in the long run the American people and the

people of my State may accept something along these lines. I doubt it. I do not think so. But right now they clearly do not understand it. How can you possibly ask the average American, who is working, 8, 10, 12, 16 hours a day, 5, 6, 7 days a week to understand the ramifications of this bill?

Now, Mr. President, they did not understand catastrophic. It was done inside the beltway, with AARP. They do not understand this. And I do not know if this is going to pass or not.

I do not think anybody in this body knows whether this legislation is going to pass. If it does, I can predict one thing. It will have the same result as the catastrophic bill did, only it is not going to be the seniors who will be lying on the hood of the car of the chairman of the House Ways and Means Committee. It will be not be seniors who knock the chairman of the House Ways and Means Committee over the head with a sign in protest. It will be all the American people.

So I strongly suggest that we learn the lesson of history concerning catastrophic.

While we do not know how much more senior citizens will have to pay for these new benefits, preliminary estimates suggest that over 50 percent of beneficiaries will still have to pay for their prescription drugs out-of-pocket because they will never exceed the cost-sharing requirements. They, and the many other seniors who currently have prescription benefits from other sources than Medicare, will still pay higher part B premiums for the new benefit. This is just one of the thousands of new provisions in the Clinton-Mitchell bill that we do not fully understand.

I would note that the catastrophic bill had even more public debate in open forums than the current bill. Yet, it failed.

During debate on catastrophic, CBO estimates of the cost were woefully inaccurate. The costs of a new skilled nursing benefit was increased by 642 percent in just one year from the original CBO estimate. Standard benefits packages and making people pay for benefits that they may not want like the catastrophic bill is a recipe for disaster. All of these concerns are applicable to the Clinton-Mitchell bill.

Mr. President, the American public must know what is in the Clinton-Mitchell bill. We cannot afford another fiasco like the Medicare Catastrophic Act.

The third lesson of history is that Government-run approaches to providing health care do not work well. They are overly bureaucratic and do not result in quality services or consumer satisfaction. Supporters of the Clinton-Mitchell bill are fond of asking Republicans whether we would want to repeal Medicare, which is a Government-run program. Well, of course we would not want to repeal Medicare. However, if we were to pass Medicare over again, we certainly would have designed it very differently. Every day, I receive letters and calls from seniors about problems they have with the Medicare bureaucracy and the arbitrary rules that it imposes.

Perhaps as important, the original estimates of the combined costs of Medicare and Medicaid for the 1990 was $18 billion. The reality was that the actual costs had been 10 times that. There has not been an entitlement program in history that has not vastly exceeded the estimated costs at the time of passage. Sometimes, as in the case of Medicare and Medicaid, by a factor of 10. I have had the opportunity to deal with other Government-run health care systems.

Other Government-run health care systems are even worse. As a member of the Armed Services and Indian Affairs Committees, I am constantly informed about the horror stories associated with the veterans health care system and the Indian Health Service and their bureaucracies. The Clinton-Mitchell bill would make their bureaucracies pale in comparison. It includes 50 new bureaucracies, 17 new taxes and penalties, 177 underfunded State responsibilities, 818 powers and duties of the Department of Health and Human Services, 83 powers and duties of the Department of Labor, and hundreds of new Federal regulations.

I am not sure we can fit all of these on the T-shirt that we made up in response to the Clinton health care bill. We may have to make sure they are all extra, extra large.

Fourth, history tells us that any bill that does not strongly address the cost of health care through market forces will be doomed to fail. Our access problem is basically a result of rising health care costs. Costs are simply not affordable for many Americans. There is nothing in the Clinton-Mitchell bill that significantly addresses the problem of rising health care cost, and, in fact, it actually makes the situation worse.

For example, the way in which community rating is achieved in the Clinton-Mitchell bill, which substantially limits premium differentials based on age, will dramatically increase the cost of coverage for younger individuals. This enormous cost shift to those who can least afford it will induce many young people to drop their coverage.

Also, the Clinton-Mitchell bill will do very little to address our malpractice crisis, which is an important cause of rising health care costs. Our malpractice system is seriously dysfunctional. Only 43 cents of every dollar spent in the system goes to injured patients. The majority goes to administrative expenses and legal fees. The cost of malpractice insurance has grown dramatically, increasing by 15 percent each year from 1982 to 1989. It may increase by 19 percent this year. These costs, which exceed $6 billion annually, are passed on to patients. They are creating major access problems in certain areas, particularly underserved rural areas.

Thus, it is clear that we need serious malpractice reform in this country. Unfortunately, the Clinton-Mitchell bill does not include any significant malpractice reform, and may actually move the country backward at least a decade. Incredibly, it could negate positive State laws that have significantly addressed our malpractice crisis.

The first version of the Clinton-Mitchell bill contemplated a total preemption of State malpractice law. Such complete preemption of the malpractice laws of every State would be incredible.

It basically says that Congress knows better than all the State legislatures in the country.

It is unclear from its language whether the current version of the Clinton-Mitchell bill totally or partially preempts State malpractice law. The language implicitly suggests that it totally preempts the field, and nothing in the bill states explicitly that it does not preempt State law.

Whether or not it preempts State law, the malpractice and medical liability reforms that are proposed are extremely weak. They only apply to cases against a health care provider or professional, but not to claim concerning a medical product. The most significant reforms limit lawyer contingency fees to about what lawyers are now charging, and permit periodic payments of awards.

While these particular provisions are also in the Dole bill, the difference is that they are the strongest provisions in the Mitchell bill. The Dole and Gramm bills contain other vitally needed reform.

Mr. President, everyone knows the status quo. Some unfortunate individual becomes injured, files a lawsuit and seeks compensation in court, wins, and before he or she is able to use the money to pay medical bills or put his or her life back together, the lawyers get paid. The fact is that while the injured party is still suffering and trying to make better his or her lot in life, the lawyers get paid first and foremost. They often receive large contingency fees for settling a case with a minimum amount of effort.

The most egregious example I know of was the agent orange case where millions of dollars were awarded in the case of victims of those who suffered from agent orange in the Vietnam war. The lawyers got paid first. Many of the victims of agent orange died before they ever received a penny in compensation for the damage that was done to their health as a result of

agent orange. You tell me, Mr. President, why the lawyers should have been paid first while American veterans were suffering.

And what does the Clinton-Mitchell bill seek to do: Codify the status quo. Are our priorities that misguided? The status quo is not in anyone's interest, except for the trial lawyers. It is the injured, not the lawyers, who we should help and protect. The medical malpractice sections of this bill are wrong and must be corrected.

The Clinton-Mitchell bill requires each State to set up alternative dispute resolution mechanisms and requires exhaustion of these mechanisms before a court action may be brought. While alternative dispute resolution, such as mediation and arbitration, is generally a good idea if engaged in voluntarily, the mandatory way in which it would be imposed in this bill would be highly inflexible and bureaucratic.

While the President is fond of lashing out at the so-called special interests, such as the NFIB which represents the many small businesses that create jobs in our country, it is interesting that he has not spoken out against the enormously powerful trial lawyer lobby or its well-funded political action committee.

In fact, President Clinton is only concerned about those special interests that are not supporting his plan or contributing to his political interests. Groups such as the Trial Lawyers Association that support him are interestingly exempt from the pejorative classification as special interests. Coincidentally, the largest contributor to the Democratic coffers is also the largest beneficiary of their ineffectual malpractice provisions.

Compare the Mitchell bill's weak or negative malpractice reforms with the powerful reforms in the Republican alternatives, which include limits on noneconomic and punitive damages, statutes of limitations for brining claims, improvements in standards for bringing claims, and consumer protections. Our reforms are based on precisely the innovative State laws that the Mitchell bill could nullify. These reforms are working, and should be allowed to continue to work and to be expanded throughout the country.

In addition, the Clinton-Mitchell bill is replete with new and unjustified burdens on both the private and public sectors, including new taxes, mandates, regulations, and legislative pork or other waste.

The Senator from Indiana has described many of those in detail. So I will not.

One of the most important innovations with respect to cost containment that is in the Dole bill and many of the other bills is the medical savings account. Medical savings accounts are a market-oriented approach which would substantially increase the cost consciousness of consumers while allowing them to stay in control of their health care decisions rather than having some government bureaucrat make the decisions for them.

Unfortunately, the Mitchell bill does not authorize medical savings accounts. Overall, the bill does nothing to contain costs and therefore, in my view, will fail in the long run in its goal to enhance access.

Fifth, Mr. President, history teaches us that the cost of entitlements are always underestimated when first proposed. When Congress passed Medicare in 1965, it predicted that Medicare costs in 1990 would be under $10 billion. In fact, they were over $100 billion. The estimate was wrong by a factor of 10. I cannot think of an entitlement program that we have passed that has not cost substantially more than originally projected. Once they are in law, they develop powerful constituencies that ensure they are never, ever, cut back.

It is particularly ironic that we are considering a bill with $1 trillion of new entitlements just as the entitlements commission is submitting its recommendations to do precisely the opposite. I can understand specifically targeted subsidies for low-income individuals to obtain coverage, but a new entitlement for medical schools is incomprehensible. What is the American public going to think when they learn we are trying to increase their taxes to pay for this nonsense? I commend the Senator from Nebraska for his leadership on the entitlements commission and his warnings about the new entitlements in the Clinton-Mitchell bill.

Again, let us learn from history. The exercise we are going through today is frighteningly similar to the catastrophic bill, with one very important exception: The reach, scope, and impact of the Mitchell health care bill dwarfs the Catastrophic Coverage Act.

While I am on the subject, I wanted to again mention the entitlement in this bill which is for graduate medical education accounts—a new entitlement for graduate medical education. For that account, the Mitchell bill authorizes expenditures as follows: For the academic year 1997, $3.2 million; in 1998, $3.6 million; in 1999, $5.8 million; in 2000, $6.1 million; in 2001, $6.5 million. In this section of the bill, we are authorizing a staggering $23 million for graduate medical education and physician training. It appears as if our goal here is to make every medical school in America a public school. It also helps explain why there is so much academic support for this legislation.

Our medical schools are the finest in the world and 62 percent of all medical students already receive financial aid from guaranteed student loan programs. Yet, here we are appropriating money for medical research, and we are creating a multibillion-dollar entitlement program to supplement our medical schools.

Just like with catastrophic, we started this effort with good intentions to address real and fixable problems with our health care system.

Just like with catastrophic, and in the classic fashion of Congress, we are seizing an opportunity to address difficult and complex problems with the same old and ineffective answers, more taxes and more bureaucracy.

Just like catastrophic, we are ignoring the will of the American people. Polls show that Americans want us to tread lightly, go slowly, and do this right. But the answer they receive is best summed up in the words of one of our colleagues that the American people were going to get health care reform whether they liked it or not.

Just like catastrophic, politicians are lauding the plan with great fanfare and moving speeches which are long on rhetoric and short on reality.

Just like catastrophic, those who question whether the American people would support the new programs it would create seem to be voices crying in the congressional wilderness.

But I am afraid that, unlike catastrophic, staying the present course is not something we can undo. Drastically changing the way one-seventh of our national economy operates is an enormous undertaking. The changes Congress would effect with this bill—17 new taxes, vast entitlements, 50 new bureaucracies, a job destroying employer mandate, and extensive new State mandates—are enormous changes that, once started, will be very difficult, if not impossible, to undo.

History demonstrates that the Clinton-Mitchell bill would be a major mistake for this country. Before we make this mistake, we should take the time to fully understand the bill, educate the public about what is in it, and when it is rejected, like the original Clinton health care reform bill, pass a sensible bill that has the support of the Nation. We can still pass a good bill this year that enhances access by containing costs. There is much that we all agree on. However, we must not pass legislation that places our excellent health care system in the hands of the Government.

As we debate the Mitchell health care reform bill, I implore my colleagues to remember history and not doom ourselves to repeat it. The American people deserve better.

I appreciate the patience of my friend from California.

I yield the floor.

Mrs. BOXER. Mr. President, before my friend from Arizona leaves, I want to thank him for his kind remarks. The Senator from Arizona and I sometimes disagree, and sometimes we agree. But in either case, we never are disagreeable with one another. I think that says a lot, because these are difficult times and these are rough issues. I appreciate his friendship and his decency to me at all times.

Mr. President, the reason I decided to speak this afternoon—and it was not in my plan—is I was carefully listening to the debate and listening to the words of the Senator from New Hampshire, my Republican friend from New Hampshire, for whom I also have a great deal of respect. He used a word in his speech, and he said it really from the heart, and I believe he feels it. What he said is, "I am afraid of my Government." He said, "I think people are beginning to fear their Government." He said, "I want the Government to fear me." In other words, he wants the Government to fear the individual. He does not want the individual to fear the Government.

Mr. President, I find that a very disturbing statement. America is not about fearing one another. It is not about us being afraid of our Government or our Government being afraid of us. We are the greatest country in the world, and the reason that we are the greatest country in the world is because we come together to solve our problems. We come together as a community, as a nation, to set aside our partisan differences and to find answers to the problems that plague us.

So I was very disturbed to hear all this talk about fear and, unfortunately, Mr. President, a lot of fear is being injected into this debate, somehow setting up the Mitchell bill as something to be afraid of.

I think it is important to, once in a while, take out the preamble to the Constitution. I do it a lot because I think it sets out the reasons why we have a Government, and they are the most beautiful words. I am going to read them. Why do we have a Constitution? Why do we have a Government? Here is the answer:

> We the people of the United States, in order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity * * *

That is why we have a Government. That is why we have this U.S. Senate and the House of Representatives over on the other side, where I was proud to serve for 10 years. And together we work—men and women of goodwill—and we compromise, and we debate and argue, and we do the best we can for those reasons: "to form a more perfect Union, establish Justice, insure domestic Tranquility," and all of the other things I just read.

When we say that we fear our Government, I think that kind of talk undermines what we are. We are a Government of, by, and for the people. What is domestic tranquility? I have already said that it is one of the main reasons that we have a Government. Domestic tranquillity, to me, means peace at home, peace in our own homes, peace in our cities where we live, in our counties, our rural areas, peace in our Nation, and peace in our States. Domestic tranquillity.

How does the health care reform debate coincide with the reasons that we are here for domestic tranquillity? Mr. President, you have long worked to bring about health care reform for this country, and I think you and I, and many Members on both sides of the aisle, understand that it is very difficult to have domestic tranquillity when we have the kind of crime that we have in our country today. That is why it is so important to pass that crime bill. You and I know it is hard to have domestic tranquillity when you cannot get a job for your family and provide for them and you cannot afford a decent education for your kids.

And, yes, Mr. President, it is hard to find domestic tranquility when you are so afraid that you are going to go broke if someone gets sick because your insurance for health is canceled. Or when you go to the doctor and find out you have "a preexisting condition," say, high blood pressure, and then the insurance company says, "Sorry, we cannot take you until you pay an inordinate premium," which you cannot afford. It is very hard to find domestic tranquility under those circumstances.

How about when an insurance company disappears out of your life when you need it most? Can you find domestic tranquility when you counted on health insurance and suddenly the company walks out on you because you get sick? That is what happens to a lot of our people. I have met them. I have seen them. I bet every one of us knows such a case.

It is hard to have domestic tranquility when you suddenly find out that in the small print of your health insurance policy it says that there is a lifetime limit. So if someone gets sick in your family and it is a catastrophe and it bleeds every dollar, you are told by your insurance company, "Sorry, you are out; you have reached a lifetime limit."

I have seen people who have had that problem. They did everything right. They paid their premiums. They are hardworking. All they did was get sick, and the sickness was a devastating one, and they reached the lifetime cap.

I have seen it where little children who get a serious illness reach the lifetime cap at age 6, 7, or 8.

It is hard to have domestic tranquility when you may be forced to divorce your spouse so that one of you gets to keep some assets and then the other one appeals to the Government for help. You cannot have domestic tranquility under that circumstance.

So I say that if we are about anything here, it has to be about the Constitution. How can we avoid a situation that leads to our families being worried, if they have insurance, worried that they lose insurance; if they have a job that gets insurance, worried if they change their job they will not get insurance; worried if they get sick they will be kicked out.

I say it is our constitutional obligation to fix this problem. And, yes, we have been debating for 50 hours—50 hours—one amendment, a good amendment. We are ready to amend this bill. We are ready to make it better. Senator MITCHELL himself voted for the Dodd amendment. He is willing to amend his bill. He is willing to make it better.

(Mr. REID assumed the chair.)

Mrs. BOXER. Mr. President, I remember when I was over in the House, a young man came to see me. I have told this story a couple times. His name was Andy Azevedo, 16 years old, a strapping young man. I was so proud that the majority leader actually told the story when the majority leader introduced his bill. At that time —it was many years ago—I did not know that much about the insurance crisis. This young man came to see me, and he said: "You know, Congresswoman"—I was a Congresswoman at that time from the San Francisco Bay area. He said:

> Congresswoman, I am worried. I have had cancer, but I am OK now. I know when I am off my parents' policy when I graduate from college I will not be able to get insurance because they will say I have a preexisting condition. Can you help me with this? Can you do something about it?

That is when I got involved in this issue.

Later, Andy had an occurrence of the cancer. His insurance policy would not cover certain treatments that he needed. I went to bake sales in Petaluma, CA, to help his family raise money for him.

This is a proud family. This is a farm family. This is a hardworking family. They did not have domestic tranquility for a long time, and then they lost Andy. I promised his mother that we would, in fact, pass health insurance reform.

It is hard to be tranquil when you watch the talking day after day. And why am I doing it? Why am I participating in it? It is because I feel it is important to answer some of the words on the other side that deal with fear, because I know people are watching this debate. I want to have a chance to tell people, if we do nothing, you should be afraid. If we do nothing, you should be afraid. If we do something, you should have heart because we know what the problems are. Everyone knows what the problems are. It is not the sole province of a Democrat to know what the problems are. The Republicans know. They know what it is like to worry about a child. They understand.

The question is, when do we write this bill? You know in the Senate we amend every bill that comes before us.

I have yet to see a bill, very few—maybe on very small issues—I have yet to see a major bill that was not amended and made better or sometimes made worse. And then we decide if we think it was made better or made worse and do we feel it is worth voting for. That is what legislating around here is about.

You know, I was also interested the other day when the Senator from Missouri, a very respected Senator, took to the floor and said that he was upset about the Mitchell bill because it provided a new benefit to Medicare recipients. It provided actually two new benefits, and he did not think we could afford to do it. One of them was prescription drugs, the other inhome care. And he felt even though he knew these were important benefits, we simply could not take that on. It was too difficult.

I remember when my kids were young I read them a little book about the Little Engine That Could. Everyone said, "It can't be done, it can't be done, it can't be done." But the Little Engine That Could said, "It can be done, it can be done, it can be done."

Yes, it is hard. It is hard for a little engine to go up a steep hill. It is hard for this Congress to solve the health care reform battle. But we are in it, and I think we can figure out a way to do it in a cost-effective manner. And if there are those who feel we should not have a prescription drug benefit to our elderly, let them vote against it. Let them make the amendment. But let us not hear them say we cannot work with the Mitchell bill. We can amend the Mitchell bill.

I like the prescription drug benefit. I like the fact that we will have inhome care for our seniors. Yes, they will pay for some of it. But let us help them. I do not want to see grandmas and grandpas have to go to a nursing home when it is actually more humane and more cost effective to keep them in their homes. And the Mitchell bill starts us on that road. That is sensible.

You know, it is hard to see our people feeling tranquil—and we talked about domestic tranquility—when they see Senators on this floor, who belong to the Federal Employee Health Benefit Plan, stand up here and say it is good for us but we do not think you ought to have it. And I think the majority leader pointed that out in a brilliant fashion. We have it. It is a good plan. What is it? It is organized by the Federal Government. It is private insurance. We can choose the plan we want. We get options and choices galore. Our employer pays 72 percent of it. We pay the rest. And we have peace of mind.

I want to see that for my constituents. I want to see that for all Americans—a chance to get access to that plan. In the Mitchell bill, you get access to that plan if you want it. It does not force you to, but it makes it available.

So I have to say that I welcome reasonable debate, and I see some of my colleagues are here so I will finish up in the next few minutes, probably another 5 or 6 minutes. I welcome reasonable debate and we all do. I want to start debating amendments. We debated a good amendment last night. As I said, the majority leader voted for that amendment; so did the Senator from New York, Senator MOYNIHAN; so did the Senator from Massachusetts, Senator KENNEDY. They did not say we are not going to vote for this amendment because it did not come out that way in our committee. The Senator from South Dakota, another leader in this battle, supported the Dodd amendment. We are open to change. We are open to amendment. We are open to making this bill better.

Mr. President, could we have order?

The PRESIDING OFFICER. The Senator from California is right. The Senate is not in order. Senators will refrain from speaking in the Chamber unless addressing the Chair.

The Senator from California will continue.

Mrs. BOXER. So we need to solve the problems of our Nation. Read the preamble of this Constitution. It is real clear on what we are supposed to do. In short, the message is tranquility. Very important. And part of that is making sure our people are not scared—scared that they many lose their health insurance; and, by the way, Mr. President, scared that they will not be gunned down in the street by an assault weapon.

And we have our Republican friends over on the House side, except for 11 of them, voting against the rule to bring up the crime bill, saying that there was pork in it. One-hundred thousand police on the streets, is that pork? I say it is a necessity. Billions of dollars for prisons? I say it is a necessity.

The violence against women act, which is included in that bill, is an absolute necessity. Every 6 minutes a woman is raped in our country. Every 15 seconds a woman is beaten; 1,400 a year are killed by a boyfriend or a spouse, and they are stalked. The crime bill is a comprehensive solution, Mr. President, to a national disgrace.

So they talk and talk over there, but they do not get to the guts of it. The guts of it is, they are afraid of the National Rifle Association. That is the guts of it. And they want to bring down our President. That is the truth of it. I hope the American people are waking up, waking up to the truth, the reality of what is going on here.

In closing, Mr. President, let me say this. The majority leader has set out a framework. It is not a perfect framework. I have some amendments I am going to offer. I am looking forward to making the bill better.

But I have to tell you, from the largest State in the Union, when you look at numbers like this: 6 million uninsured Californians. Nearly one in four Californians under the age of 65 is uninsured. Of the uninsured, over 5 million are from families in which at least one spouse works. So we are talking about working people who do not have insurance. We are talking about 1.3 million uninsured children in California.

So I will tell you, I will stay here night and day, I will stay here around the clock for those children and those women and those men and those hard-working families. I will work. I will support some of the amendments that come forward. I will work against others.

But, it is time. It is time to vote on the crime bill. It is time to fix a broken health care system.

Let us stop injecting fear into this debate. We should not fear our Government and our Government should not fear us, because we are a Government of, by, and for the people.

It is our job to get on with it, and provide the domestic tranquility for each and every American.

Thank you, Mr. President.

I yield the floor.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, the Senate's effort to reform the American system of health care has important consequences for all Americans. It will determine the availability and the extent of health care for each of us. It will determine in part how long our parents will live and how healthy our children will be.

As we debate this issue, let us remember what brought us here in the first place. We are not debating this issue by chance. There is a reason why we all speak of this effort as health care "reform." In dozens of living rooms and conference halls, in emergency rooms of hospitals, and on the street corners, the message that I hear from the people of New Jersey is that we need reform. Our current system is not working as it should. Those who have health coverage are paying too much for it and those without health coverage deserve it.

Mrs. BOXER. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senator from New Jersey may proceed.

Mr. BRADLEY. Mr. President, what people want the most is some control of escalating health care costs. What people fear the most is losing their health care if they change jobs or get laid off or lose a job because of a corporate bankruptcy. What perplexes them, as well, when they are confronted with all of these escalating costs of health care, is the power of the insurance industry.

Want coverage for your heart problem? The insurance company says no,

because it is a preexisting condition. In other words, the insurance company will insure you for everything but the heart condition that is most likely to generate the health costs for your family.

In confronting skyrocketing health care costs, small business is left to the mercy of insurance companies. Small businesses have no leverage to negotiate with insurance companies. Too often, they are presented with a take-it-or-leave-it choice that only offers exorbitant costs for health care coverage.

Each of us can enumerate countless occasions in our States when we have had interactions with small business people who simply said they cannot afford to cover the workers in their particular small business. They cannot afford to cover because they were told by the insurance company that it is $6,000 or $7,000 a person and they have no leverage to negotiate with the insurance company.

If you get open heart surgery, the tab is $49,000; a caesarean section birth, $7,500. Remarkably, women of higher income have more cesarean section births. I do not think that is related to a differential in the size of the birth canal. It is related to the ability to afford to pay.

And a visit to an orthopedist, $300 for the first visit, $175 for each visit after that.

Most people have become accustomed to good health care, even with these costs, but health care simply costs too much; more than it should cost.

When President Clinton proposed health care reform last year, none of us thought he was imagining the problem. There was a consensus that we should act; that we should do something. The political noise of the last 12 months aside, health care reform is as needed today as it was then. The families who need it are still in New Jersey and all of our States. The families that do not have the health coverage need it as much today as they did a year ago. All of us who are paying health costs are paying too much today just as we were paying too much a year ago.

Real problems—and these are real problems—deserve and demand real reform. But just as we cannot forget what brought us here, neither can we forget how our political economy optimally functions. To allocate resources and services through the market ensures the greatest efficiency. It gives the consumer the highest quality, the greatest selection, the lowest price.

To ask the Government to replace the market generates bureaucracy and reduces individual freedom, as the state makes decisions that previously were made by the individual. At the same time, it is the responsibility of the State to ensure that the market's destructive effect does not wreck the lives of human beings. The so-called creative destruction, as Schumpeter referred to the phenomenon of inefficient firms being put out of business by efficient ones, cannot be translated to the individual level when it comes to health care, workers who lose their jobs, or move to another job. Workers who lose their jobs, or move to another job, or for whatever reason have lost their health insurance, should in fact not lose their health care.

These individuals need some help, some assurance that their health and lives will not be endangered by unfettered market forces. It is the job of Government to protect the public health and welfare in the short and long term of its citizens. How to do this in the area of health care is the essence of what this debate is all about.

Our fundamental goal should be to enable a competitive health care marketplace to keep people healthy but take care of them when it does not. By and large, America's health care system is an excellent system, but it does have a few glaring faults. We should not block or undermine those elements that work in our current system. We should fix those areas that do not work and, in so doing, improve the overall system.

Recent trends suggest the health care markets are becoming more competitive and efficient. We can spur that process by ensuring that insurance companies compete on price and quality, not on their ability to omit high-risk patients. Managed competition is beginning to bring better health care at lower prices to many Americans.

The bill that is before us at this moment, offered by Senator MITCHELL, is really the result of many conversations with many individuals and builds on the work that was done in the Finance Committee, addresses some of the persistent problems. For example, it eliminates preexisting conditions from insurance coverage considerations. It assures portability so that the loss of a job or the pursuit of a better job will not mean the loss of health care benefits. It allows small businesses to bargain for insurance as purchasing units, giving employers and employees needed leverage to drive their health care costs down.

These are good steps but they do not attain the level of reform that is needed. Two specific problems are foremost in defining the health care crisis. I stated them earlier. Too many people do not have health care coverage, too many people cannot afford to get health care coverage, and costs are accelerating.

The greater the number of people who are not covered, the more the rest of us pay. It is a fairly simple elemental principle of insurance. When an uninsured person shows up at an emergency room, he is not turned away. He receives care and the rest of us pay his bill in the form of an increase of our premiums. It is as simple as that.

The only real answer to the crisis of 37 million uninsured Americans is universal health care coverage. It is the only answer for the nearly 1 million uninsured individuals in the State of New Jersey. There is human misery of enormous proportions in our country because people cannot get health care coverage. In all the talk about CBO, HMO's, fee for service, triggered mandates, premium caps and so on and so forth, we must not forget our simple moral obligation. Expanding coverage and making health care affordable are the only ways to address the crying need of our fellow citizens for basic health care coverage.

The bonus here is that by assuring coverage, we will also reduce costs by eliminating the shifting of costs from the uninsured who show up at the emergency room, to all those of us who are lucky enough to have health care plans but have to pay for the uninsured through our higher premiums.

I also believe the only proper way to achieve universal coverage is through a system of shared responsibility. I have said this from the beginning of this debate. That means everyone contributes: Employers and employees. No one is solely responsible for our health care crisis and no one should be solely responsible for solving it.

The bill before us has a provision that does embody that shared responsibility. Nor is the promise of the shared responsibility and universal coverage an empty promise in this bill. The bill provides subsidies that will make coverage a reality for millions of Americans who today do not have any. It recognizes that without these subsidies, millions of American families simply cannot afford the coverage and do not have the coverage; 37 million Americans, and more each year.

Still, there will be difficulties with the overall cost of health care coverage if we do not properly contain these spiraling costs. The rest of our good work could be in jeopardy. Without cost containment, the promise of universal coverage is a hollow promise. Without cost containment, our workers will continue to see their take-home pay stagnate. But the issue of cost containment is the elephant in the room that everyone knows is there but no one wants to acknowledge.

You can stand up on this floor and promise this new benefit and that new entitlement and this new program and pledge to cut this tax, and that tax, and pledge to cut this spending program, and that spending program, but no one wants to address the reality that stares us in the face, which is the need for cost containment. It is an issue that is simply not going to go away.

In that context, the proposal before us offered by Senator MITCHELL addresses the issue of cost containment, and he deserves credit for attempting

to do so. I have a number of concerns with the bill that is before us related to bureaucracy, related to the unintended consequences of well-intended provisions, related to the method of cost containment put forward in the proposal, and the number of people upon whom it could place a financial burden.

I hope it is possible over the next several days and weeks to work with Senator MITCHELL and others to craft an alternative that is more equitable and more efficient in containing costs. I have spent a lot of hours meeting with the so-called mainstream group in which I participated from the beginning. I agree with some of the things that the group has discussed. I disagree with other things the group has discussed.

I have worked with Senator MITCHELL in putting forward his bill. I agree with some of the things he has suggested and disagree with other things that he suggested, as I have enumerated. The fact is, we have come up to the issue of national health insurance any number of times in the last 50 years and every time that we have gotten close to doing it—meaning a White House that is interested, whether it is a Republican or a Democrat, and a Congress that seems to be amenable to considering some of the tough choices embodied in providing national health insurance—something has happened and we always have backed away. We have always backed away in my opinion because the people who say "my way or no way" have always won.

At some point in this process, the dialog that is necessary for successful legislation has broken down. Maybe it is partisanship in some cases. Maybe it is the strength of a particular interest group in other cases. Maybe it is personality conflicts in some cases.

For whatever the reason, whether it was 1977 with modest hospital cost containment, whether it was 1972 with catastrophic health insurance for all Americans, or whether it was any other time when the issue has reached the point where it actually was within our grasp, one of several things has occurred.

It is my hope that there will be no non-negotiable demands and that we will recognize the legislative process for what it is, which is a chance to address the basic questions. If you rigidify and confront, you have neither the fluidity nor the flexibility to get to the answer that is at the core of the problem, which in this case is cost and coverage.

So, Mr. President, our challenge is complex, but our purpose is clear and simple: It is my hope that the Senate will rise to this challenge and fulfill this purpose, and that when our work is done, we will have produced legislation that works for New Jersey and for the Nation. I yield the floor.

Mr. MOYNIHAN addressed the Chair.

Mr. KERREY. I wonder if the Senator will yield. I wonder if the Senator from New Jersey will answer a couple of questions.

The PRESIDING OFFICER. If the Senator from Nebraska will withhold, the Senator yielded the floor and the manager of the bill sought recognition.

Mr. MOYNIHAN. If my good friend will withhold a moment, I would like to propose a unanimous-consent agreement, and then we will resume this matter. Is that agreeable to the Senators?

The PRESIDING OFFICER. The Senator from New York, the manager, has the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that upon the completion of the exchange of questions between the Senator from Nebraska and the Senator from New Jersey and a 10-minute statement by the Senator from Colorado on an unrelated matter, that we proceed to the Nickles-Moynihan amendment; that Mr. NICKLES, in the first instance, be recognized to offer that amendment striking section 1309 of the Mitchell substitute; that there be 3 hours for debate on that amendment, equally divided between Senator PACKWOOD and myself; that no amendments to the language proposed to be stricken be in order; that at the conclusion or yielding back of time, the Senate vote on Senator NICKLES' amendment with the expectation that that will be the last legislative business of the day with respect to the bill before us.

The PRESIDING OFFICER. The Senator from New York has propounded a unanimous-consent request. Is there objection? Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I just wanted to ask the distinguished Senator from New Jersey, who has just given a thoughtful presentation on health care and I think a very powerful argument for using the forces of the market to control costs.

The market in the last 3 years has done an unprecedented job; in fact, there has been an unprecedented shift in the marketplace to managed care and that management of care has produced reduction of costs. I have sat here and listened to people come to the floor, particularly I say with all due respect to my friends on the other side of the aisle, with whom I think I agree on this issue, that we should move away from Government regulation and Government controls, but I hear some statements being made on the other side of the aisle that I think are, in fact, in conflict with other principles that they are espousing.

I ask the distinguished Senator from New Jersey, if we move to the marketplace, does it necessarily mean—using market forces—that an individual is going to have a complete and unrestricted choice of doctor or any other sort of thing that they want?

Is it not true that for those on the other side of the aisle, with whom I agree I believe on this issue that we ought to allow the market to work and move to managed care and use the management of care, that we need to disclose that part which means that we do accept in a voluntary fashion, presumably, some limitation, some restriction of our choice of doctors? Is that essentially what goes on if we use the marketplace? Are we not to a certain extent accepting that there is going to be some limitation on choice?

Mr. BRADLEY. Mr. President, I say to the distinguished Senator from Nebraska, it depends on the ultimate form of this legislation. If we were to lock people in to managed care with no point-of-service option, then they would have a restriction on choice. If we have a point-of-service option, it means that they can join a large group based upon the doctors that are in the group. They will often make the choice as to which group they would like to be a part of because their family physician is in the group, or good heart doctors are in the group, or whatever. That group could be as large as the Mayo Clinic; it could be as small as a major urban area. If they join, they join because of the doctors that they see in that group; therefore, they have chosen to join the group because of the doctors.

If you have point of service, you have the option. God forbid something strikes and you get a disease that none of the doctors in the group you feel are adequate to treat you, and you want to go see somebody else someplace else in the United States. You have that option, under a point-of-service plan. You will pay a little bit more, but you will have that option.

But the basic thought involved, as the Senator has suggested, that managed competition forces the consumer to make choices is correct.

Mr. KERREY. Just to be clear on this so my colleagues understand what I am talking about, I am a service-connected disabled veteran. I was injured in the war in Vietnam in March 1969 and lost the lower part of a limb. As a consequence of that disability, I am considered to be eligible for care from a Veterans' Administration hospital.

The Government does not make my prosthetic devices. I am allowed to choose and go wherever I want. They authorize it. I have to wait in line sometimes. I hear people talking about that. It is true. I cannot just go and get whatever I want. I have to get it authorized, I have to get it approved, but I choose wherever I want to go.

If I was in an HMO without that point-of-service option, which is a market alternative—to be clear to my

friends on the other side of the aisle, understand, I intend to come here and challenge you every single time if you come here and say that I want the market to take care of it. If you are not prepared to engage in a discussion of what that market does, that market taking care of it means as people move to managed care, somebody, not in the Government, but somebody in the private sector is going to say no to them, is that not true?

Is it not true what happens? It is not a Government bureaucrat? I heard my friends on the other side of the aisle come down and blister the Mitchell proposal—and I am not a supporter of the Mitchell proposal. I have identified a number of areas where I think it does vest too much power in the Federal Government to make decisions—but do not come to this floor and expect to be unchallenged with a statement that says that the market gives you unrestricted choice. It does not.

I have an increasing number of citizens in Omaha, NE, for example, that are finding themselves choosing HMO's or PPO's. They are finding themselves all of a sudden not with a Government bureaucrat saying no to them, they are finding a private sector bureaucrat saying no to them.

I just want to make it clear that the point I am trying to make with the distinguished Senator from New Jersey—with whom I agree; I agree we ought to use the market to control—but is not inherent in that that somebody is going to be managing the care and making some decisions independent of what I might think I want?

Mr. BRADLEY. If the so-called managed care providers in my State are any example—and New Jersey is not as well developed as a State like Minnesota, for example, or Oregon—there is a phase this goes through. First there is a managed cost. That is a dangerous phase because you are telling people you cannot continue to spend the way you have spent on health care. Then you move through that to managed care, where the group has as its purpose maintaining and enhancing the wellness of its members. And that is the hope of the market, as a mechanism to improve the health of the American people.

Now, you should not be under any illusion, and the Senator's example of the Veterans Administration is one example—the other example is the continued existence of Medicare. No one is proposing eliminating Medicare. That is a very big Government program.

Mr. KERREY. It is $160 billion a year.

Mr. BRADLEY. It is a very big purchaser out there. So we are going to end up with a mixed system where you have a managed competition, but you also have Government as a very big purchaser of health care, either in the Veterans Administration or through Medicare, and as a result because it is such a large purchaser, it will have an influence on all of health care in the country.

So I would say to the Senator that we will end up with a mix of private managed competition as well as Government involvement.

Mr. KERREY. Mr. President, I say to my friend from New Jersey that I find myself almost equally irritated sometimes with Democrats who are willing to vote for things that provide new benefits without any money attached—I voted last night against the Dodd proposal because I saw it doing that—and Republicans who come to the floor and suggest somehow that the market is going to increase choice. It does not necessarily follow that that is the case. If we believe that costs are the number one problem, that cost containment needs to occur, you cannot contain costs without affecting either somebody's income or somebody's desire for unrestricted opportunity in the health care marketplace.

I think it is very important in this debate that we come to the American people and try to tell them not only the truth about what works and what does not work, but it seems to me the truth about where Government's role ought to be in all this.

Mr. BRADLEY. I thank the Senator for his question, and I agree with him. As I tried to say in my statement, cost containment is the elephant in the room that nobody wants to acknowledge. It is there. And I think before this debate has concluded, we are going to have some very interesting discussion about cost containment because we will not be able to avoid it. Right now we are avoiding it.

We will not be able to avoid it because it is my prediction that there will not be enough votes in this Chamber to pass a bill if it is avoided, because the old days of simply adding more and more benefits without worrying about costs are, frankly, over. I do not think you are going to find 51 votes saying let us move ahead with a lot of new benefits but not pay for them. I think that there will then be several options, several opinions as to how best to control those costs, and that will be a debate for another day. But right now I have to yield the floor to the distinguished Republican manager, my colleague from Oregon.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. BROWN. I thank the chair.

U.S. VISIT BY GENERAL XU

Mr. BROWN. Mr. President, let me express my appreciation for being allowed to interject into this debate. I wanted to make comments with regard to the visit of General Xu to Washington, DC. And I rise because I think this is a matter that freedom-loving people around the world have a right to be concerned about.

General Xu arrived in Washington yesterday. He is attending meetings at the Pentagon, our Pentagon, both today and tomorrow. After leaving Washington, he will travel as a guest of our Defense Department to tour our Naval and Air Force facilities. General Xu will then visit the U.S. Naval Academy in Annapolis and will conclude his trip with a stop in Hawaii, meeting with the U.S. Commander-in-Chief of the Pacific.

Mr. President, according to the Defense Department press release, on August 15 General Xu will be met upon his arrival at the Pentagon by our Secretary of Defense Perry, who will host an honor cordon.

An honor cordon is literally a red carpet arrival ceremony in General Xu's honor.

Who is this general that we honor? General Xu fought with the Chinese and the North Koreans in their invasion of South Korea. He has held the No. 2 position in the Communist Chinese army since 1987. And even though he is No. 2 in the army, he is considered by many Chinese experts to be the most powerful officer in the Chinese People's Liberation Army. He literally has day-to-day responsibility for the PLA operations, and has primary responsibility for the People's Liberation Army plans with regard to Taiwan and Hong Kong. He was the primary drafter of the Chinese defense law.

Mr. President, we are trained from the time we are children to be gracious as hosts, to welcome visitors to our home and our country. But this individual, General Xu, is one of those who bears primary responsibility for ordering the Tiananmen Square massacre of peaceful Chinese prodemocracy demonstrators.

Mr. President, to welcome into this country the Butcher of Beijing, to literally roll out the red carpet at the Pentagon for someone who masterminded the slaughter of innocent children in Tiananmen Square when they spoke out for democracy, is an outrage. It is a mark of shame upon everyone associated with this kind of ceremony.

I have enormous respect for our Secretary of Defense, and I cannot believe that he would be comfortable with this decision if he were familiar with General Xu's background and past. It is an almost unparalleled flip-flop of policy. The President of the United States said this in "Putting People First."

> We will condition favorable trade terms with repressive regimes—such as China's Communist regime—on respect for human rights, political liberalization, and responsible international conduct.

How do you square this red-carpet welcome of the Butcher of Beijing with that statement? Mr. President, you cannot do it. This Nation is entitled to have our leaders act respectfully toward foreign leaders. I have no question about that. But to roll out the red

carpet for the Butcher of Beijing, when we have just gotten through refusing to allow the democratically elected President of Taiwan even to stay overnight in this country, is incredible.

Over 20 major U.S. newspapers have editorialized in favor of allowing President Lee, the President of Taiwan, to visit, including the New York Times, the Washington Post, the Los Angeles Times, the Wall Street Journal, the Rocky Mountain News, and the Baltimore Sun. To welcome to this country with a red carpet the Butcher of Beijing and to refuse to allow the democratically elected President of Taiwan to stay overnight is the kind of foreign policy I do not understand, and I do not think the American people understand. It is duplicitous and it adds shame where there should be honor.

Mr. President, more important than anything else, we need to be true to ourselves in the conduct of foreign policy. The Butcher of Beijing does not deserve the red-carpet treatment, and our friend in Taiwan, who stands side by side with us, does not deserve to be prohibited from visiting.

I yield the floor.

HEALTH SECURITY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the time is now allocated equally between the two managers of the bill, with the Senator from Oklahoma to offer an amendment.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 2563

(Purpose: To provide for general enforcement of employer requirements)

Mr. NICKLES. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mr. MOYNIHAN, Mr. PACKWOOD, Mr. CRAIG, Mr. COATS, Mr. GREGG, Mr. D'AMATO, Mr. GRASSLEY, Mr. DASCHLE, and Mr. STEVENS, proposes an amendment numbered 2563:

The amendment is as follows:

On page 145, strike lines 1 through 5.

Mr. MOYNIHAN. Mr. President, might I ask to address the Senator. That is to be an amendment for himself and for the Senator from New York.

The PRESIDING OFFICER. The record will reflect that the amendment is offered on behalf of the Senator from Oklahoma and the Senator from New York, Senators NICKLES and MOYNIHAN.

Mr. NICKLES. Mr. President, I thank my friend and colleague from New York for cosponsoring this amendment and also for his cooperation on it.

I ask unanimous consent that Senators PACKWOOD, GREGG, COATS, D'AMATO, GRASSLEY, and DASCHLE be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, on August 3, President Clinton had a press conference and had an opening statement encouraging enactment of health care. And in his opening statement he stated:

You can keep your own plan, or pick a better one.

Mr. President, that statement was not correct if you read the Mitchell-Clinton bill. That statement has bothered me a lot because I think it is awfully important when we talk about health care that we be factual. I know a lot of people maybe have said that one side or other distorts the facts. I would like to talk about that.

I had a press conference yesterday where I was critical of this statement because I think the statement is flatly incorrect. It is not true, because, frankly, under the bill we have before us, there are a lot of health care plans and a lot of proposals—actually the majority of the proposals—that are in the country today that would be illegal under the Clinton-Mitchell proposal. They would not be allowed. I will mention several of these.

One, if you have a plan that is less generous—in other words, if you do not offer the standard benefits package, something significantly less than the standard benefits package, you cannot keep it. I refer to the bill.

I would like to keep my comments very factual. I would just refer my colleagues to page 137 of the bill. It says an employer shall make the plan available which provides the standard benefits. It does not say less than the standard benefits.

Keep in mind that under the Mitchell-Clinton plan, you can offer a standard benefits package, and an individual can also buy an alternative standard benefits package with the high deductible. But it is still the Government-defined standard benefits package. You cannot come up with a different plan, one that is less expensive than this package.

I make mention of that because I think it is important. I know some people said that statement is not correct. It is correct.

I also said you cannot offer a plan that is more generous. If you have a plan that is more generous, it still has to be a governmental plan. It has to be a standard benefits plan or it has to be a Government-approved supplemental plan.

So, again, you lose a lot of flexibility. Right now you could offer a multitude of different plans. You really cannot do that under the Mitchell-Clinton plan.

Also, the President said you can keep your own plan. That is not the case if you have a cafeteria plan because in the bill, if you look at page 1224, section 7202, cafeteria plans which offer health benefits will be hit with a heavy tax. Four million Americans currently have cafeteria plans. They like them. They are happy with them.

Under the bill that we have before us, you lose your flexible spending account. We have a lot of Americans who do not have the exact number, but now have flexible spending accounts that include health care. On pages 1218 through 1221, section 7201, the Clinton-Mitchell bill states that if an employer provides health benefits under a flexible spending account, those benefits would be taxable to the employer at the highest corporate rate and to the employee at their own individual rate.

If you happen to be self-insured and you have less than 500 employees, you cannot keep your plan. Your plan is illegal. I feel kind of strongly about this because I used to manage a company. We had a self-insured plan. I designed the plan.

I remember asking Mrs. Clinton a long time ago when she had her first meeting with a Republican group. I said, "Can we keep our plan?" The answer was no. She said "No." It is still no under this bill.

Just to recite the section, on page 137, section 1301 of the Clinton-Mitchell bill, if your company has less than 500 employees, you cannot self-insure. So I mention that.

I will just add the final one.

If you have benefits that are different from the Government-mandated benefits, you cannot have it. Your plan will not be allowed. That is under the provision that I am dealing with. This bill is very clear. It says the employer shall have the standard benefits package. Under the standard benefits package, you can have an alternative, if you are an individual, that costs maybe a little less because it has a higher deductible. It still has the same benefits. You have to have the Government benefits.

It also says you can have a supplemental plan to provide additional benefits. But, again, that has to be a Government-approved plan. That very much limits your ability to offer additional benefits, maybe with a different deductible.

There are limitations, too. If you have a supplemental plan that deals with cost sharing, you cannot self-insure for that cost sharing. Let me give you an example.

This is something that should drive unions crazy, it is something that should drive anybody crazy that has a plan that offers a little extra benefits. If they want to sell self-insurance for those extra benefits, they cannot do it. They have to purchase insurance to provide for those extra benefits.

So, again, the President's proposal, the Clinton-Mitchell proposal, eliminates a lot of optional plans and optional benefits. It eliminates plans that

have benefits different than the Government-imposed, mandated benefit plans. And it eliminates cafeteria plans and, as I mentioned before, the flexible spending accounts.

The self-insured plans. There are over 400,000 employers that carry self-insured plans, covering 16 million people. They lose their plan. They are not going to be able to have a self-insured plan. They will have to buy a Government-designed benefits package. They have no option, no choice. That is their choice. They have to buy what Government deems appropriate. Whatever they had, they cannot keep. I disagree with that.

I heard the majority leader, Senator MITCHELL. I looked at his comments from the floor yesterday. He talked about his plan was voluntary and so on. This is not really the case. If the company that I manage self-insures, I do not have a choice. If I am going to have insurance, I have to have the Government plan. I have to buy the so-called community-rated plan. I do not have a choice. I do not get to continue self-insuring. That is not voluntary.

I thought, what if I did not participate. What would happen? What is Government going to do to me or my company, or when is the Government going to tell me I cannot do this?

There is a little section in the bill which says,

> In the case of a person that violates a requirement of this subtitle, the Secretary of Labor may impose a civil money penalty in the amount not to exceed $10,000 for each violation with respect to each individual.

So if you are an employer—and my company has about 65 people—well, if we did not comply, if we wanted to stay with our self-insured plan, our penalty is $650,000. Mr. President, that is more money than we made last year. That is more money than we made the last several years, probably. Unfortunately, we turned into a good, nonprofit organization, not by design.

An employer that has 100 employees, that is a $1 million penalty. That is a big penalty.

In other words, the heavy hand of Government is coming in and says you have to offer this standard benefits plan designed by Government. You have no choice whatsoever.

The reason a lot of people have different plans is because they want economy. They think they can do a better job.

I look at the cost under the Clinton-Mitchell health care bill. The cost for a two-parent family, according to CBO, is $5,883, almost $6,000. Those are 1994 figures. I will tell you that cost exceeds what a lot of us are paying in the private sector. A lot of people in the private sector pay a lot less than this. Yet they would have no option under this bill. They are going to have to have this Government-imposed standard, mandated benefit package as designed by this bill.

This bill turns enormous power over to the benefits commission to design the deductibles, the copayment and so on. But the package estimated by CBO is going to cost about $6,000.

I again do not want to use personal examples. But in our company, we provide insurance for about $2,400. I just met with the president of a major university in my State. They provide benefits for their employees. I think he said they have 1,100 employees. It is a private university. He said they were providing health care benefits for the teachers, professors, staff, and so on, I think for an average of about $2,800. Wait a minute. We are all ready to mandate something like $6,000. You are going to have to provide that. He said, "What if I don't?" I said, "Well, there is a little section in here called 'enforcement' where the Secretary of Labor can fine you up to $10,000 per person if you do not offer the standard benefits package."

If you do not do what Government says you should do, then you will be subjected to those kinds of fines and penalties. Mr. President, there are a couple of other things that people would be shocked to find are in this bill. There is a prohibition on offering an alternative package. This gets confusing. But under the bill, it says you have the standard benefits package, and we will make this available, and everybody is going to have to have it. Everybody is going to have the same benefit. But for individuals, we are going to allow them to have an alternative benefit package, as defined in the section. It has a higher deductible, and it presumably will be cheaper. That is availability to individuals, but it is not available to companies. If you read on page 138, it says no employer may offer an alternative standard benefit package established under subtitle (c).

That is a high deductible plan. So an individual can have a high deductible plan and presumably save on some premiums. But a company—if anybody is working for a company, they are out of luck. They do not get to have the high deductible plan. They have to have the more expensive plan. The employer cannot offer a higher deductible plan. If they did, they are subject to a $10,000 fine—per employee.

I mentioned that in my company we self-insured. We happened to have a high deductible plan. We self-insure for that portion. Those plans are illegal under the section that says you cannot have a self-insured plan, because on page 138 they prohibit an employer from even offering an alternative benefit. So you lose freedom, and you lose your choice and, frankly, you do not get to keep your own plan.

Again, I think it is important that we go back and think of statements that are made on the floor. People say these plans are voluntary. They are not voluntary, not if there is a $10,000 fine if you do not comply and certainly if you do not get to keep your own plan, if you have a cafeteria plan or if you have a plan with different benefits than those mandated under this proposal.

Mr. GREGG. Will the Senator yield for a question?

Mr. NICKLES. Yes.

Mr. GREGG. Am I to understand what you are saying here is that there are approximately 200 million Americans today plus who have an insurance plan or participate in an insurance plan; that to the extent that their insurance plans do not conform with the standard benefits package and they pursue the use of that claim, they would be fined, or the businesses they work for would be fined $10,000 for each one of those 200 million Americans, adding up to $20 billion in potential fines?

Mr. NICKLES. The potential would be there. I tell my colleague that it says the Secretary "may," not shall. But it gives the Secretary the discretion if anybody does not provide for the standard benefits package or—I will saying standard benefits package, when you consider there is a standard, alternative and supplementals. If you do not provide what the Government says you can, or if you can provide more or less, you would be liable to a $10,000 per-employee fine.

Mr. GREGG. If the Senator will yield further. To take this to specifics, under the standard plan package that originally came from the President, and as it was originally introduced here, the President's plan, there was only one mammogram allowed for people who are under age 50. I think that was the rule. If, for example, your company had enrolled in—let us say that was the standard plan that was settled on—but it probably would not be because it was such a ridiculous proposal—but say that was settled on by some Federal bureaucracy that designed what the standard plan would be. If your employer decided that one mammogram under age 50 is not appropriate, that there really should be two or three, or the opportunity to have two or three, you or your employer offering a greater benefit in this area would be subject to, potentially, a $10,000 fine per employee because they had not met this precise, one-size-fits-all plan proposal?

Mr. NICKLES. The Senator is correct. The only way that you can provide that extra benefit is if you purchased a supplemental benefit through a carrier. But I will mention that you cannot provide a supplemental that duplicates coverage that is in the standard benefit plan. So it is a heavily regulated supplemental benefit option. One can buy some additional benefits on top of the standard benefit, but again it is a Government-approved benefit package that is very constrictive.

I will go a little further. Most people do not understand the supplemental

plan, and I have spent a little time trying to figure it out myself. If you want to buy additional benefits, you can, but it has to meet the Federal regulation and also the State's, and then likewise, if you want to say, wait a minute, in our plan we want to have greater cost share, so I will help pay some of the deductible, because most of the supplemental is on an 80–20 basis, and I worked it out with my employees over the years and we do 90–10; so I want to have a lower deductible, and it was agreed to in collective bargaining or something. According to the cost-share agreement, you cannot self-insure on the supplemental cost share. Crazy. Under this bill, you cannot self-insure for the cost-sharing supplemental. I just cannot believe some of the provisions that are in this bill. You are prohibited by law. If you did self-insure, you would be subject to a $10,000 fine.

Mr. President, I want to be clear that I am not eliminating all of the abuses that are in this bill. I am trying to eliminate—and will with the concurrence of the Senate—the $10,000 penalty for noncompliance. We are going to take away some of the heavy Government hammer that is in this bill. When I say in this bill—a lot of people were not aware of this provision. I was not aware of it until not too long ago. This provision, or part of this provision, was included in the Labor Committee bill, but not in the Finance Committee bill. I understand in the Finance Committee bill when they originally had a mandate to keep on standard benefits, they were going to say that if you do not have a standard benefit, you ought to be subjected to a 50 percent premium penalty. But that was dropped in the Finance Committee. It was in the markup, but it was dropped. That is a very punitive penalty, but that is a lot more reasonable than a $10,000 penalty. That is a penalty of $1,500, or something, for most people; $1,500 is still too heavy, in my opinion, but it is a lot more reasonable than $10,000.

Again if you look at a small employer with 100 employees, maybe they are self-insuring and want to continue doing so. Maybe they are self-insuring and doing it for $3,000 an employee, and the employees are happy with it, and the employers are happy with it; it is working well. They may say: Oh, no, I am not going to go with this Government-designed standard benefits plan. We have a good package of benefits. We worked it out, and it is successful, and we are keeping costs down. The Government is saying you cannot keep that package, and if you do, we are going to sock it to you with the $10,000 fine.

Mr. President, I plan at a later time to offer an amendment that is going to allow employers and employees to keep the plans they have that they like. That is the so-called grandfather amendment. I am working on that, and I want that to pass. One of the reasons we decided to go with this amendment first was to educate some people, because a lot of people were not aware it was in here. A lot of people did not realize that, wait a minute, the Government has so much power that if you did not comply, you could be subject to a $10,000 per-employee penalty. That is a very heavy penalty.

I am delighted that it looks as if—since Senator MOYNIHAN cosponsored this amendment, and others—it will be deleted from the package. My concern is that we have a lot of amendments, a lot of provisions in this bill, and the people do not know about them. When they find out about them, I am thinking that a lot of people will be quite upset.

Mr. KENNEDY. Will the Senator yield?

Mr. NICKLES. I think I have the floor.

Mr. KENNEDY. I was wondering if the Senator would yield on my time for a question.

Mr. NICKLES. I will be happy to.

Mr. KENNEDY. Just following the issue of the amendment and also the presentation the Senator has made, I know about the standard benefits package. I know that S. 1743, the Nickles bill, outlines the standard benefit package. You have a standard benefit package in your own bill. The only way that you receive any tax credit for any of the employers is to receive a tax credit to purchase insurance, but only if they get the standard benefit package.

I am just trying to understand why you are arguing—I appreciate the fact of the elimination of the $10,000 penalty, which I am going to support, because I believe there are other provisions in the legislation that will provide sufficient remedy. I think what is actually going to happen is that they will be offering the standard benefit package. But you appear to be arguing against the standard benefit package here on the floor of the Senate, and the bill that you introduced requires it and indicates that the only way you are going to get favorable tax treatment is if you use it.

Mr. NICKLES. The Senator asked me a question.

Mr. KENNEDY. I just asked how the Senator can possibly rationalize that position with his presentation here.

Mr. NICKLES. I appreciate the Senator's question.

Mr. President, I will be happy to answer my colleague, and I also want to finish and conclude my statement.

Mr. KENNEDY. On whose time, if we can just agree?

Mr. NICKLES. This will be on my time.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. The Senator alluded to the plan I cosponsored on consumer choice of health plans. We say give everyone a tax credit who qualify for the tax credit. You have to offer something. We do not give tax credits for people doing nothing. So you had to have some kind of health expense, basically defined by IRS, to qualify for a tax credit, just like you qualify for a tax deduction right now. You have to have a certain health care benefit operation to get the tax deduction. You also have to do certain things to get the tax credit.

The Senator's question is not relevant. What my bill did not do is say everyone in America had to replace their insurance with Government-defined insurance.

Mr. President, this is a big issue because the whole title of my bill was consumer choice. The whole purpose of my bill is to give consumers lots of choices with different options, different benefits. Under the bill I sponsored with 25 of my colleagues, we have a multitude of options.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. NICKLES. I will not yield. I want to finish.

Mr. KENNEDY. Will the Senator yield just on this point?

Mr. NICKLES. I will not yield.

My bill made a multitude of options. We called it consumer choice for a purpose because we wanted everyone in America to have the maximum number of choices.

Unfortunately, some alluded to the Clinton-Mitchell package and say it has choices. Let me tell you the choices you have under the Clinton-Mitchell package. You have Government plan A, Government plan B, and Government plan C, and they are all the same, one fee-for-service, one HMO, and one preferred provider. But they are all the same. They all have exactly the same benefit. You could not offer a different benefit if you wanted to because the Government defines that benefit package. The benefit advisory group defines the package, and you could not offer something different.

There are thousands of companies, hundreds of thousands, millions of Americans who have health care a lot less expensive than what is mandated under the Clinton-Mitchell bill.

I am trying to preserve peoples' rights to be able to buy less expensive insurance or more expensive insurance.

They cannot do it under this package. And under the package we have before them, if they do not do it, they are subject to a $10,000-per-person penalty. Big Government is here. Big Government is saying no. "This is voluntary. If you do not participate, here is a $10,000 fine."

I just happen to disagree with that. That fine happens to be more than double the cost of insurance for most people.

So the heavy hand of Government is here. I know it passed the Labor Committee, and maybe that is not surprising. But it should not become law.

(The PRESIDENT pro tempore assumed the chair.)

Mr. NICKLES. Mr. President, the reason I offered this amendment is it is saying two things. I want to educate people because, as I stated before, people do not know what is in the Clinton-Mitchell package. They do not know what kind of freedoms they are going to lose. They do not realize that under this bill, if they have a cafeteria plan those plans are taxed heavily. They do not realize if they have a flexible spending account those plans are taxed heavily. They do not realize if they have a self-insured plan that covers 16 million people, those plans are illegal. I said cafeteria plan. The cafeteria plan covers 4 million people. The self-insured plan covers 16 million people. And those plans under the Clinton-Mitchell package—there are lots of people in West Virginia and Oklahoma who are happy with the plans and like the plans.

Mr. President, they are a whole lot less expensive.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. NICKLES. No, I will not yield. I want to continue.

They are a whole lot less expensive. They do not cost $5,800. As a matter of fact, $5,800 is a lot of money in West Virginia and a lot of money in Oklahoma.

I am interested. The company we have or I have been involved with provides insurance for $2,400. If we follow this prescription for disaster, those plans are going to cost $6,000. Maybe we will be subsidized, or maybe some of our employees will be subsidized. I do not want to be subsidized. We are doing a decent job providing health care for our family and our company. Why in the world should the Federal Government get involved?

I make a comment that a lot of people do not realize this. This is a massive mandate. I have heard people say the Clinton-Mitchell bill does not have a mandate. It does. It mandates you have a very expensive package. If you cannot afford that package, guess what some employers are going to do? Employers in West Virginia and Oklahoma are going to say, "I cannot afford it. I am going to drop it. It is not mandatory now, so I am going to drop it. Employees, you are on your own."

Some of those employees will qualify for subsidies. I heard the majority leader say we are going to eliminate the Medicare plan and replace it with the private plan. What he is also not telling you is under his bill 57 million new people will be eligible for subsidies; 57 million people will be eligible for subsidies in a few years that are not eligible today, more than double the number of Medicaid people who receive subsidies, but they will be receiving Federal subsidies. You are having a massive Federal subsidy program because people cannot afford this.

So employers will be dropping the plan. Employees will be getting subsidies to buy health care. And then guess what, Mr. President? And this is very interesting. Then an employer can come back and say, "I want a subsidy so I can start this over." And they can start again, and the employer can get 5 years of subsidy with the Federal Government paying about half of their health care costs.

This is almost an encouragement plan for people to drop their health care, put people out on subsidies to get their health care on their own, and then the Federal Government will come in and subsidize that employer for them to pick it back up.

I think that is a disaster. We should not be making those mistakes.

What does this amendment do? It does not eliminate the standard benefit package. I wish we would, and we will probably try to do that later. I am going to try to allow all the missing plans to stay in existence. If the people and employees are mutually satisfied, they ought to be able to keep the plan. We should not have the heavy hand of the Federal Government saying your plan is good enough and we are going to replace it with a Government-knows-best plan; we are going to replace it with a plan that costs $6,000 per family.

We should not do that. This is a serious mistake and serious infringement on freedom. And that is exactly what happened in this bill. Then they have the heavy hand of the Federal Government coming in and saying, "There is a $10,000 penalty if you do not comply. So we are going to make you comply whether you want to or not."

Then I read in the RECORD where Senator MITCHELL stated this is voluntary. How is it voluntary? "It provides for a voluntary system in which Americans would purchase private insurance." That statement was made yesterday. How could it be voluntary if you had a $10,000 penalty if you did not comply?

I just cannot believe that we would go down this route. So I am delighted that we will delete this one section. We are deleting section 1309. That is one paragraph on page 145 of a bill that is 1,443 pages long.

Mr. President, I think this is vitally important. I thought it was vitally important for a long time. This section that we are deleting, this section 1309, page 145, I will read again:

> In the case of a person that violates a requirement of this subtitle, the Secretary of Labor may impose a civil money penalty, in an amount not to exceed $10,000, for each violation with respect to each individual.

So if you have 100 employees, that is equal to a $1 million penalty that the Secretary of Labor could impose.

Mr. President, we need to strike this section. I am delighted that the Senator from New York and the Senator from Oregon are cosponsoring this amendment. I look forward to improving the bill, at least by taking this very serious mistake out of the bill.

Mr. President, I yield the floor.

The PRESIDENT pro tempore. The Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. Mr. President, I thank the Senator from Oklahoma for taking this initiative.

I point out that we join him in it in a bipartisan manner. We considered the matter at some length most of this morning.

Mr. President, we came to this judgment, which was that in the legislation that Senator MITCHELL has put forward it is clearly in the interest of employers to provide the standard benefits package. It makes them a more attractive employer and more attractive to employees they would hope to have, but most important, elementary and indispensable, providing the standard benefit package is the condition of receiving the subsidies that the bill provides for low-wage employees. With that package you get the subsidies. Without it you do not. We have incentives. This is an incentive-driven bill. We think that it is in the best interest of firms and their employees to have health care.

The Senator from Massachusetts speaks with great emphasis on the importance of preventive care, and, indeed, if there is anything salient in our medical situation today, it is the degree to which behavioral patterns lead to illness as against the random disasters of typhoid fever or cholera of the past.

Professors of medicine teach behavior, inculcate behavior that makes for health. And already we begin to see some of this effect being shown up in the slackening of the health care cost increases. But, most importantly and essentially, the subsidies are the incentive to which we are absolutely convinced employers will respond.

I regret to hear my friend from Oklahoma has established a nonprofit activity. That was not the plan, and it need not be the case once this legislation is enacted. I look forward to a thriving, healthy, and profitable work force in Oklahoma.

And so, Mr. President, there is no great need to expand on this position. The Secretary of Labor does not need this particular sanction, and when a sanction is not needed it is best excised.

We are not in the business of running around and policing the health care plans of the Nation's employers. We set the standards, we provide incentives, and we expect to see a response. And we will know that response and we will keep track of the coverage, but not in

a mode that is threatening or indeed punitive. We are not trying to hurt anybody here. We are trying to help our country and help its employers and its workers.

So I think this is a nice bipartisan note on which to conclude today's behavior.

I see we will alternate, but would the Senator from Oklahoma mind if my friend——

Mr. PACKWOOD. I believe I am controlling the time.

Mr. MOYNIHAN. Would the Senator from Oregon mind if the Senator from South Dakota speaks now?

Mr. PACKWOOD. I am happy to have him speak now.

The PRESIDENT pro tempore. Who yields time?

Mr. NICKLES. Will the Senator from South Dakota yield?

Mr. DASCHLE. Yes.

The PRESIDENT pro tempore. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I ask unanimous consent that Senators DURENBERGER, SHELBY, MACK, GORTON, ROTH, and LOTT be added as cosponsors of this amendment.

The PRESIDENT pro tempore. There being no objection, it is so ordered.

Who yields time?

Mr. MOYNIHAN. Mr. President, I yield to the Senator from South Dakota such time as he may require.

The PRESIDENT pro tempore. The Senator from South Dakota [Mr. DASCHLE] is recognized for such time as he may require under the control of Mr. MOYNIHAN.

Mr. DASCHLE. Mr. President, I will be brief. I thank the distinguished chairman of the Finance Committee, the manager of bill, for yielding me some time.

Let me make several points as quickly as I can.

First of all, let us make sure what this amendment does and what it does not do. What this amendment does is to strike the reference to $10,000.

I have indicated that I intend to support the amendment because, as the chairman stated so well, there are other ways with which to ensure that we can achieve the compliance we want. There are carrots and there are sticks. Let us try the carrot approach. Let us do as much as we can to ensure that throughout this bill, whatever it is we do, we encourage using the incentives that are in the bill. We are certainly willing to try that approach in the manner of this bipartisanship cooperation, and I think that ought to be stated up front.

But the Senator from Oklahoma makes a second point in defense of his amendment that I frankly do not support. I think that most members on this side of the aisle, in fact, I would guess many Senators on both sides of the aisle, would have difficulty supporting. Namely, the deletion of some need for standardized benefits.

It is very clear in the bill offered earlier by my friend, the Senator from Oklahoma, that on three pages—pages 33, 34, and 35—there are direct references to standardized benefits and a recognition of the need for compliance with those standardized benefits.

Senator CHAFEE, with all of his cosponsors, had a bill that specifically delineated a number of standardized benefits. The Finance Committee, the Labor Committee, all of the bills, for the most part, even Senator DOLE's, have references to standardized benefits. At least for the past several months, every one of us has been working under an understanding that standardized benefits are a good thing.

In fact, I will go back and find what the record states with regard to the Medigap proposal we passed several years ago. As the author of that amendment, I clearly recall there was a widespread recognition that Medigap policies—that is, policies in addition to what we get through Medicare—were standardized. I recall there was virtual unanimity that standardization of Medigap policies was a good thing. There was strong bipartisan support, I think unanimous support, in the Finance Committee. But I will go back and check the record on that.

Now, why is standardization of benefits important? It is important because if we do not have it, this bill might as well be called the Fine Print Protection Act. That would be exactly what we would be doing. We would allow the insurance companies to do what in many cases they are doing right now. Not all of them, but many of them are putting in the fine print contingencies that can scare people to death. That fine print keeps people from getting the benefits they oftentimes thought they had.

I do not know about most of the Members of this Chamber, but I know I am not as familiar with my plan as I wish I were. I frankly cannot tell you this afternoon whether I have a lifetime limit in my plan or not. But they are in a lot of plans. People are caught by complete surprise once they bump up to that limit, because they did not know the fine print, buried somewhere in the plan itself, had a limit on what the insurance company would pay.

Exclusion of important services, including durable medical equipment, rehabilitation services, mental health treatment, and preexisting conditions clauses are all there. Exclusions of preexisting condition clauses are in many plans. That is something else we are trying to eliminate. There is widespread recognition of the importance of eliminating preexisting condition exclusions.

Service limits, such as a limit on days in the hospital or no more than a certain number of physician visits per year—these are also in a lot of plans.

Hidden gaps in coverage are also there. For example, no coverage for congenital conditions and no coverage for illness in the first 10 days of life are major exclusions. In fact, a high percentage of the plans covering pregnancy have a provision that limits coverage in the first days of life after a baby is born.

Exclusions of certain providers can also occur, like coverage for psychiatrists or other mental health practitioners.

Mr. President, the point is that one of the reasons we are here in the first place is that people are just caught unaware too often. So many times, when we need the benefits the most, they are not there. We are surprised. We find out only too late that the plan we were counting on, the plan we paid thousands and thousands of dollars for, is not there when we need it the most.

And so, let it be understood that what is in the fine print is really what we are talking about here. There is no discussion, no debate about eliminating the $10,000 fine. I suspect that a majority of Members on both sides of the aisle will probably agree that, as the chairman said, there are other ways to ensure we get as much compliance as we can.

But I can give—and I will do this for the RECORD—a number of examples. Allen Fuller lives right here in Washington, DC. He allowed his name to be used in discussing his own situation. His family lost their insurance when his wife started her own business. Eventually they bought private insurance for the family. Two weeks later Allen thought he had pulled his back out. When he went to the doctor, tests showed he had cancer of the lungs and spine.

Allen started chemotherapy immediately and found that his insurance policy only covered accidents in the first month but did not cover illnesses. The insurance company said his cancer was a preexisting condition and refused to cover his bills. Allen Fuller was left out, in spite of the fact that he had paid thousands and thousands of dollars for a policy he thought was going to be there when he needed it the most.

Barbara Elsas-Patrick, another person here in Washington, DC, has health insurance through her professional association. She is a teacher. She paid $500 a month coverage for herself and her daughter. The policy had waivers for preexisting conditions. She was not aware of that. It was buried in the fine print. Barbara is reluctant to go to the doctor now because every time she has another condition, according to this particular policy, it is not covered the next time she goes to the doctor.

This is really what we are trying to avoid here. The point is very clear. Do we want to protect the fine print in plans in the future? If we do not, then let us recognize, as Senator NICKLES

recognized, as Senator CHAFEE recognized, as Senator MITCHELL has recognized, that there ought to be some recognition of a need for standard benefits and elimination of the fine print in this bill.

I yield the floor.

Mr. LOTT. Mr. President, under this bill, any business that tries to provide health insurance for its employees, but not the high-priced, Government-mandated insurance plan, could be fined $10,000 per employee.

Now, we have heard many speeches in support of the Clinton-Mitchell bill, saying how the bill would help all Americans, and help businesses.

If you read the bill though, the situation is quite different. The Clinton-Mitchell bill makes the Secretary of Labor a bounty hunter, searching for firms who are doing the right thing, but not the Government-mandated thing.

We are not talking here about mean old businesses that do not care about their employees. We're talking about small, sometimes struggling firms, which under the Clinton-Mitchell bill could be destroyed by fines or have to lay off workers.

That is why I rise today in support of the Nickles amendment. This amendment says the Government should not penalize businesses for doing the right thing. The amendment nullifies this $10,000 per employee bounty.

Again, the Secretary of Labor under Clinton-Mitchell will be able to destroy businesses at will without the Nickles amendment. Let us say you have a small business. You are struggling to make payroll, and pay for, say, a catastrophic insurance for your employees, so they would not be left holding the bag of unlimited health care costs.

Under Clinton-Mitchell, the Government comes along and says, hey, that is not enough insurance you are giving your employees. They need drug counseling services. They need abortion services. They need psychiatric coverage. The Government's telling you that your business has to buy a Cadillac insurance plan, when you only can afford a Pinto health plan.

If you cannot afford it, and even if your employees do not want all of these benefits, the Government under Clinton-Mitchell will make it very expensive for you.

In fact, the Secretary of Labor could assess your business at $10,000 per employee fine, if you do not go out and buy the Government's standard benefits package. Now think about this: If you do not buy the expensive, Government-mandated plan, then you are fined heavily, and your corner store, or computer startup, or farm, goes belly-up. If you do buy the plan, you probably would have to lay off workers. Again, if your employees like the insurance plan you provide them, then that is too bad. You have to go out of business, or you have to lay some of these happy employees off.

Under the Clinton-Mitchell bill, you would have to make a choice between the Government, and your employees, probably middle-income employees who need work.

The Nickles amendment says you will not have to make that choice.

But the Nickles amendment is about choice. If employees for a small company like their insurance plan, but it is not the plan the Government has mandated, they should be able to keep that plan.

Most Americans are happy with their health insurance—85 percent to be exact. Everyone agrees that whatever reform we try to achieve in this Chamber, choice in health plans should be maintained. This is what the American people want.

Several times in his Presidency, President Clinton has promised the American people that the insurance they have, that they are happy with, will not be taken away.

We see in Clinton-Mitchell, though, that choice is taken away.

The President has been telling Americans that the Government would not take away the insurance plans Americans are pleased with.

The Clinton-Mitchell bill does not maintain consumer or business choice—at least not the type of choice Americans are used to. The Clinton-Mitchell bill says yes, you can have choice—if you have the money. If you are able to pay $10,000 per employee, if you are able to cough up a 25-percent surcharge, if you are able to swallow the cost of a nondeductible health plan—yeah, you can have choice. Some choice.

Americans in general, and middle-income Americans and businesses who employ middle-income people specifically, can not ante up the money the Clinton-Mitchell bill would squeeze out of people. Under the Clinton-Mitchell bill, the Government will take away choice, and will force Americans to pay for a government plan—or pay through the nose.

That is why I rise today to support the amendment by my friend from Oklahoma, Senator NICKLES. His amendment does what the President says he wants done—maintenance of consumer choice. The amendment takes the Secretary of Labor out of the bounty hunter business.

This is an amendment for all Americans, especially middle-income Americans. The Clinton-Mitchell bill, with its 17 new taxes, 55 new bureaucracies, and its almost $1.4 trillion cost is not middle-income friendly. The Clinton-Mitchell bill penalizes those who work hard and play by the rules.

The Nickles now Moynihan amendment is a little bit of sanity and fairness. This amendment does not nullify those few good aspects of the Clinton-Mitchell bill: aspects like allowing Americans with preexisting conditions to get and keep insurance, and allowing portability of insurance.

The Nickles amendment does nullify this anti-middle-income and anti-business part of the Clinton-Mitchell bill. The way to better access to our health system is not to destroy families or businesses. The Nickles amendment, with that maxim in mind, seeks to maintain choice.

Several Senators addressed the Chair.

Mr. NICKLES. Will the Senator from Oregon yield me 4 minutes?

Mr. PACKWOOD. I have a number of other speakers who want to speak and I would like to speak.

Mr. NICKLES. Four minutes?

Mr. PACKWOOD. All right.

Mr. NICKLES. I thank my friend and colleague from Oregon.

Mr. PACKWOOD. Could I ask the indulgence of my good friend from New York? Would he mind if I spoke after the Senator?

The PRESIDENT pro tempore. The Senator from Oklahoma is recognized for 4 minutes.

Mr. NICKLES. Mr. President, I wanted to respond because both Senator KENNEDY and Senator DASCHLE alluded to the plan I was the principal sponsor of, the consumer choice plan, and said that we have a standard benefit.

What we had in our bill was strictly voluntary, that said if you want to qualify for tax credits you had to have at least catastrophic, which is basically hospitalization, which makes sense. We were telling everybody we want individuals to have their opportunity to choose whatever they want so they would have a tax credit. But to qualify for the tax credit they had to have at least hospitalization. But they choose the benefits. They could have anything above that they want. They could choose from any of a multitude. There was an unlimited number of choices under our proposal for individuals to choose. That was the whole idea, consumers could choose and the tax credit would go directly to them. It would not be just tied to their employer.

This is in stark contrast to the Clinton-Mitchell proposal that says it is illegal for somebody to buy a benefit that is outside the standard benefit package; you cannot offer less, you cannot offer more. You can offer a supplemental but only if it is Government approved. You have to have every benefit that they determine, and some of the benefits are not very popular; to some of the benefits there are a lot of objections. To some of the benefits some have moral objections. They are going to mandate everybody buy those. We did not do those. We said individuals should be able to choose the benefits, have maximum number of choices on the benefits in stark contrast to the Clinton-Mitchell proposal.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I yield myself such time as I may need.

I was going to use this chart until the Democrats agreed to this amendment. "Warning to employers: Providing health insurance to employees may be hazardous to your financial health." The reason I was going to use that is I do not think this provision, as it was originally in the bill, Senator MITCHELL's bill, was put in by accident. And now that it has been accidentally discovered, it is being taken out in a great spirit of comity. As a matter of fact, I think the finding that—it takes almost a Houdini, as we go through this bill.

But I think perhaps the more analogous story is one that relates to Winston Churchill.

He was at a dinner party one night and an admiral was there, an admiral of significance in the British fleet. The admiral, admiring the flatware, pocketed a rather expensive gold spoon, which bothered the hostess no end because she had seen it but she was not quite sure how to approach the admiral and suggest that he give back the spoon. So she went to Winston Churchill, explained her situation, and asked what she should do.

He thought for a moment. He went over to the table and he took another gold spoon off the table, a larger one. With the handle sticking out of his pocket he walked over to the admiral and said, "Oh, Admiral, I think we have both been discovered. We will have to give the spoons back."

What has happened here is, we have caught the Democrats with the gold spoon in their pocket. Now they have to give it back. We have heard them say, "Oh, well, there are other ways to enforce this. We do not need this." Why was it ever in the bill to begin with if they do not need it?

Did they know it was there? You bet they knew it was there because when this bill, Mitchell 1—when Mitchell 1 was drafted there was not only this $10,000 penalty but, in addition to the $10,000 penalty, a 35 percent tax. And it was levied upon your health insurance premiums. If you have six employees, you are a little laundromat paying $2,500 apiece for health insurance, $15,000, 35 percent tax, roughly a third, roughly $5,000 you were going to pay in addition $10,000 times six employees. That is $65,000 for a little laundromat owner. Now you can say you do not have to offer the standard benefit package, but $65,000 is a whale of an incentive not to offer anything else.

What happens when we get to Mitchell 2? The 35 percent has been dropped out, so they knew it was there. The $10,000 was not dropped out. Now the poor little laundromat owner is only going to have to pay $60,000, instead of $65,000; the $5,000 incentive removed, he can go ahead and offer what he wants—and pay the $60,000. Did they know it was there? You bet. They knew it was there.

Why was it there? It was there so the argument can be made, you do not have to offer the standard benefit plan. You can offer anything you want. You can have any plan you want under this bill. There is no employer mandate until the year 2005 or 2002 or whatever it is, and up until that time the employer can offer anything he wants. But if he wants to offer anything other than the standard benefit package it is going to cost him $10,000 an employee.

Let me give another example. The little laundromat owner with six employees is paying $2,500 a year for health insurance for his six employees. The standard benefit package, husband and wife with a couple of kids, is $5,500-$6,000. So now comes along this bill and the little laundromat employer cannot afford $5,000 or $6,000 for the standard benefit package. And if he offers any insurance and does not offer the standard benefit package, he gets fined $10,000 per employee.

What does the little laundromat owner do? I will tell you what he does. He drops his health insurance. He cannot afford $6,000 per employee and he certainly cannot afford $10,000 per employee penalty, so he drops it. Now they have no coverage.

This $10,000 was designed deliberately to be, not an incentive—coercion, Mr. President; $10,000 an employee is not an incentive, it is coercion. And because the Democrats have been caught with the gold spoon in their pocket, they are now allegedly giving it up and saying we never needed it anyway.

As we go through this bill, Houdini like, looking for other gold spoons, my hunch is they will agree with many other amendments we bring up because they knew they could not defend this. They knew they could not defeat it. So they co-opt it.

I am delighted to have them on board. I would be interested, if they have an explanation, as to why the $10,000 was ever in there to begin with. They knew it was there. Why they took out the 35 percent penalty, having gone through this bill themselves, but never took out the $10,000.

There is only one answer. We are going to force you to voluntarily provide the $6,000 standard benefit package or nothing. For too many employees the answer will be nothing. I thank the Chair.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from New York.

Mr. MOYNIHAN. I yield to the Senator from Massachusetts such time as he may require.

The PRESIDENT pro tempore. The Senator from Massachusetts, [Mr. KENNEDY], is recognized for such time as he may require.

Mr. KENNEDY. Mr. President, we have been involved in this debate and discussion on the bill for some 2 weeks, now. And we had a good debate and discussion on the children's amendment over a period of several days. Then the Senate went on record to advance the protections for children.

I think that was an important improvement over the Mitchell bill. And I think we understood that after we had the consideration of an amendment on this side, we were going to go to the other side in order to consider an amendment. So many of us who have a desire to get into the substance of these measures—and there are strong policy differences on many of these measures—we were hopeful that we would be able to reach some kind of accommodation.

I think all of us are still hopeful we will, even with those individuals who have expressed reservation about the Mitchell proposal. I think most of us were somewhat hopeful that we would have a proposal or an amendment here that really was going to be at least somewhat defining in terms of the direction of this debate.

When I first saw the amendment of the Senator from Oklahoma earlier in the day, I was somewhat interested in the fact that he was going to make an amendment to strike the $10,000 penalty that employers might be required to pay if they did not provide the standard benefit package. We reviewed that measure and reviewed the other provisions of the legislation. Those of us who are for universality of health care are not into just trying to find areas where we are going to penalize employers. We are interested in universality and cost containment and trying to develop some consumer protections.

As far as that $10,000 requirement, I felt that if you are going to have—and we can come back to this in a moment—a standard benefit package and you are going to have to have some kind of remedy. I did not think, quite frankly, that $10,000 was an unreasonable penalty. I was persuaded in the spirit of bipartisanship that we ought to try and find some common ground. So I indicated, at least as far as this Senator is concerned—and, of course, all of the Members have views and their views are entitled to an equal amount of credit—that this was something that I could support.

I was listening earlier to the debate on what we are really talking about here—on whether we are going to have a standard benefit package or whether we are not going to have a standard benefit package; whether the Mitchell bill is going to require it, or not require it, and then the reasons for it. Then there were charts pulled out to talk about what the costs were for the standard benefit package.

It is interesting that what those figures basically reflect is the actuarial value of the benefit package that Members of the House and Senate have in this institution. Obviously, we know the values change in different parts of the country, so we know using those charts might alarm people in different parts of the country. They were intended to illustrate what the costs were in an actuarial way for programs that we have in the Congress of the United States, that we have as Senators, and to emphasize that we are trying to make those same kinds of benefits available to the American people.

Ten million Americans have them, including Members of the House and of the Senate of the United States and the President of the United States. In the Mitchell bill, we give the same opportunity to working families and other families across this country so they will have these benefits, too. I pay $101 a month for a program as a Member of the U.S. Senate. I bet most Americans who are watching this program with very comprehensive protections—I doubt there are many other programs that are any better, and I think most Americans would say, "I'd like to have what you have, Senator," or what any other Member here has.

That is in the Mitchell bill. Just store that away as we are talking about all of these other factors and that program is evaluated because it costs differently for Federal employees in different parts of the country to reflect local costs. We have what is considered to be at least a standard package. It can vary a bit in terms of the copayments and deductibles, but the essential elements are there.

Now we have a debate on the question of the role; why are we requiring a standard package and raising the serious question of whether any bill at all ought to have a standard package.

I was somewhat interested in the remarks of my friend from Oregon who was the principal sponsor of President Nixon's program, which had a standard package. As one of the principal cosponsors of that program, I do not remember him saying at that time, as it was being debated and discussed, "Oh, no, we don't want a standard package." That was an essential part of the Nixon program. But time moves on, and we have to consider that.

Then I was interested to hear my friend from Oklahoma, Senator NICKLES, say, "We don't want a standard benefit package. How are we going to deal with the problems that many of the businesses are going to have to deal with?"

So we looked through the Nickles legislation, cosponsored by 25 Republicans, and we found out that it outlines a standard benefit package on page 33. I referenced this in some earlier comments. The Nickles legislation talks about providing for all necessary acute medical care described in subsection B; it talks about physician services; it talks about patient cost sharing, deductibles and copayments. He has a standard benefit package effectively described in words. And his legislation said that you had better conform with his standard benefit package or else you will not get the favorable tax treatment. The message better go out to all Americans that unless you have the Nickles proposal and his standard benefit package, your taxes are going to go up. The message better warn every American that the only way to keep their taxes down is to adhere to the Nickles standard benefit package.

It is so interesting how some people use these hot-button items like taxes, the Mitchell program on taxes. I think most of us believe that, with $68 billion a year in health care costs that are directly related to smoking, there ought to be some increase in taxes relating to cigarettes.

Well, here it is, right here in the Nickles proposal. Unless you provide the Nickles standard benefit package outlined in the Nickles bill with 25 Republican cosponsors, you do not get the tax consideration. And yet, they say, isn't it terrible under Mitchell when they say you have to provide the standard package, make sure you make it available to consumers, because if you do not conform with the law, there will be a penalty. And now under the Nickles proposal, if you do not do exactly what Senator Nickles wants you to do, you are not eligible for the favorable tax considerations and it will continue to go up.

Now we look over to what happens in the Chafee proposal.

Mr. NICKLES. Will the Senator yield?

Mr. KENNEDY. When I finish. I will be a few minutes and then I will be glad to yield.

On S. 70, on the Chafee proposal, each plan must offer one or more of the following: Standard benefits package or a catastrophic package. That is on page 89, and that is section 1301.

I am going to be interested in how Senator CHAFEE is going to do it, because if you do not conform with the Chafee proposal, you pay $100 a day in penalties. Is that not interesting, $100 a day in penalties under the Chafee proposal? That could certainly add up.

Many of us have been willing, as a matter of conformity, to say, "All right, we will eliminate the $10,000." But yet under the Chafee proposal, it provides under the standard package a catastrophic package. It has covered items: Medical surgical services, medical equipment, prescription drugs, preventive services, rehabilitation services, substance abuse services, hospitals services, emergency transportation, and it goes on and on.

If you do not conform with his proposal, you are penalized.

And under Breaux-Durenberger, you must offer the uniform set of effective benefits, and that is effectively a standard benefit package. I am not surprised, Mr. President.

One of the thoughtful members of our community on health policy, Alain Enthoven, has followed these issues closely, and there may be those of us who differ with some aspects of it, but we have enormous respect for Mr. Enthoven. He served in the Defense Department in the early 1960's. I can remember his very considerable public service in the Defense Department.

He has taken on this issue and written extensively about how to reach universal health care. I have had the opportunity to listen to him and to read his comments.

He has been very much involved, I think, in helping to shape the thinking of many Members. Here is Alain Enthoven:

> There are powerful reasons for as much standardization as possible.

This is the free marketeer.

> The first is to facilitate value for money comparisons and to focus comparisons on price and quality. The second is to combat market segmentation, the division of the market into groups of subscribers who make choices based on what each plan covers, such as mental health, efficient care rather than price.
>
> The third is to reassure people that it is financially safe to switch plans for a lower price, with the knowledge that lower-price plans do not realize savings by creating hidden gaps in coverage.

Hidden gaps in coverage. Hidden gaps in coverage. That is the point that the Senator from South Dakota has made. That is the point which other Members have made, the hidden gaps in coverage.

What are those hidden gaps? Those are the gaps which exclude from the prenatal services any complications for children for the first 10 days after birth. Mr. President, 93 percent of infants' health needs come when? Interesting. The first 10 days after birth. Those are the kinds of life limits, those are the other kinds of exclusions, the hidden lines, the fine print, all of the things that we have talked about which our Republican friends have talked about, which we have talked about over here, all of which I thought about as we listened to those eloquent statements for the past few days—talking about eliminating preexisting conditions, eliminating the kinds of unfairness in the various standards under insurance reform, that all of us were attempting to try to address, that Alain Enthoven, who is one of the key thinkers in terms of the whole market force approach on health care, has identified as one of the very great dangers.

Mr. DASCHLE. Will the Senator yield for just a minute?

Mr. KENNEDY. I will be glad to yield and then I was asked to yield over here. I will yield here, just make a very brief final concluding comment, and then either yield the floor or respond.

Mr. DASCHLE. I would only ask the Senator from Massachusetts whether Mr. Enthoven also mentioned that part of the cost shifting occurs through lifetime limits? The Senator mentioned the lifetime limit problem. What happens when people bump up against lifetime limits? They have catastrophic illnesses with costs that their insurance plans do not cover. Who pays for this? Is it the taxpayer? Is it the insurance company? Is it the individual? Is it the small business? Is it another family? Somebody is going to pay for those costs.

So ending cost shifting is an added benefit in having coverage delineated in all health insurance policies, is it not? Unless you eliminate these fine print provisions, unless you eliminate things like lifetime limits, do you not continue to prolong the cost shifting that goes on in the system today?

Mr. KENNEDY. The Senator is absolutely correct. When you begin to have these exceptions, and these loopholes written into it, and then you run into these other kinds of costs associated with these illnesses and sicknesses, someone ends up paying for it. And it will be those that have played the game by the rules and received the standard benefit package.

I see others waiting, and the time is moving along, so let me just be brief in a final comment or two.

The logic that we have heard from our friends on the other side of the aisle is basically the same logic that was heard in the Senate years and years ago when the Senate was considering the child labor laws. Why should we here in the Senate take action to protect children? Why should we? It is an argument today you find difficult for even the best of Members to try and be able to make. No one would absolutely buy it.

You read the history. Do we know something here on the floor of the Senate that people do not know back in local communities? The same argument. The same argument was made in the debate on the lemon laws. Why should we be establishing some standards? If the purchaser of an automobile drives it out of the lot and it falls apart, why should we care anymore? Why should we make sure that the representations that are made to that consumer be accurate in terms of the sale of a particular commodity? Is that so unusual? The same arguments are being made over here. They say, look, I bet we could get people to work below the minimum wage. Why do we say that we want $4.25 an hour to be a minimum wage? The reason that we do is we say we are a caring society and we believe that men and women who want to work 40 hours a week, 52 weeks in the year ought to be able to have sufficient revenue to live in some dignity and some peace with a roof over their house and food on their table and be able to afford a mortgage.

We do not say, why do we establish that floor? Republicans and Democrats alike have moved the minimum wage up. We are not saying we can find people that will work for a buck an hour and if they want to go for a buck an hour why not let them work for a buck an hour. Why should we in the Congress interfere with that? And if they want to exploit children, why not let them do it? Why should we in the Congress do it? And if someone wants to sell a lousy car, why not let them do it? Why should we in the Senate provide protection?

It is the exact same argument, Mr. President. What we are establishing is the standard benefit package. And it is interesting, when we were discussing and debating this issue in our Labor and Human Resources Committee, the principal difference between Republican and Democrat was not essentially what was going to be in it but whether we were going to outline it in detail or describe what was going to be in it and give greater flexibility to the national health boards so that there could be adjustments and squeezing of those elements in case of the economic exigencies that might occur.

But we did not have any debate, any real discussion about the nature of the preventive services or hospitalization. There may be some difference in terms of some of the aspects of mental health. But we did have agreement conceptually about what should be in that standard package.

To hear in the Chamber of the Senate this afternoon, when we are just entering this program, that those who have been either principal sponsors or cosponsors of legislation, piece after piece of legislation going back historically even to the 1970's, who have supported a standard benefit package, come out and say, well, we really do not need it, we are not going to provide those protections, Mr. President, we know the reasons for that in terms of providing the protection so that the consumers can have real choice, so that they are able to compare, so that they will be able to compare quality, so that they will be able to do the evaluation on the basis of medical report cards, so they can talk to other consumers and find out whether they are getting good quality, so that there is no fine print in there, so that they will know what the real costs are, so they will know the various elements of that program. It can be a standard package. You can have different deductibles. You can have different co-pays. You can have different features, but you and I know the competition will not be on the basis of the standard opinion. It will on the delivery of services, the efficiency of the services and the quality of the services. And that is what the consumer ought to have the ability to buy.

I will be glad to yield briefly, and then I see two or three of my colleagues on the floor, to try to respond.

Mr. PACKWOOD. Mr. President, is the Senator done?

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, how much time would the Senator from New Hampshire like?

Mr. GREGG. Ten minutes.

Mr. PACKWOOD. I yield 10 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 10 minutes.

Mr. GREGG. I thank you very much, Mr. President.

We have just heard a speech by the senior Senator from Massachusetts which has been one which really has not been material to the issue at hand, which is not too surprising because when you consider what has happened here it is that a point within the bill has been discovered, of which there are, I suspect, hundreds like this, that has a devastating impact on the American people and on the way they relate to their Government, a $10,000 fine that could be assessed against up to 200 million Americans if they refuse to follow the dictates of a small cadre of bureaucrats directed by people here in Washington. People would be outraged, and they are outraged when they learn of this.

So when it is discovered and brought to light, it is immediately abandoned because the folks who put this language in here recognize that it is not defensible in the public eye. That is, of course, what the debate over the last few days has been about, trying to analyze what is in this massive document, which will have a dramatic impact on the day-to-day lives of Americans, about which we have not been told. Regrettably, there is a lot of it in here.

The Senator from Oregon used the nice story, the very fine story, about the golden spoons being discovered now. I would look at it more as something my children are involved in recently that I have noticed. They bring these pictures home. I think they are called Magic Eye pictures. You hold them up, and they are a maze of different designs. As you move that design closer to you or back from you, you suddenly see the pictures within the design. I understand this is a best selling book, called Magic Eye.

That is what this it. That is what it takes to use this document. You have to use a Magic Eye approach. As you move it closer to you under section 1,300, what you see is a great, big, huge truck coming at you which is going to run you over if you happen to be an

employer in this country who wants to maintain a plan that is not consistent with the plan that you were told to comply with by some bureaucrat here in Washington.

Let me point out some other things that this fine applied to that has not been mentioned. We have been talking about the standard benefits package. This is just one of the items that this hit before it was discovered.

Think of some the other things this fine did. There is a section 1331, and a $10,000 fine will apply, if you as a commuter go to another job in another community-rated area and do not take the community-rated plan in that area. So what does that mean in real terms? It means that you are going to get stuck with $10,000?

What it means is, if Mary Smith and John Smith lived in Nashua, NH, and John Smith worked in Boston and Mary Smith worked outside of Boston, in Nashua, which would be reasonable—and I suspect it would be reasonable in many parts of this country—they would be in two different community-rated areas. If John Smith wanted to be on Mary Smith's policy in Nashua, because it was a cheaper policy or because they were more comfortable with that provider group in Nashua, he would be subject to a $10,000 fine. He does not have that option. He has to take the plan in Boston.

That is one point where the $10,000 fine kicks in. It does not happen to be mentioned. It just sort of appears.

Another point where the $10,000 fine appears to kick in, under section 1308, under this section, there is some language put in for the purposes of litigation relative to losing benefits. The way this works, the section establishes two different standards of proof and requires that courts without the requirement of any additional showing to promptly order the retiree's benefits to be reinstated. The practical effect of this is that the Secretary of Labor could fine a judge, who did not comply with this section, $10,000.

There is another point that this $10,000 fine affects if you are running a cooperative, and there are a whole series of obligations which you need to undertake, and you do not undertake. There are sections 1322, 1323, and 1324. They involve things like membership agreements, agreements with plans, allowable fees. Under this section, the cooperative could be subject to a $10,000 fine for every member that it had in it—remember, a cooperative could have hundreds of thousands of people in it—if it did not meet one of these technical requirements on an issue of membership agreements.

The list really goes on and on in this area. For example, one of the ironies is the way this $10,000 fine was designed. It is a compliance obligation which is enforced by the Secretary of Labor against regulations created by the Health and Human Services Secretary. The practical effect of that is that the Secretary of Labor could theoretically fine the Health and Human Services Secretary for not going forward in a manner that the Secretary of Labor thought was reasonable. I do not think that would happen. But that is the way this is drafted.

The point I am making here is that within the language of this bill there are many complex, unintended consequences generated by this language. There is one little paragraph that is in here that the pond into which this stone has been dropped of a $10,000 fine causes ripples to occur throughout the society generally, and they are unanticipated. Yet, they are in this bill.

So when we go through this bill section by section, and ask let us take a harder look at this section, let us take a harder look at that section. I think it is a reasonable request. It is not reasonable for other people to say, "Well, you are just delaying the process." In fact, we are not delaying the process. What we are trying to do is point out to the American people some of the very serious flaws in this piece of legislation.

I think it is nice that when we point these out on occasion and raise them as an amendment, the drafters on the other side recognize immediately that the golden spoon has been found in their pocket, that the picture has come into focus on the Magic Eye, and that people have figured out what they are up to.

What they are up to in this $10,000 fine is essentially to create an act of intimidation and coercion against employers in this country, the purpose of which is to make it unalterably clear that if you do not comply with the bureaucratically demanded health care structure, you would basically be put out of business or be threatened with such a fine of such an extended nature that your business and the viability of your business would be seriously threatened.

So that is the issue, the issue of the fact that you have a situation where Government has reached the point where in order to assert this plan, it feels it must intimidate, it feels it must coerce by threatening this level of fine. It is a philosophy that runs through this entire bill, Mr. President, a philosophy of we know best here in Washington. If you do not agree with us, that is because you are not just smart enough to understand it, or compassionate enough to sense it. And therefore, please American people, stand back, and let us design your lives for you, and specifically let us design this health care plan. If you do not stand back, we are going to run over you with that truck that just appeared as a result of analyzing the bill that looks like a Magic Eye.

I yield the floor.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I know the Senator from New York wants to yield to the Senator from Delaware. I wonder if 2 minutes might be given to Senator NICKLES to respond.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I ask unanimous consent that Senators BURNS, EXON, MURKOWSKI, and SMITH be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, the Senator from Massachusetts has alluded to the bill that I am the principal cosponsor of as the consumer choice bill, and said it has a standard benefits package. That is not correct. What we did in this bill, just to clarify, is we replaced the tax exemption that people now have for their health care plans with tax credits. But we said if people want to get tax credits for health care, they have to have at least a catastrophic health insurance plan that covered primarily hospital and physician patients. We did not define everything else but they had to have this.

The individuals could have a maximum choice. It would be the individuals that would choose. That is kind of a new concept. They would not have to take what the employer offered. They could choose anything they wanted. But, they have to have it to have the tax credit. They to have to have the health care. We had a nice tax credit, a 25-percent tax credit, so the Federal Government would help everybody.

Frankly, the Federal Government uses the Tax Code right now to subsidize your health care by saying you do not have to pay taxes on it if you are an employer that subsidizes. A lot of people do not have a job. So they do not get any benefit from the tax credit. That is not fair.

We said the tax benefits really should not be dependent on whether or not somebody has a job with a generous employer. They should be universal to everyone, just like we give tax benefits to people who buy a home. We do not define the size of the home, but we allow them to deduct the interest expense. But it has to be on the home.

Likewise, we said only a tax credit. We are willing to help everybody buy health care. We will give everybody a tax credit. But they have to buy health care with it, and in health care we said hospital and physician services.

They had an unlimited number of options. That is unlike the proposal that we have before us, the Mitchell proposal. That is unlike the proposal we had before us that says it is illegal for you to offer different benefits.

The Government mandates a very expensive package. You have to have

this. If you do not have the benefit in your package, you are out of luck, or you are subjected to fines and penalties and excessive taxes.

That is not what we had. We said we will give everybody a tax credit, and we will not define your package. You can choose your package. That is consumer choice.

I think that is significant reform.

I thank my colleague.

Mr. MOYNIHAN. Mr. President, I yield 30 minutes to the distinguished chairman from Delaware, who wishes to address the Senate on another matter, but one of equal urgency.

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Delaware is recognized.

THE CRIME BILL CONFERENCE REPORT

Mr. BIDEN. Mr. President, I realize that I have been on the floor in the midst of this health care debate speaking about the crime issue more than once, and with the indulgence with my colleagues—at least on this side—I will continue to do that for a few more days.

Mr. President, my friend from New Hampshire said that in relation to the health care bill, it is important to go section by section to look at the bill and see what it means and debate the meaning of the bill. I wish my Republican friends would go section by section on the crime bill, because if they were going section by section in the crime bill, they would understand that what they are saying—unintentionally, I am sure—is inaccurate.

The distinguished Republican leader spoke on the floor this morning, and I assume a copy of the speech I have before me was the one that was delivered or placed in the RECORD. If, in fact, I am incorrect in that assumption, I apologize, but I am told by staff, and by the Republican staff, I believe, through the Democratic staff, that this is what the Republican leader delivered this morning. I think that today I am going to be speaking to what the Republican leader said. Tomorrow I would like to speak about what the hired actor for the NRA on television is saying, which is even more inaccurate.

Let me take Senator DOLE's statement as written here and respond to pieces of the statement, or all of it, if I may.

Mr. President, on page 2 of the statement—and I do not know where that will appear in the RECORD—the Senator says:

> I hope we have signaled and that President Clinton now finally understands that last Thursday's vote was not a procedural trick or a politically inspired attempt to hurt his Presidency, but rather a vote to improve the crime bill.

Mr. President, if that is true—and I am sure the Republican leader believes that—I ask my friends why 65 Republicans in the House voted for the House-passed crime bill that had approximately a half billion more dollars in spending for programs they now call pork and social programs than the conference report that I negotiated and sent back to the House and they voted against?

Said another way: How could we go from 65 Republicans voting for a bill that had more than a half billion dollars more in exactly the programs they now say are the reason for voting against the bill. Sixty-five of them voted for that. Only 11 voted for the bill that I negotiated with the chairman of the Judiciary Committee in the House, which had more than a half billion dollars less of what they say they do not want.

The Republicans over there are saying that this is not about guns or about assault weapons. I do not want somebody back home to think I want you to manufacture all these Uzis and street sweepers. It is not that. It is that there is this awful social spending in there. Well, I cut the social spending they voted for by half a billion dollars, and then they decided they were still against the legislation.

So I respectfully suggest that the Republican leader on the Senate side should ask the 54 Republicans who voted for more pork, as they characterize it, and now are saying they voted against the conference report because it has too much pork, what happened if it was not politically inspired? Maybe there is another reason. Maybe they did not know how to read the first bill. Maybe they did not know. Maybe they did not understand the House bill they voted for the first time. That is possible—regrettable but possible. But just maybe I am right when I say it was politically inspired. Just maybe.

The Republican leader says that they want a no-nonsense crime-fighting plan for America.

I am quoting from his statement:

> And here are some of the improvements he should support * * *.

Meaning the President, I assume.

> Number one, increased prison funding to the House level of $13.5 billion and tighten the language so the prison funds will definitely be used to build prison cells rather than halfway houses, or other prison alternatives, and require truth in sentencing for first-time violent offenders.

Again, maybe I have an incredible disadvantage. I have been responsible for managing this legislation for 6 years. But one of the advantages is that I have the requirement of having to know the bill inside and out. I do not know the health care bill inside out, or any other bill. So I can understand how Senators may not know every provision, and if a staff person tells them something is in it, they may think it is in it or not in it.

To set the record straight, the bill that the distinguished Republican leader and almost all of his Republican colleagues voted for that we passed in the Senate—the Senate crime bill—which Senator HATCH stood up on the floor and referred to, if I am not mistaken, as the Biden-Hatch crime bill, which I was delighted to hear. For one, I was delighted to have it be called the Biden-Hatch crime bill. I think the Republican leader voted for that bill.

That bill that we passed out of here that went to conference had $6.5 billion in it. That bill did not have $13.2 billion, nor did anyone ever suggest, to the best of my knowledge, nor did any Republican ever suggest, that there was a need for more money for prisons than $6.5 billion. As a matter of fact, the distinguished Senator from Texas [Senator GRAMM], if I am not mistaken, negotiated the number with me.

All of a sudden, this thing that they all voted for is now flawed because it has something in it they never asked for, never wanted, never spoke to. So we went to conference, and what did we do? We added $2 billion more; to be precise, we added $1.8 billion more than any Republican ever asked for on the floor of the Senate.

So now the total is $8.3 billion for prison construction, $6.5 billion of which will provide 105,000 new hard prison cells, paid for, given to the States to build and maintain. I find it fascinating that one of the things that would prove we have a real tough crime bill is that we need $13.5 billion. Were they weak in November?

Did these Republicans all of a sudden see God and say,"Oh, my God, this is not tough enough; we were mistaken," as we say in my church, "mea culpa, mea culpa, mea maxima culpa?" Is that what happened to them? Or did the little political bird fly into their window and say, "Hey, the Democrats are going to pass a bill"?

I will let you all be the judge of which it is.

Now, the Senator also says that he wants tougher language, truth in sentencing. Let me remind everybody what truth in sentencing was.

Right now, there is no parole in the Federal system. If you get nailed in the Federal court, you go to jail. Why do you go to jail? Because Senator KENNEDY, myself, and others, including Republicans passed a law a decade ago saying no parole federally.

We want the States to do that, too. They should. But guess what the States do? The States only keep their violent criminals in prison about 42 percent of the time to which they are sentenced. In the State of X or Y, when you get sentenced to 10 years in jail in a State prison, you serve on average 4.2 years. In the Federal system you serve a minimum of 8½ years.

So the Republicans said, "We want a tough bill—truth in sentencing." I made it a commitment on this floor, and I never break a commitment. I said

it is a crazy idea to force the States to do this, because they will never spend the money because they will have to double the number of prison cells they have out of their own pocket before they get to seek Federal money. If that is what you want, I promise I will do it. Then, not that they did not trust me, to reinforce it, we had an instruction, as we say on the floor of the Senate. We had a vote. My Republican colleagues instructed me as the leader of the conference on the Senate side to insist on that language staying in.

So guess what? We went to conference. We got to this issue. We raised the spending by almost $2 billion, and I insisted and asked for a vote on truth in sentencing.

That is what the Senator from Kansas says he wants. He says he wants more truth in sentencing. OK, great. I insisted on it.

Guess what happened, Mr. President? The Republicans in the conference voted against it. I offered it, and Senators HATCH, THURMOND, GRASSLEY, and SIMPSON voted against it. On the House side, the House Republicans voted against it. They did not even get to vote, quite frankly. We rejected it. I supported it; the Republicans knocked it down.

Now, out of the blue, I am told go back to conference and put in truth in sentencing because that will make a tough crime bill.

If we do go back to conference, pray the Lord that they instruct the Republicans, the conservative Republicans to be for it now. They were against it, not me, not the Democrats. They voted it down. With good reason, by the way. Republican Governors throughout the country says this is crazy. So apparently they listened to the Republican Governors instead of the Republican national chairman.

So we have this straight now. One of the first conditions is for a tougher crime bill, want more money spent, and want truth in sentencing.

I put in another $2 billion beyond what we had. We got more money than anybody voted for here, and the Republicans rejected truth in sentencing.

What is the second point to make this a stronger crime bill according to Republican leadership? Well, cut at least half of the spending on social programs. And they cite some, they call, social programs. They, first of all, start off with the Model Intensive Grant Program. The Model Intensive Grant Program is the same program as the Drug Emergency Areas Act that Senators D'AMATO and GORTON, and other Republicans, have cosponsored in the past.

I wish they would make up their mind. It is not the same exact thing, not called the same thing. I think what makes them angry, and I am surmising here, is that the Model Intensive Grant Program is the name given to the program by Mr. SCHUMER, a Democrat, and we do not have the name Drug Emergency Areas Act, which we have had in every crime bill I have introduced. There are some marginal differences, but we are talking roughly the same money and for the same purposes.

What happened here? What happened between the time it left here that it was a good idea and the Republicans asked me to put this in the bill? I supported it. By the way, I still do, and now it has to be out.

We also have midnight basketball. Gosh, we are going back to midnight basketball. I hope everybody saw CNN last night. They went out to a place in suburban Washington, DC, in Maryland, and guess what? It works. Let me quote. I am quoting. This was stated in 1991.

> The last thing midnight basketball is about is basketball. It is about providing opportunity for young adults to escape drugs and the streets and get on with their lives. It is not coincidental that the crime rate is down 60 percent since the program began.

You might ask yourself who said that, who made this outrageous claim that where they had this midnight basketball program the crime rate dropped among youth by 60 percent? I never made that claim when I put it in this the legislation. I just said it will get better. Who made this claim, which I think is probably accurate? Let me tell you who made the claim. His name was George Herbert Walker Bush. It was his 124th point of light. Remember those points of light. Well, every once in a while even he was right. He was right a lot of times. So I took his point of light and I put it in the bill.

[Disturbance in the visitors' galleries.]

Mr. MOYNIHAN. Mr. President, may we have order in the gallery.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator is correct. The Sergeant at Arms will see that there is order in the gallery.

The Senator from Delaware.

Mr. BIDEN. Mr. President, I put this point of light in the bill, the Republican point of light.

Now, I understand it sheds darkness and doom. It is a terrible thing, $40 million to have basketball leagues where kids not only play basketball, and they must stay in school, and some programs even require they keep a C average, and they must be off the street. There are other programs to keep the high schools open, so you use the gymnasiums—a Republican idea, not a Democratic idea.

Senator DOLE goes on to say, and I quote: "But now 9 months later, the conference report authorizes a staggering $33 billion, a 50 percent increase," over the Senate bill, "a 50 percent increase" that is over the Senate bill, he means. "Obviously, somewhere along the way the crime bill was hijacked by the big dollar social spenders."

Boy, they love this language. Let me tell you what the big dollar social spenders did. We went in, and we added $1.8 billion for prisons. Remember now. His first point he wants more money for prisons. So we added $1.8 billion more for prisons. What did we do next? We added another billion dollars for the Byrne grants. Remember what the Republicans did when the President said he was going to cut the Byrne grants? They came to the floor. They said it was outrageous, that the best thing that happened at home was the Byrne grants. They are great, by the way.

What did we do? We put in these big social spending Byrne grants. Do you know where the Byrne grants are? They are where the Federal drug enforcement agents work with local law enforcement agents and nail drug dealers. That is a big spending social program.

Now, we are up to $2.8 billion, we added.

What else did we do? We added to the Treasury Department for enforcement, $380 million for new T-men. Folks, men and women, with guns, who go out and get bad guys, counterfeiters, bad guys, $380 million. We added $1 billion for the INS to go and nab illegal aliens. It is a big social program, is it not? Tell that to the illegal aliens. They think it is a great social program.

In total for Federal law enforcement we added $815 million.

Then we added another $100 million for drug courts.

Do you know how the drug courts work?

And my friend from New York—and I am not being solicitous—knows more about this issue than any person that I know. I might add, by the way, when we all stood and watched New York and other cities burn, figuratively speaking, he said nearly 10 years ago, "The crack epidemic is coming. We better do something about it." And nobody did anything about it. They did not listen to him.

So what happened? It used to be for every four men that used drugs, there was only one woman. Along came crack and, to use that Virginia Slims ad, "Women have come a long way, baby," because crack now has made it about 1 to 1. It is about 1.4 to 1.

Guess what. Now we have more homeless children. Now we have more AIDS. Now we have more prostitution. Because these women cannot afford this, what do they do? They go to a pimp. He gives them crack, they do his dealing, they get drugs. AIDS spreads.

No one listened to the Senator from New York.

We added money in here for drug courts. Now drug courts do not deal with the crack dealers. It deals with another aspect of the problem. There are 600,000 young people, adults, who last year were drug addicted offenders,

convicted for a nonviolent offense, who never saw a day of prison, a day of counseling, a day of anything. There were a total of 1.4 million arrested and convicted; 800,000 got something, probation, or random drug tests or something, 600,000 because there are no counselors, there are no probation officers, there is no prison space, got nothing.

So we put in money for drug courts. Big social program.

Do you know how that works, Mr. President? The way it works is that if you get arrested and convicted in a drug court—you are a first-time, nonviolent offender, you are a young person, you are an adult, but your in your twenties. What happens is, you must either demonstrate that you are in school, in a job, be subject to random testing, and employment counseling. If you do not do any one of those things—you either drop out of school, you lose your job, or you flunk the test—you go to jail. Now, I have never heard that of a social program.

But so we are talking about billions of dollars added.

Let me tell my friend that more than $7 out of every $10 in this bill are for cops, prisons and Federal and State law enforcement.

So I think someone should tell him that did not get hijacked by big dollar social spenders. It got hijacked by the FBI, as it should. It got hijacked by the DEA, the Drug Enforcement Agency. It got hijacked by drug courts. It got hijacked by police SWAT teams in cities and counties and rural areas, working with State people. It got hijacked by $1.8 billion for more prisons.

I guess you did not know that, but that is where the hijacking came in.

Now, the third point that is necessary, I am told, for us to have a tougher crime fighting bill is:

Third, plug the so-called safety valve provision which could result in the early release of 10,000 convicted drug offenders. A get-out-of-jail-free card, brought to you by the United States Congress.

Let me tell you what that is.

First of all, the so-called safety valve was insisted upon by the Republicans in the conference. I did not have it in the bill. When it passed the Senate, it was not in the bill. But, Mr. HYDE and Mr. MCCOLLUM, both fine men—and substantively they are right on the issue, by the way—insisted that this be in the bill.

Now let me tell you what it does.

No one gets out of jail under this narrowly drawn safety valve, which applies only to nonviolent drug offenders and permits them to ask that their sentence be reconsidered under the guidelines.

As the Senator from New York knows, the guidelines are now tougher than the minimum sentences in most of the cases.

And do you know what the Bureau of Prisons says about who will qualify for this, this get-out-of-jail-free card as my Republican friends call it? As my Republican friends tell me 10,000 convicted drug people?

Do you know what they say, the Bureau of Prisons? Minimum, 100; maximum, 400 people will be eligible for release.

Do you hear what I just said? Minimum, 100; maximum, 400. Ten-thousand? Kind of interesting.

And, by the way, those who get out will all be nonviolent, no crime involving a minor—and this is all listed in the bill, but in the interest of time I am not going to take the time now to go through it—no use of a weapon, no threat of force, no threat of deadly force or any force. On average, they will have served 4 to 5 years already. And all they get to do is ask to "reconsider my sentence" under this mandatory requirement that was built in. And the Bureau of Prisons says, first batch out of the box, the only people that qualify now, 100 to 400 people.

Now, I am told then the fourth thing that makes this bill tough—I am reading now from the leader's statement, the minority leader.

Fourth, no cuts for the FBI or drug enforcement agency.

I am quoting now.

No crime bill should cut staffing at our Nation's top law enforcement agencies.

Guess what? We agree with him. That is why it is in the bill.

Now, I am a strong supporter of the FBI and the DEA. I want to increase it. But let me give credit where credit is due. Senator DOMENICI insisted that this be in the Senate bill, and I insisted that it be in the conference report.

So, the crime conference report specifically provides money to the FBI and the DEA for additional agents; $250 million for the FBI will buy approximately 500 additional agents and $150 million for the DEA will buy approximately 300 agents.

In addition, the conference report, in section 320915, specifically states that we should exempt Federal law enforcement personnel from the Federal work force reduction fund that supports the crime reduction trust fund.

So the way we are funding this bill is cutting bureaucrats. We explicitly say in the law we are asking them to pass, "When you cut, do not cut the FBI or the DEA." And then we add $400 million to hire 800 new agents. So I am sure the Republican leader will be happy to know that we have also met point four that he insists upon.

Now, No. 5. "Restore some of the tough provisions adopted last April by the House, including" —and then they go on to say, "Megan Kanka's law."

Now, there was a God awful thing that happened in the neighbor State of New Jersey, my neighboring State and the neighboring State of the distinguished chairman from New York.

This young woman, because sexual offenders—I will call them predators—who had already served their time were released into the community and were in a house across the street, living across the street from young Megan. Everybody thought they were regular old people who moved in the neighborhood.

One of them, allegedly—the trial has not been held yet—allegedly brutally murdered young Megan. There was an uproar. The distinguished Governor from New Jersey is insisting that there be a registry—as she should.

Well, let me remind everybody. This is something—I guess people just have not had time to read this bill.

In the conference report, the thing that the House would not let get voted on because all but 11 Republicans and 48 progun Democrats and 10 members of the Black Caucus, adding up to enough to defeat the bill—there is a provision we put in the bill, tougher than either the House or Senate passed. It says anybody who is convicted of a sex offense against anybody any age—not just a child—must, when they are released from prison, appear on a State registry. The States are required to set up statewide registries. If they do not, they lose Byrne grant money. It costs them millions of dollars. That is the incentive, the only one we have available to us, federally. And we say, "Set up a registry."

Then, when John Doe is released, the sex offender—he does not have to be a violent predator, just flat out having been convicted of any sex crime, he goes on a registry. Then what happens? As we wrote the law that is in the bill the Republicans killed, they are required to then notify the local police agency. And they are required wherever they move to wear the scarlet A. And every time they move, they are required to notify the registry. And, we made sure that when the police tell the community—as they are allowed to do—they would not be subject to prosecution. This is something incredibly unusual. We gave immunity to the police department.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MOYNIHAN. I have 4 additional minutes.

Mr. BIDEN. Could I ask for 1 additional minute?

Mr. MOYNIHAN. You may have 4.

Mr. BIDEN. I thank my colleague. Anyway, it is in the bill. It is in the bill.

No. 6, the leader says restore some of the tough provisions, minimum mandatory for those gun laws. He should read title XVIII. There is already minimum mandatory. Do you realize if you commit a crime that is under the Federal jurisdiction, and you have a gun, whatever crime you committed if it has 10 years, you automatically get 5 more? Minimum mandatory, no probation, no parole, no discussion.

Now he also says we have to have mandatory restitution for crime victims. It is in the crime bill that the Republicans voted down. There is a provision allowing, for the first time, victims to show up at the sentencing procedure to say, "Judge, by the way, when you are sentencing that guy I want to remind you what he did to me"—giving some empowerment back to the victims. There is mandatory restitution, where the person who committed the crime committed the crime of violence against a woman or against a child.

And then he says, "And we have to restore Senator SIMPSON's provision requiring swift deportation of criminal aliens."

We do.

The conference report includes the summary deportation provision from the Senate bill—with slightly modified language. This provision would speed deportation by eliminating the requirement that a hearing be held and by eliminating layers of appeals.

The conference report also includes $160 million for the Immigration and Naturalization Service to hold deportation hearings in prisons—so criminal illegal aliens will be ready to be deported as soon as they have finished their sentences.

Last, he says we need flexibility and quotes Chief Fred Thomas of Washington, DC, saying there is not enough flexibility for the cop money coming into the cities. I called the chief. It surprised me. Let me quote the chief. He said, "I support the bill a thousand percent. Senator DOLE must have misunderstood me."

So I hope I have set the record straight for my friends and made it very clear that now that they know that all they wanted is in the bill, they can be for it. They can be for it. Let us find out. Let us find out whether this is politics or whether it is not.

Let me tell you, had they not delayed for 6 years, had we passed the registry law, which is in that bill, maybe, just maybe, young Megan would be alive today. Had the registry existed—she got killed the day after the House finished the conference. In fairness, she would not be alive because we could not get it done in time. But let me tell my colleagues something. If we delay, there are going to be more Megans, there are going to be more people in that situation because the bill now has those provisions.

I sincerely thank my friend. I know I keep intruding into this debate, but I want to tell him something, it is frustrating. If it is this frustrating on the crime bill, getting the facts out, I cannot fathom the difficulty my friend from New York as chairman of the Finance Committee is going through.

Mr. MOYNIHAN. Keep intruding.

Mr. BIDEN. I yield the floor and thank my colleagues.

The PRESIDING OFFICER. Who yields time? The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH SECURITY ACT

The Senate continued with the consideration of the bill.

Mr. PACKWOOD. Mr. President, much has been said that the Mitchell bill does, in essence, not upset anybody's present plans, is not compulsory, or nobody has to change very much. It overlooks, however, three groups that between them have someplace between 35 million and 40 million people covered with insurance, almost all of whom are satisfied with their current plans.

First, employers with 500 or fewer employees who self-insure. I will explain the difference on that.

You can cover your employees in, really, one of two ways: You can go out, buy insurance from Metropolitan Life or Continental Casualty or Blue Cross or Kaiser. They provide the benefits. You pay an insurance company to carry them.

Or you can do what is known as self-insure. You think to yourself, I am a stable enough employer. Rather than paying premiums to an insurance company, I, the employer, will pay the benefits myself. I will run that risk. Sometimes on occasion the employer will say, I cannot afford a catastrophic loss, and maybe they will insure for a loss over $15,000 or $20,000 or $25,000 or even $100,000 and say we will pay under that amount. They do not worry about negotiating with the insurance company. They manage their own plan. They can have their own wellness policies. They do not have to live with others' dictates. You have about 20 million employees who get their insurance from businesses with under 500 employees who self-insure.

Under the Mitchell bill, they will not be allowed to self-insure. That is out. They will have to buy through what is known as the community-rated pool. I am not going to get into a discussion of that tonight. But in essence it says, "all small employers will have to be thrown in. Five hundred, it is not small—500 or less, it has that pool. It has an interesting—I do not know if it is an intended or unintended effect, certainly on California. But my guess would be on other States also. Because this rule of 500 or less also applies to cities and counties and fire districts and school districts. California has Los Angeles and San Francisco and Oakland and San Diego and San Jose. California in many respects is like many States of the Union. They have scores and scores and scores of towns that have 5,000, 10,000, 15,000 people in them and they do not have 500 employees working for that town or that fire district or that school district. Yet they may be self-insured or they may buy insurance. They are out. They are going to have to come into this community pool.

I think most local governments are unaware of that in this provision, because most States do have some kind of a program that allows all of the municipal employees in the State from all kinds, big governments and small governments, to insure through one plan.

So there are 20 million people who are going to have to change.

Second, you have, and we refer very frequently with acronyms around here, MEWA, M-E-W-A, multiple employer welfare arrangements.

These are basically health plans that are offered by businesses, similar kinds of businesses. In my State, for example, the Timber Operators Council has a multiple employer welfare arrangement. We have about 26,000 enrolled people in it from all kinds of different companies—big companies, small companies. These are prohibited. They are out under the Mitchell bill. It does not matter what size they are, they are out. This has nothing to do now with the standard of 500. They have to go into the community pool, and buy their insurance.

And then you have association plans—Association of Building Contractors, Coca-Cola Bottlers. Here you have a community of interest, maybe franchise employees, but they are all in the same franchise as opposed to a MEWA where you have all kinds of different businesses. They have some business relation. But here you will have—Chamber of Commerce can have one, if they want. They are out. There are in some places between 10 and 20 million people in the multiple employer welfare associations and the trade associations that are now covered that will lose their form of insurance and have to go into the community pool.

I do not think most of them know this yet. So when the argument is made there is not going to be much change under the Mitchell bill, there is significant change for roughly 35 to 40 million people—employers with 500 or less, multiple employer welfare associations, trade associations—that are simply written out of existence and thrown into a common pot pool.

Mr. President, I yield to the Senator from Texas—how much time would he like?

Mr. GRAMM. I would like 10 minutes.

Mr. PACKWOOD. I yield 10 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 10 minutes.

Mr. GRAMM. Mr. President, let me thank my colleague from Oregon for yielding. I want to thank him for what he has done to let America understand the health care bill currently before us. I am a firm believer in the old Biblical admonition: You shall know the truth and the truth will make you free.

I am convinced that the more the American people know about this bill, the more they are going to be against it. I think we are going to see the same phenomenon we saw with the original Clinton health care bill. With the original Clinton bill, the President's rhetoric was so reassuring and so wonderful that it took time for the American people to discover that there was no relationship between his rhetoric and the provisions of his bill. What we are finding here, as we look at the health care bill pending before us now, is that the rhetoric continues to sound good, but the actual bill language continues to be bad.

Mr. President, I would like to focus on what the Nickles amendment is about. We know now the amendment is supported by the other side. They are not willing to defend the provision in the Mitchell bill that the Nickles amendment will strike, and for good reason: It is indefensible. But the amendment is important, nonetheless, because it focuses our attention on one of the two major issues in this debate.

One issue, as we all know, is the incredible cost contained in the Mitchell health care bill, a bill that when fully implemented will cost the American people $194 billion a year. Except for Ross Perot, nobody knows what $1 billion is. I know eyes glaze over when people at home hear me say that this bill, by Senator MITCHELL's own numbers, costs $194 billion a year when fully implemented. Their eyes glaze over when they hear that it provides taxpayer subsidies to 110 million people, when they hear that it sets up 45 new Government agencies, when they hear that it has over 170 mandates on people and local government and State government, when that hear that it imposes 18 new taxes to fund all of this new spending, and then it imposes costs directly on the consumer.

But since nobody knows what $194 billion is, let me give you a number that people will understand. For every family of four in America, that is over $3,200 a year that they are going to pay in taxes and indirect costs imposed on them to fund the Mitchell bill.

So the relevant question for people back home is not whether it be wonderful to give all these new benefits to 110 million people? Certainly it would be wonderful to provide these benefits. But the question that working Americans have to ask back home is, is providing these benefits worth $3,200 a year to me and to my family? And will the benefits be worth $3,200 a year to me?

Mr. President, I believe that when the people who do the work and pay the taxes and pull the wagon in America—not the people who have organized groups here clamoring for the passage of this bill—but the people who are calling up our offices opposing this bill, the people who are writing in overwhelming numbers against this legislation, when these people come to understand that—when fully implemented—the Mitchell bill is going to cost their family roughly $3,200 a year, they will conclude that this bill will not be a good buy for them. They will still pay for their health insurance, and the new mandated benefit will be between $5,000 and $6,000. I am talking about new costs for all the new government created in this legislation. Most Americans I know, especially those in Texas, already think we have too much Government.

The second issue is freedom. The second issue is whether this bill allows people to make choices? The President used to argue that his old bill preserved consumer choice. But the American people came to understand that under the original Clinton bill that was not so. If you did not work for the Federal Government—people in the Government were going to be treated differently than everybody else—or if you did not work for a company with 5,000 or more employees, which for a 1 percent tax could ransom you out of the system, your health insurance was going to be canceled and you were going to have to buy health care through a Government-run cooperative.

And the final kicker that finally awakened America was the $10,000 fine. I am sure my colleagues remember the $10,000 fine in the original Clinton bill imposed on anybody who tried to sell you private health insurance in competition with the Government.

The President went on and on about how free choice existed in his bill. But because the President was so convinced people would buy, given the choice, a private alternative, he put a $10,000 fine in his bill to prevent people from going outside the Government program to buy private health insurance. Once people came to realize that, despite the fact that many of our colleagues for a long time denied that that provision was in the bill, the Clinton plan was deader than Elvis.

The Nickles amendment has pointed out a new $10,000 fine, and this $10,000 fine is in the Mitchell–Clinton bill. It is a $10,000 fine imposed if you and your employer decide against the health insurance policy that the Government says you ought to have.

Let me explain basically how this works, and if this is what free choice for you and your family is about where you are from, then probably you do not have a problem with the Mitchell bill. But if the American town in which you live—not Washington—does not define free choice this way, maybe you have a problem with the Mitchell bill.

Under the Mitchell bill, the Government will tell you what has to be in your insurance. If you are a 64-year-old widower, the Government is going to tell you what coverage you will have to carry in your insurance policy. You will have to pay for pregnancy services and for newborn services. Even if you do not smoke and you do not drink, you are going to have to pay 12 percent more for alcohol and drug rehabilitation coverage. The Government is going to make you buy all of this insurance whether you want it or not.

Second, if you and your employer are buying other benefits, the Government is going to tax those benefits. It is going to impose a 35-percent tax on the benefit that you got in your health plan that the Government says you do not need. Then over time it is going to impose an income tax on you by treating your health benefit as income.

For example, if you were in the 31-percent tax bracket, and you already had an insurance policy you liked better than the Government's plan without alcohol and drug rehabilitation coverage because you do not drink and you certainly do not use drugs, you will have to pay 12 percent more for that coverage anyway. But if your plan covers services you do want, like orthodontist care for your children, the company that provides that benefit to you is going to have to pay a 35-percent tax on it, and if you are in the 31-percent tax bracket, you are going to have to ultimately declare it as income. You are going to have to pay a tax. So the Government is going to impose a 66-percent tax on that benefit.

Now, tell me if in your hometown this is freedom of choice. The Government tells you what you have to have. Whether you want it or you do not want it, you have got to buy it. The Nickles amendment takes out the $10,000 fine for not buying it, but you are still required to buy it. If adopted, the Nickles amendment simply removes the $10,000 fine, but it is still illegal not to do it.

Third, if you want health benefits the Government says you should not have, you can pay as much as a 66-percent tax on those benefits.

I was thinking, Mr. President, what do I own that I would be willing to pay a 66-percent tax to keep. Well, I do not want to get in trouble by saying I own my children and I own my wife, but I do own my dog, and I would pay a 66-percent tax to keep my dog. But there is nothing else I own—and I am a U.S. Senator—on which I would choose or could afford to pay a 66-percent tax to keep. I would not keep my house if there were a 66-percent tax imposed on

it. I would not keep my truck if there were a 66-percent tax imposed on it.

Now, you could say that I am free to keep my benefit if I am willing to pay that tax. But am I really free? Is the average working American really free when you say you can keep it but you have got to pay a 66-percent tax on it?

I do not think so.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAMM. That is why this bill needs to be defeated.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the manager on this side, Senator PACKWOOD, has authorized me to speak up to 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for up to 10 minutes.

Mr. SPECTER. Mr. President, I have sought recognition to support the amendment offered by the Senator from Oklahoma because I think it is excessive and punitive in calling for a $10,000 penalty for each violation with respect to each individual, and that the appropriate remedy here comes from the incentives in the bill on the subsidies and not from this kind of a punitive measure.

Having been involved for a long period of time as a district attorney, this kind of a punitive measure is very excessive compared to what we do when we talk about willful, deliberate criminal violations.

Perhaps of even greater importance, Mr. President, than an analysis of the punitive measure here, is the limitation on choice, a limitation on what the free market does by way of having individuals and employers and insurance carriers fashion policies which meet the needs of specific people far beyond what can be contemplated by Government on an elaborate statute or by a national health board.

The benefits which are outlined in the Mitchell bill on the benefits package do not include what some people might want to have if they are given freedom of choice.

We are struggling through as this debate is proceeding to analyze and figure out exactly what the consequences of this bill would be. As I understand the bill there are limitations on the benefits package offered by the Mitchell bill on dental care, on vision care. There is no provision for chiropractic services, podiatry, and there is no provision here for long-term care.

Now, some of these might be obtainable in a supplemental package, but why not allow people—employees and their employers—to structure a plan which people might want under what is called a cafeteria approach, which simply means that people can pick and choose from a longer list of options?

If someone is not of childbearing age, why have the limitations which would be for people who are of childbearing age?

This goes back to the amendment which was considered last night, the Dodd amendment, which was another example of bureaucratic limitations where the Government is going to tell people what they are going to buy, instead of allowing people to make their own choice for what their particular needs might be. The Dodd amendment provided that there could not be any policy sold which did not cover maternal care and child care. Now, that is fine for people who are of childbearing age, who need maternal care and who need child care. But if someone is out of that category, is beyond the age of giving birth or does not have that requirement, why should the Government mandate that no insurance policy can be sold unless it covers those kinds of services?

Now, on its face, you would think that it really does not mean what I have just described, but as we analyzed this bill, as best we can figure it out, that is precisely what it does.

Now, what is the rationale? What is the reason for that?

The reason would be to require people who were in their seventies to have an insurance policy which provides for maternal and child care, so as to lower the cost for other people who may want those services. But in a democratic free society we really ought to let people choose what it is they want.

The Congressional Budget Office—getting back to the Mitchell plan—has estimated that the costs of the Mitchell plan are considerably higher. For example, on a two-parent family, the Mitchell plan would cost $5,883 contrasted with $5,565. This increased cost, which does not include any of the premium taxes in the Mitchell bill, is primarily for the cost on a group of services which many people may not want.

The Mitchell plan also has total costs which are estimated, as best we can determine, at 30 percent higher than what the average American is currently paying, what employers are currently offering. So that an employer may be offering a lesser plan and be making up the difference to the employee in real wages.

Under the Mitchell plan, if you offer any health care at all, it has to conform to the rigid proposal of the Mitchell plan. So that an employer might decide that he is going to offer nothing at all rather than pay 30 percent more. So instead of getting more health care, we are actually receiving less health care if that choice is made. The mandate, that is, the requirement that the employer have coverage, does not become effective until a later date if 95-percent coverage is not achieved in a given State.

Mr. President, as I worked through the amendments and as I worked through the Mitchell plan, there is an amazing degree of complexity as opposed to the tradition in our society where an employer, in consultation with his employees, decides to offer a certain line of benefits. The employer then deals with an insurance company which can offer a wider variety of benefits than those which are enumerated in the Mitchell plan.

Then you have the discretion in a national health board to make certain changes with the benefits under the Mitchell bill.

We have all had experience in trying to deal with the bureaucracy. When individual needs, or an individual's desires, change, it would be nearly impossible to have to deal with a national health board. These are some of the inevitable consequences which arise when you have elaborate statutory requirements which establish rigid patterns instead of letting the market take care of itself, instead of letting people make their own individual choices.

So why not have people with the option to choose a basic benefits package of long-term care instead of prenatal care, if somebody is in the 65 to 70 age category instead of being bound by what this statute provides?

Similarly, with the Dodd amendment from last night where as a matter of statute there cannot be any cost-sharing requirements, it may well be that the Secretary of Health and Human Services might want to have some level of copayment. So that, if someone is very, very wealthy, they ought to have to contribute for services. Every time we turn around and take a look at the fine print, we discover that there are limitations on what people will be able to do by way of their own individual choice.

The Nickles amendment, which focuses only on the penalty which is excessive, comes back, analyzes the underlying provisions where there is a basic benefits package, which may not suit a given individual or a given employer. And under the present system, that kind of choice might be allowable.

As we speak, Mr. President, there are other plans which are in the process of being formulated, proposals by the so-called "mainstream group" where I have attended their meetings—some 19 Senators were present yesterday and today—trying to find something which is less bureaucratic than the Mitchell proposal, less bureaucratic than the 140 new agency boards and commissions created by the legislation advanced by Senator MITCHELL even more than the legislation proposed by President Clinton last October 27.

There are other proposals which are under consideration. The so-called Nunn-Domenici legislation which would be a much less onerous bureaucratic scheme. These proposals are designed to try to allow the maximum of choice so that people can buy the kinds

of programs they want without having some rigid standard imposed by the bureaucracy, and by the Federal Government.

So I support the Nickles amendment. I hope as we work through the complexities of the underlying legislation that we can improve upon it and give more people more choices with less rigidity and less bureaucracy.

Mr. President, I ask unanimous consent that Senator THURMOND be listed as cosponsor to the Nickles amendment, and that I also be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I yield the floor.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. All time is allotted on our side. Will Senator SPECTER yield 5 minutes on his side?

Mr. DECONCINI. Will the Senator yield 7 minutes?

Mr. SPECTER. I do.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MOYNIHAN. Mr. President, may I ask that the Senator from Pennsylvania [Mr. WOFFORD] be added as cosponsor?

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, I thank my colleagues. I did not think the time had all been allotted on our side.

I thank the Chair.

(The remarks of Mr. DECONCINI pertaining to the introduction of S. 2401 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. NICKLES. Mr. President, I yield myself such time as I may use.

The PRESIDING OFFICER. The Senator has 14 minutes remaining.

Mr. NICKLES. Mr. President, I have a couple comments about the underlying amendment. It strikes the section that imposes civil penalties up to $10,000 for violations of this section. And that section would include offering a plan other than the standard benefit plan as defined by the Government.

It also has a couple of other sections that I want to let my colleagues know about, because I think I will try and do an amendment on this as well. Individuals that work for employers are prohibited from being offered a so-called alternative package. That is a package that has a high-cost deductible. Individuals can buy it, but employers cannot provide it for their employees. That is absurd. Yet, it is in this bill. It needs to be eliminated. I thought about doing that amendment first, but we decided to go with the fines. We need to remove that provision, which is on page 138.

I noticed with interest that my colleagues say it is the fine print. It is fine print, but it is one of the reasons that we have said we need to spend a little time on this bill. This bill was introduced—or at least brought to the Senate floor Friday at 5 o'clock. I believe only a couple of copies were available. The copies were produced en masse, I guess, and available on Saturday. The majority leader wanted to vote on Saturday and Monday, and that did not happen. So he was insisting on a vote on Tuesday. Some of us were saying we were not so interested in voting, not because we wanted to filibuster or hold the bill up, we wanted to find out what was in the bill.

This is a provision I found that troubled me, mainly because I was an employer. I had a self-insure plan, and I find out that if that plan is illegal, then if I tried to do some cost sharing on that self-insure plan, I would be subjected to a $10,000 fine per employee. We have about 65 or 70 employees. That is about $650,000 because I was not complying with this so-called section.

I am delighted that we are going to be successful in cleaning up this one amendment, but we still have not removed the provision that would prohibit an employer from offering an alternative package, one that has a higher deductible. We need to fix that. We still have not fixed the fact that we are going to tell everybody in America, no matter how happy they are with their plans, frankly, they have to be replaced with a Government-designed plan, the so-called standard benefit package.

I also want to respond to my colleagues who said some of these plans have standard benefit packages and some do not. The plan that I am a principal sponsor of is not a standard benefit package. It says, wait a minute, let us reform the Tax Code and give everybody a tax credit. That makes sense. If you are going to get the tax credit, you have to provide health benefits. We replaced the current income exclusion that excludes—if you are a generous employer and have health care, you do not have to pay a tax. That benefits people working for generous employers. But it does not do anything for anybody who does not subsidize the employees' health benefits, or anybody who does not have a job. The Tax Code, if it is going to help subsidize insurance, should be able to subsidize it for every American, whether they have a job or not. They need health care.

So that was the purpose of our bill. Well, to qualify for the tax credit, you have to provide health care, and we said, basically, just any catastrophic plan that would cover basic hospitalization and physician services.

Mr. President, as I mentioned, it is important to read the fine print because you might find something you do not like, like this enormous fine that was imposed if you did not comply with the dictates in the standard benefit package. Hopefully, we will take that out. I noticed in looking through the bill—and this will be subject to an amendment that I or one of my colleagues will offer. Maybe it will be a bipartisan amendment, and we can be successful in deleting this. I hope my friend from Massachusetts, who is on the floor, will join me in this amendment. That is section 10135 on page 1432. It says "no loss of coverage."

In no case shall the failure to pay amounts owed under this act result in an individual or family's loss of coverage.

In other words, individuals do not have to pay their premiums and they do not lose their coverage. That is an interesting concept. I think a lot of people will find out that is in the law. If you do not pay, you do not lose your coverage. I think that may be very attractive. It may encourage a lot of people not to pay.

Who does pay? This bill calls for——

Mr. KENNEDY. Mr. President, will the Senator yield on that point?

Mr. NICKLES. Mr. President, let me finish my point and then I will be happy to yield.

On page 1430, it says, "The shortfall will be paid half by the family," and on page 1422 "the other half by employers."

I think that is a ridiculous provision. It needs to be taken out. We have an amendment to take it out. I hope it can be done in a bipartisan fashion.

This bill requires a lot of reading. I have been reading quite a bit. I have not read it all yet. I am still working on it. There is a lot of fine print and a lot of provisions in this bill that really do not make sense, that really do not work very well.

Again, it is a conglomeration between the Labor Committee package and the Finance Committee package. We do not even have a report on the legislation. Most significant legislation that is reported out of committees has a committee report. The committee tells the Congress and tells the American people what it is comprised of. What does it mean? What does it mean in layman's language? We do not have that for this bill.

So the American people really have not had an explanation. When I had a press conference yesterday and I said under the Clinton-Mitchell package as presently drafted you are subjected to a $10,000 fine if you do not have your plan conform to the Government's standard mandated package, that is fact. We are going to eliminate the $10,000 fine but still have not eliminated that standard, mandated package.

So the cost of that package, which I alluded to earlier, is $5,888 per family. That is enormously expensive. A lot of plans in Tennessee, a lot of plans in Oklahoma, a lot of plans all across the country are not that expensive.

When I hear my colleagues say this bill does not have a mandate in it, an employer mandate, until the year 2000-something, I disagree because this is telling every employer that has a health care plan they have to have a very expensive health plan, one more expensive than many of them have today. And many employers are used to providing health care for employees. They want to continue to provide health care for employees. All of sudden now they are mandated the plan, the Government-defined package, which is enormously expensive, and they do not have lesser expensive options. They do not even have the option that individuals have as far as buying the alternative standard plan, one that has a bigger deductible. Individuals have that option under this bill, but employers do not.

I think that is a serious mistake. Who pays? Someone might say you are doing that trying to protect employers. No, because, frankly, if we do not make it more affordable for a lot of employers, a lot of employees are going to lose their jobs. A lot of employees will see a reduction in their take home pay because the Federal Government is mandating the plan that costs $6,000 per family and that business does not generate enough economic reward for that to happen or economic return for that to happen.

So the net result is either the individual loses the job, they have fewer employees, or have a reduction in pay. They do not get an increase or maybe even have a pay reduction to pay for this high Government mandate, this expensive plan.

I think that is a serious mistake. So we have eliminated it. If we are successful with the amendment—I expect we will be—we will eliminate the $10,000-per-employee fine, or at least we will eliminate it when it goes through the Senate. I am always concerned what will happen when this bill goes to conference and what will come back. But we eliminate the penalty.

But if we still mandate to employers, if you are going to provide health care, you have to provide the Government-designed plan, that is a mandate on all employers and in many cases it will dramatically increase their costs.

I know a lot of employers who have health care for families that costs $2,400 or $3,000, and if you mandate they provide insurance that costs $6,000, you have just increased it. That is the same thing as a tax of $3,000 per family, or per employer. It is a tax on jobs. It will cost jobs, and that is a mistake.

We have not remedied that with this amendment. We will eliminate the penalty, but we have not eliminated the mandate.

What happens if we do not eliminate the mandate is a lot of employers will find that it is in their interest to drop the plan. There is nothing to keep them from dropping the plan, so they will drop the plan.

What happens then? Well, unfortunately, when they drop the plan, a lot of those employees will go on subsidies, and the number of people who are subsidized under this bill rises by 57 million. I hope people are aware of that. Under this bill we will have 57 million more people on subsidies.

What about those employers who drop the plan? They can come back later, and the employer can qualify for subsidies and Uncle Sam will start paying almost 50 percent of the employer's cost share of those premiums. So there is a great incentive for employers to drop plans, employees to go on subsidy, and then the employer to come back and be subsidized later.

I think that is a serious mistake, and I hope we will not follow that.

I am delighted and hopeful that our colleagues will adopt this amendment. At least eliminate this very punitive, unfair fine that is in this proposal of $10,000 per employee if you do not conform to this plan.

Mr. President, I yield to the Senator from Kansas 3 minutes.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, let me say that given the broad support for the Nickles amendment, obviously bipartisanship is still alive and well in the Senate.

I think this is a very important amendment because they have been saying this plan is voluntary and what it boils down to is, if you do not volunteer for the one-size-fits-all standard benefits package, you can be fined $10,000 per employee.

Let us get this straight. The bill as presently written tells employers who are already providing coverage to their employees—coverage employees bargained for and may be completely satisfied with—that maybe they are in the wrong and they should be punished. You must provide coverage that carries the National Health Board seal of approval. It is not enough that you are satisfied.

I think the point that he is making with this amendment, I might say to the Senator from Oklahoma, is not that the fine is too high—it would be too high if it were 10 cents—it is just another example, it is just one small fix in this 1,400-some-page bill, that I do not think we will have time to fix. Every time we stumble across or someone reads about it and someone calls about it, oh, yes, that is right. We ought to fix this. And I just do not know how you do that in a few days.

I also want to include in the RECORD—it may already have been included in the RECORD—that in the crime bill we use the word "criminal" 437 times and 30 times in health care. We use the word "limit" 211 times in the health care and 33 times in the crime bill. We use the word "penalty" 112 times in health care and 53 times in the crime bill. We use the word "require" 755 times in the health care bill and only 207 times in the crime bill.

There are a lot of numbers in there. I thought maybe we were on the crime bill. This is the health care bill, right?

I want to put in the RECORD these figures put together by the National Taxpayers Union, because they use all these restrictive words. The crime bill uses 1,361 restrictive words and the Clinton-Mitchell health care bill uses 1,488 restrictive words.

Maybe the crime bill is not tough enough. I have to believe the health care bill is tough enough. If you violate or do not do this or do not do that, we have a penalty for you.

I think we ought to put those in the RECORD because I think a lot of taxpayers might like to know what they might expect, if by some strange event this bill should pass.

Mr. President, I ask unanimous consent to print this information from the National Taxpayers Union in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL TAXPAYERS UNION FOUNDATION—NEWS

RESTRICTIVE LANGUAGE: THE CLINTON-MITCHELL HEALTH CARE BILL VS. THE CRIME BILL—AUGUST 15, 1994

An analysis by the National Taxpayers Union Foundation has uncovered a possible reason for last week's failure of the crime bill and the grave difficulties for the Clinton-Mitchell-Gephardt health reform bills: the health bill is too focused on criminalizing medicine, while the crime bill is too focused on providing care and services to criminals. Word counts on the different bills reveal that in many ways the Clinton-Mitchell health bill introduced 10 days ago uses much more restrictive language than the crime bill.

Highlights on the textual analysis include:

The "Crime" bill uses 1,361 restrictive words, while the Clinton-Mitchell Health Care Bill uses 1,488.

While the "Crime" bill uses the word "limit" 33 times, the Clinton—Mitchell health care bill uses it 211 times.

The "Crime" bill uses the term "penalty" 53 times, but the Clinton-Mitchell health care bill uses it 112 times.

While the "Crime" bill uses the term "require" 207 times, the Clinton-Mitchell health care bill uses it 755 times.

The term "restrict" was found 3 times in the "Crime" bill and 34 times in Clinton-Mitchell.

"Sanction" was found eight times in the "Crime" bill and 22 times in Clinton-Mitchell.

The word "violate" occurs 63 times in the "Crime" bill and 113 in Clinton-Mitchell.

WORD COUNTS: CLINTON-MITCHELL HEALTH CARE BILL VERSUS CRIME BILL

	Clinton-Mitchell Health Care Bill	"Crime" Bill
Ban	0	1

WORD COUNTS: CLINTON-MITCHELL HEALTH CARE BILL VERSUS CRIME BILL—Continued

	Clinton-Mitchell Health Care Bill	"Crime" Bill
Criminal	30	437
Enforce	104	221
Fine	13	46
Limit	211	33
Obligation	44	9
Penalty	112	53
Prison	14	219
Prohibit	36	61
Require	755	207
Restrict	34	3
Sanction	22	8
Violate	113	63
Total	1,488	1,361

NTUF uncovered last week that besides substantial use of this language of control, the Clinton-Mitchell health care bill also imposes seven new federal racial, ethnic, and geographic quotas on those going into medicine, and the specialties; creates 109 new crimes and penalties (compared with 89 in the original Clinton bill); and implements price controls.

JOHN E. BERTHOUD,
Vice President for Research.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield 5 minutes to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. DASCHLE. Mr. President, let me just make sure everyone understands what it is this amendment does.

First of all, it deletes the reference to $10,000. That is all it does. We have all cosponsored this particular amendment because we believe that there are other ways in which to achieve compliance, in the hope that we can begin working together on many of the issues. We will continue to find ways with which to try to work on many of these things together.

Mr. President, I want to go back to, again, the concerns expressed by many of our colleagues on the other side with regard to Federal requirements. Let me read again from the bill offered by the distinguished Senator from Oklahoma. I have great admiration for him, but it is as clear as clear can be. They eliminate the entire exclusion for employer-provided health insurance in this bill, page 31, probably the single biggest tax increase of any bill offered on health this year. If we are going to eliminate the entire deductibility for employers for health insurance, I cannot think of a bigger tax increase than that.

Second, I am reading now from the bill, subtitle B, federally qualified health insurance plan.

A federally qualified health insurance plan is a health insurance plan offered, issued or renewed on or after January 1, 1997, which is certified by the applicable regulatory authority as meeting the minimum requirements of sections 112 and 113.

Mr. President, if that is not what we are talking about here, benefits delineated, benefits required to be observed and adhered to, I do not know what is.

Let us go to the bill offered by our distinguished colleague from Rhode Island, Senator CHAFEE. I am reading the following from page 217. They were talking earlier about the concerns about taxes and the fines imposed for failure to comply. Here is what Senator CHAFEE would propose. I am reading from the bill:

There is hereby imposed a tax on the failure of any person or plan to comply with the requirements of section 1004 or 1201. The tax is $100 a day for lack of compliance.

Here it says the amount of the tax imposed shall be $100 per day, per employee.

Mr. President that is a $35,000 tax per year for failure to comply. So I think we better understand.

Mr. KENNEDY. Will the Senator yield?

Mr. DASCHLE. Yes.

Mr. KENNEDY. That means, if they had 10 employees, if they eliminate that for 10 employees, just that 1 employer, under this provision, it would be some $36,000.

Mr. DASCHLE. That is what it says on page 217 and 218.

Mr. KENNEDY. They describe that as a tax.

Mr. DASCHLE. And they call it a tax. The point is, in fact, we do not disagree, necessarily, with the need for some compliance. The bottom line is, we all recognize that we have all written bills that state the importance of having some minimal expectation of what these plans will do. Why do we do that? We do that very simply because we have been told over and over again, "If you fix one thing, take out the fine print. Take out the big surprises."

Let us make sure we do not pass a fine print guarantee here in the legislation we are passing. That is really what we are trying to do here.

There are too many cases where people have been adversely affected by the surprises that they are encountered with every time they need their insurance. We want to take the surprises out. We want to make sure there is competition, not on how we can confuse the public but how we can take benefits side by side and compare them adequately, just as we did with Medigap, just as we have done on other occasions, other consumer protections.

We recognize the need for forthright information, for truth and honesty in marketing. And that really is what this standard benefits plan will do.

Again, let me emphasize that is not the issue in this amendment. This amendment is simply one which deals with the $10,000 fine. We will deal with it. We will find other ways with which to ensure compliance. But let us make sure we all understand the importance of having minimal expectations for whatever plan we pass for health reform this year.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, my friend, the Republican manager, was generous in yielding time to the Senator from Ohio for discussions on another matter.

Their time having effectively expired, I would like to yield the balance of our time to the Senator from Oregon.

Mr. COATS. I do not know how much time we have, but I wonder if the Republican manager of the bill would yield me 1 minute.

Mr. PACKWOOD. The chairman has been very generous in yielding the rest of his time. I just want to find out how much it is.

The PRESIDING OFFICER. Four and a half minutes.

Mr. PACKWOOD. I want to yield some time to respond for the Senator from Oklahoma. I yield 3 minutes to the Senator from Oklahoma and the remainder of the time to the Senator from Indiana.

Mr. NICKLES. Mr. President, I would like to respond to my friend and colleague from South Dakota.

He alluded again to our consumer choice plan. I appreciate the attention it has received today and I hope it receives a lot more.

He said, "Well, he eliminated the tax exclusion. That is a large tax increase." What he fails to mention is we replaced it with a tax credit, a tax credit that was more generous than the tax exclusion. The tax exclusion on health care applies to people who work for employers. And if your employer subsidizes your health care, you do not have to pay taxes on what they pay. It is a nice benefit, if you have a generous employer. But it does not do anything for somebody that does not have a job and it does not do anything for somebody that works for an employer that does not pay or subsidize your health care.

So we say, let us replace that exclusion that has only been to a certain portion and make it a tax credit and make it universal, so I would like to correct my friend and colleague.

Then we say, to qualify, you have to offer tax benefits, but we do not define the benefits. We let people choose whatever they want.

Unfortunately, under the Clinton-Mitchell plan, you have to offer a Government-defined, mandated standard benefits package and if you offer something else, you are subject to a $10,000 fine. We are going to get rid of that $10,000 fine. But we still have the Government mandating that you have to provide a very expensive, extensive health benefit of about $6,000 per family, which, unfortunately, a lot of families cannot afford.

I thank my friend and colleague from New York for yielding the time.

Mr. President, I ask unanimous consent that Senator COVERDELL and Senator THURMOND be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Indiana.

Mr. COATS. Mr. President, I find it somewhat ironic that, just a couple of days after the majority leader and others of our colleagues criticized the Republicans for trying to take some time to find out what is in the bill, now we are told that we ought to find out what the surprises are in the Mitchell bill and eliminate those surprises. I think that is what we were trying to do. We were trying to work through this 1,443 page bill.

We have learned that graduate medical education is a potential serious problem. We have learned now that there is a $10,000 fine that no one even knew about.

It is hard for me to understand how our colleagues, on the one hand, can say you have had plenty of time to understand all of this, and now they are standing up, saying, "Well, we did not know about this, either, so we will join with you in taking it out." I just do not think you can have it both ways.

The bottom line is, this is a massive bill, full of surprises. The more we read it, the more surprises we find.

And so, our request for some time to understand what is in this bill before we impose it on the American people, I think, is a legitimate request. I am glad we are now working through the process. I just wonder how many more surprises we are going to find.

But I am pleased that our colleagues are joining us in exposing the problems in the Mitchell bill and beginning, piece by piece, to eliminate those surprises so that we understand what it is we are voting on when we finally have this vote.

If there is any time remaining, I am happy to yield it back.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield back the remainder of the time I have.

The PRESIDING OFFICER. All time is yielded back.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 2563

The PRESIDING OFFICER. The vote now occurs on amendment No. 2563, offered by the Senator from Oklahoma [Mr. NICKLES].

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 289 Leg.]

YEAS—100

Akaka	Boren	Bumpers
Baucus	Boxer	Burns
Bennett	Bradley	Byrd
Biden	Breaux	Campbell
Bingaman	Brown	Chafee
Bond	Bryan	Coats
Cochran	Heflin	Murkowski
Cohen	Helms	Murray
Conrad	Hollings	Nickles
Coverdell	Hutchison	Nunn
Craig	Inouye	Packwood
D'Amato	Jeffords	Pell
Danforth	Johnston	Pressler
Daschle	Kassebaum	Pryor
DeConcini	Kempthorne	Reid
Dodd	Kennedy	Riegle
Dole	Kerrey	Robb
Domenici	Kerry	Rockefeller
Dorgan	Kohl	Roth
Durenberger	Lautenberg	Sarbanes
Exon	Leahy	Sasser
Faircloth	Levin	Shelby
Feingold	Lieberman	Simon
Feinstein	Lott	Simpson
Ford	Lugar	Smith
Glenn	Mack	Specter
Gorton	Mathews	Stevens
Graham	McCain	Thurmond
Gramm	McConnell	Wallop
Grassley	Metzenbaum	Warner
Gregg	Mikulski	Wellstone
Harkin	Mitchell	Wofford
Hatch	Moseley-Braun	
Hatfield	Moynihan	

So the amendment (No. 2563) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I would just like to observe that on this, the second vote on the Mitchell amendment, we have had a bipartisan vote of 100–0. A bipartisan measure has been adopted. It is a good sign.

I yield the floor.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FEINGOLD). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of calendar Nos. 568 and 574; that the bills be read three times, passed, and the motion to reconsider be laid upon the table en bloc; further, that any statements relating to these calendar items appear at the appropriate place in the RECORD; and that the consideration of these items appear individually in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

WARREN B. RUDMAN U.S. COURTHOUSE

A bill (S. 2073) to designate the U.S. courthouse that is scheduled to be constructed in Concord, NH, as the "Warren B. Rudman United States Courthouse," and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time and passed as follows:

S. 2073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF WARREN B. RUDMAN UNITED STATES COURTHOUSE.

The United States courthouse that (as of the date of enactment of this Act) is scheduled to be constructed in Concord, New Hampshire, shall be known and designated as the "Warren B. Rudman United States Courthouse".

SEC. 2. LEGAL REFERENCES.

Any reference in a law, regulation, document, record, map, or other paper of the United States to the courthouse referred to in section 1 shall be deemed to be a reference to the "Warren B. Rudman United States Courthouse".

THOMAS F. EAGLETON U.S. COURTHOUSE

A bill (H.R. 4790) to designate the U.S. courthouse under construction in St. Louis, MO, as the "Thomas F. Eagleton United States Courthouse," was considered, ordered to a third reading, read the third time and passed.

Mr. FORD. I thank the Chair, I thank my colleague and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH SECURITY ACT

The Senated continued with the consideration of the bill.

AMENDMENT NO. 2564

(Purpose: To improve the access of individuals in rural areas to quality health care)

Mr. DASCHLE. I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, Mr. HARKIN, Mr. ROCKEFELLER, Mr. BAUCUS, and Mr. REID, proposes an amendment numbered 2564.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 112, line 6, insert "including residents of rural areas" before the period.

On page 215, line 10, strike "(c)" and insert "(d)".

On page 215, between lines 9 and 10, insert the following new subsection:

(c) TRANSFER OF DUTIES.—Effective January 1, 1996, the functions, powers, duties, and authority that were carried out in accordance with Federal law by the Office of Rural

Health Policy in the Department of Health and Human Services are transferred to the Office of the Assistant Secretary for Rural Health in the Department of Health and Human Services.

On page 612, line 24, insert before the period the following: ", at least one of whom resides in a rural area".

On page 613, line 9, insert before the period the following: ", at least one of whom resides in a rural area".

On page 647, strike lines 25 and 26, and insert the following:

"For purposes of carrying out section 3341, there are authorized to be appropriated $15,000,000 for each of the fiscal years 1997 through 2001.".

On page 664, line 10, strike "or health professional shortage areas" and insert "area, health professional shortage area, or other rural underserved area (as designated by the Governor)".

On page 651, between lines 9 and 10, add the following new paragraph:

(3) SUBPART F.—For the purpose of providing funds under subpart F, there are authorized to be appropriated $10,000,000 for each of the fiscal years 1996 through 2000.

On page 652, line 18, strike "and".

On page 652, between lines 18 and 19, insert the following new paragraph:

"(7) rural health clinics, except that for-profit rural health clinics shall only be eligible for direct loans and grants under subpart C; and".

On page 652, line 19, strike "(7)" and insert "(8)".

On page 653, after line 23, add the following new subsection:

(f) PURPOSES AND CONDITIONS.—Grants shall be made under this part for the purposes and subject to all of the conditions under which eligible entities otherwise receive funding to provide health services to medically underserved populations under the Public Health Service Act. The Secretary shall prescribe comparable purposes and conditions for eligible entities not receiving funding under the Public Health Service Act, including conditions with respect to the availability of services in the area served (as provided for in section 330(e)(3)(A) of such Act), and conformance of fee and payment schedules with prevailing rates (as provided for in section 330(e)(3)(F) of such Act). With respect to federally qualified health centers, such comparable purposes and conditions shall include conditions concerning sliding fee scales under section 1128B(b)(3)(D) of the Social Security Act and waivers of deductibles under section 1833(d) of such Act.

On page 672, line 1, strike the subsection heading and insert "FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS".

On page 673, line 3, insert "and rural health clinics" after "Act)".

On page 675, between lines 16 and 17, add the following new subpart:

Subpart F—Rural-Based Managed Care Grants

SEC. 3467. RURAL-BASED MANAGED CARE GRANTS.

(a) IN GENERAL.—The Secretary shall award grants for the development and operation of rural-based managed care networks that integrate the medicare population of the area served.

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an applicant organization shall—

(1) prepare and submit to the Secretary an application, at such time, in such manner and containing such information as the Secretary may require;

(2) be based or provide services in rural or rural underserved areas; and

(3) be currently operating or in the process of establishing a provider network serving the nonmedicare population .

(c) USE OF FUNDS.—Funds provided under a grant under this section may be used—

(1) for the development and implementation of rural-based managed care networks;

(2) for data and information systems, including telecommunications;

(3) for meeting solvency requirements for a risk-bearing entity under the medicare program under title XVIII of the Social Security Act;

(4) for the recruitment of health care providers; or

(5) for enabling services, including transportation and translation.

(d) PRIORITY.—In awarding grants under subsection (a), the Secretary shall give priority to—

(1) applicants that will use amounts received under the grant to develop and operate rural-based managed care networks that would serve at least one rural underserved area; and

(2) applicants that involve local residents and providers in the planning and development of the rural-based managed network.

(e) DEFINITIONS.—As used in this section

(1) RURAL AREA.—The term "rural area" means a rural area as described in section 1886(d)(2)(D) of the Social Security Act.

(2) UNDERSERVED RURAL AREA.—The term "underserved rural area" means a health professional shortage area under section 332 of the Public Health Service Act (42 U.S.C. 254e) or an area designated as underserved by the Governor of a State taking into account—

(A) financial and geographic access to health plans by residents of such area; and

(B) the availability, adequacy, and quality of qualified providers and health care facilities in such area.

(f) STUDY.—The Secretary shall study different risk-bearing approaches for rural managed care and payment methodologies that differ from or modify the medicare average area per capita cost payment methodology.

Beginning on page 675, strike line 24 and all that follows through line 4 on page 676, and insert the following: "priated $314,000,000 for fiscal year 1996, $285,000,000 for fiscal year 1997, $365,000,000 for fiscal year 1998, $382,000,000 for fiscal year 1999, $386,000,000 for fiscal year 2000, $91,500,000 for fiscal year 2001, $53,350,000 for fiscal year 2002, $38,100,000 for fiscal year 2003, and $38,100,000 for fiscal year 2004, of which $2,000,000 shall be made available in each of the fiscal years 1996 through 2000 to carry out section 338L of the Public Health Service Act.".

On page 676, line 10, strike "NURSES" and insert "ADVANCED PRACTICE NURSES AND PHYSICIAN ASSISTANTS".

On page 676, line 20, strike "nurse anesthetists" and insert "nurse anesthetists or physician assistants".

On page 676, lines 21 and 22, strike "nurse anesthetists" and insert "nurse anesthetists or physician assistants".

On page 677, between lines 13 and 14, add the following new parts:

PART 4—ANTITRUST SAFE HARBORS FOR RURAL HEALTH PROVIDERS

SEC. 3491. ANTITRUST SAFE HARBORS FOR RURAL HEALTH PROVIDERS.

(a) IN GENERAL.—The Attorney General, in consultation with the Commissioner of the Federal Trade Commission, shall clarify existing and future policy guidelines, with respect to safe harbors, by providing additional illustrative examples with respect to the conduct of activities relating to the provision of health care services in rural areas.

(b) DISSEMINATION OF INFORMATION.—The Attorney General, in consultation with the Commissioner of the Federal Trade Commission and the Assistant Secretary for Rural Health, shall develop methods for the dissemination of the guidelines established under subsection (a) to rural health care providers.

PART 5—EMERGENCY MEDICAL SYSTEMS

SEC. 3495. GRANTS TO STATES REGARDING AIRCRAFT FOR TRANSPORTING RURAL VICTIMS OF MEDICAL EMERGENCIES.

Part E of title XII of the Public Health Service Act (42 U.S.C. 300d-51 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1252. GRANTS FOR SYSTEMS TO TRANSPORT RURAL VICTIMS OF MEDICAL EMERGENCIES.

"(a) IN GENERAL.—The Secretary shall make grants to States to assist such States in the creation or enhancement of air medical transport systems that provide victims of medical emergencies in rural areas with access to treatments for the injuries or other conditions resulting from such emergencies.

"(b) APPLICATION AND PLAN.—

"(1) APPLICATION.—To be eligible to receive a grant under subsection (a), a State shall prepare and submit to the Secretary an application in such form, made in such manner, and containing such agreements, assurances, and information, including a State plan as required in paragraph (2), as the Secretary determines to be necessary to carry out this section.

"(2) STATE PLAN.—An application submitted under paragraph (1) shall contain a State plan that shall—

"(A) describe the intended uses of the grant proceeds and the geographic areas to be served;

"(B) demonstrate that the geographic areas to be served, as described under subparagraph (A), are rural in nature;

"(C) demonstrate that there is a lack of facilities available and equipped to deliver advanced levels of medical care in the geographic areas to be served;

"(D) demonstrate that in utilizing the grant proceeds for the establishment or enhancement of air medical services the State would be making a cost-effective improvement to existing ground-based or air emergency medical service systems;

"(E) demonstrate that the State will not utilize the grant proceeds to duplicate the capabilities of existing air medical systems that are effectively meeting the emergency medical needs of the populations they serve;

"(F) demonstrate that in utilizing the grant proceeds the State is likely to achieve a reduction in the morbidity and mortality rates of the areas to be served, as determined by the Secretary;

"(G) demonstrate that the State, in utilizing the grant proceeds, will—

"(i) maintain the expenditures of the State for air and ground medical transport systems at a level equal to not less than the level of such expenditures maintained by the State for the fiscal year preceding the fiscal year for which the grant is received; and

"(ii) ensure that recipients of direct financial assistance from the State under such grant will maintain expenditures of such recipients for such systems at a level at least equal to the level of such expenditures maintained by such recipients for the fiscal year

preceding the fiscal year for which the financial assistance is received;

"(H) demonstrate that persons experienced in the field of air medical service delivery were consulted in the preparation of the State plan; and

"(I) contain such other information as the Secretary may determine appropriate.

"(c) CONSIDERATIONS IN AWARDING GRANTS.—In determining whether to award a grant to a State under this section, the Secretary shall—

"(1) consider the rural nature of the areas to be served with the grant proceeds and the services to be provided with such proceeds, as identified in the State plan submitted under subsection (b); and

"(2) give preference to States with State plans that demonstrate an effective integration of the proposed air medical transport systems into a comprehensive network or plan for regional or statewide emergency medical service delivery.

"(d) STATE ADMINISTRATION AND USE OF GRANT.—

"(1) IN GENERAL.—The Secretary may not make a grant to a State under subsection (a) unless the State agrees that such grant will be administered by the State agency with principal responsibility for carrying out programs regarding the provision of medical services to victims of medical emergencies or trauma.

"(2) PERMITTED USES.—A State may use amounts received under a grant awarded under this section to award subgrants to public and private entities operating within the State.

"(3) OPPORTUNITY FOR PUBLIC COMMENT.—The Secretary may not make a grant to a State under subsection (a) unless that State agrees that, in developing and carrying out the State plan under subsection (b)(2), the State will provide public notice with respect to the plan (including any revisions thereto) and facilitate comments from interested persons.

"(e) NUMBER OF GRANTS.—The Secretary shall award grants under this section to not less than 7 States.

"(f) REPORTS.—

"(1) REQUIREMENT.—A State that receives a grant under this section shall annually (during each year in which the grant proceeds are used) prepare and submit to the Secretary a report that shall contain—

"(A) a description of the manner in which the grant proceeds were utilized;

"(B) a description of the effectiveness of the air medical transport programs assisted with grant proceeds; and

"(C) such other information as the Secretary may require.

"(2) TERMINATION OF FUNDINGS.—In reviewing reports submitted under paragraph (1), if the Secretary determines that a State is not using amounts provided under a grant awarded under this section in accordance with the State plan submitted by the State under subsection (b), the Secretary may terminate the payment of amounts under such grant to the State until such time as the Secretary determines that the State comes into compliance with such plan.

"(g) DEFINITION.—As used in this section, the term 'rural areas' means geographic areas that are located outside of standard metropolitan statistical areas, as identified by the Secretary.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this section, $15,000,000 for fiscal year 1995, and such sums as may be necessary for each for fiscal years 1996 and 1997.".

Beginning on page 718, strike line 23 and all that follows through line 5 on page 719, and insert the following new paragraph:

"(8) with respect to the National Health Service Corps program referred to in section 3471, $314,000,000 for fiscal year 1996, $285,000,000 for fiscal year 1997, $365,000,000 for fiscal year 1998, $382,000,000 for fiscal year 1999, $386,000,000 for fiscal year 2000, $91,500,000 for fiscal year 2001, $53,350,000 for fiscal year 2002, $38,100,000 for fiscal year 2003, and $38,100,000 for fiscal year 2004, of which $2,000,000 shall be made available in each of the fiscal years 1996 through 2000 to carry out section 338L of the Public Health Service Act;".

On page 720, line 22, strike "; and" and insert a semicolon.

On page 720, between lines 22 and 23, insert the following new paragraph:

"(14) with respect to the development of rural telemedicine under section 3341, $15,000,000 for each of the fiscal years 1997 through 2001; and".

On page 720, line 23, strike "(14)" and insert "(15)".

On page 725, strike lines 7 through 11, and insert the following:

"(6) in subsection (l), by striking paragraph (1) and inserting the following new paragraph:

" '(1) IN GENERAL.—The Secretary shall use amounts made available under section 3471 of the Health Security Act to carry out this section in each of the fiscal years 1996 through 2000.' ".

On page 777, line 18, strike "and medical assistance facilities".

On page 780, line 3, insert "In the case of payment under this subsection to medical assistance facilities, the lesser-of-cost-or charges provisions under subsection (j) are not applicable." after "services.".

Beginning on page 808, strike line 16 and all that follows through page 809, line 4, and insert the following:

(2) by inserting "described in paragraph (2) and services furnished by a physician assistant, nurse practitioner, or a clinical nurse specialist described in such paragraph that would by physicians' services if furnished by a physician" after "physicians' services",

(3) by inserting "physician assistant, nurse practitioner, or a clinical nurse specialist" after "physician",

(4) by striking "10 percent" and inserting "the applicable percent", and

(5) by adding at the end the following new paragraph:

"(2)(A) The applicable percent referred to in paragraph (1) is—

"(i) in the case of physicians' services that are primary care services, a percent determined by the Secretary that may not be less than 10 percent and may not exceed 20 percent,

"(ii) in the case of services furnished by a physician assistant, nurse practitioner, or a clinical nurse specialist described in such paragraph that would be physicians' services that are primary care services if a physician furnished the services, a percent to be determined by the Secretary that is equal to the percent determined in clause (i) and determined so that the total amount of such payments under this clause and clause (i) is equal to the amount that would have been paid under clause (i) if the applicable percent for such clause was equal to 20 percent, and

"(iii) in the case of physicians' services other than primary care services furnished in a health professional shortage area located in a rural area (as defined in section 1886(d)(2)(D)), 10 percent.

On page 873, line 20, insert "urban and rural" after "representative of the".

On page 874, line 1, insert ", at least one of whom resides in a rural area" before the first period.

On page 874, line 4, insert ", at least one of whom resides in a rural area" before the first period.

On page 1390, line 22, insert "and that at least one member of the Commission is a resident of a rural area" before the period at the end.

Mr. DASCHLE. I have a lengthier statement that I wish to make, but I will yield to the Senator from Iowa because I understand his time constraints and would yield at this time whatever time he may consume.

Mr. HARKIN. Mr. President, I first want to compliment my friend and my colleague from South Dakota for introducing this amendment. I am pleased to be a cosponsor of it.

I wish to thank again Senator DASCHLE for all of his hard work not only on the whole issue of health care reform in America but for his paying especially close attention to the needs in rural America to be addressed specifically in any health care reform that we pass.

Rural America is not like urban America, and too often we lose sight of the fact that what may work in New York City or Boston or other places like that will not necessarily work in a rural State like South Dakota or Iowa or many of our rural States. And so the amendment offered by the Senator from South Dakota builds on the provisions in the Mitchell bill that will expand coverage for Americans in our rural towns and communities.

Mr. President, perhaps nowhere else is the health care crisis more acute than in rural America. Rural Americans are more often poor, more often uninsured, and more often without access to health care.

Now, the Mitchell bill provides funding to build up the health care infrastructure in rural areas. It provides grant money and loans to help local communities develop health care networks and plans. There are many provisions in the underlying Mitchell bill and in the Daschle amendment that speak to the different needs in rural America. There are many provisions in the Daschle amendment that strengthen those underlying provisions.

I wish to focus my remarks particularly on one of those provisions included in the Daschle amendment, and that is that part which provides funding for a grant program that will expand access to health services in rural areas through the use of telemedicine.

Over a year ago, I introduced similar legislation and have worked with Senator CONRAD from North Dakota to develop what is now in the underlying Mitchell proposal. The amendment now under consideration will ensure that this grant program is funded.

The grant program in the Mitchell bill would encourage the development

of telemedicine networks which can play a critical role in ensuring that people in rural areas have access to high quality health care. Telemedicine puts technology to work to improve the delivery of health care. It uses technology to link patients and their doctors in rural or remote hospitals with highly trained medical specialists in state-of-the-art medical technology located hundreds or even thousands of miles away. These linkages will allow more patients to receive care in their community and will ease the burden on specialists in underserved areas. By increasing the education and training opportunities for providers in these areas, these links will also help underserved communities recruit and retain physicians.

Telemedicine will help ensure that people who live in small towns and rural communities have the same access to quality health care as people living in Beverly Hills or in Palm Beach. As I said, Mr. President, by having these telemedicine networks, it will certainly help provide for the training, the education, and I think, the recruitment and retaining of physicians and other health specialists in rural areas.

Too often, doctors who might otherwise want to serve in a rural area feel they do not have access to the latest technology and the latest diagnostic services. They are sort of out there on a limb in many cases when people need emergency medical care and they may not have that kind of ready access to the special care that they would otherwise be able to get in an urban area.

Well, telemedicine can provide to that primary care physician or a physician's assistant or a nurse practitioner, a nurse midwife, other health care professionals can provide for them that kind of backup they need.

Rural hospitals and other facilities can benefit from the cost savings and the access to specialists that telemedicine provides.

For example, a family doctor in Muscatine, IA, could immediately consult with a specialist at the University of Iowa for an instant diagnosis in a life or death situation. A specialist at Mercy Hospital in Des Moines could provide emergency advice and even help oversee a difficult surgery taking place in a small hospital in Centerville, IA, and a radiologist at Methodist Hospital in Des Moines could help examine x rays just taken in the small town of Jefferson, IA.

My home State of Iowa, Mr. President, has developed a world-class fiber-optic system that holds great potential in the area of telemedicine. These fiber-optic cables greatly enhance the potential of telemedicine because they carry not only more information than traditional copper wires but they also provide more clarity—clearer pictures, higher resolution—than copper wires.

The Iowa Legislature just this year, Mr. President, voted to extend our fiber-optic system to all of the hospitals in Iowa. That should be done I think by next year sometime. With that kind of system, here is what telemedicine will provide, for example.

Let us say that there was a car accident in a remote, rural area of Iowa. They had access to a small clinic or a small rural hospital but with no special care there. X rays could be taken, and those x rays could be sent over fiber-optics to be read immediately by a radiologist, say, in Des Moines or Omaha, maybe even at the Mayo Clinic in Rochester for northern Iowans and a decision could be made whether or not that person needed to be moved to a more intensive care unit or whether that person could remain in the smaller rural hospital, thus saving great amounts of money.

There are all kinds of possibilities for rural doctors to use telemedicine to ensure that they get the latest information and the latest diagnostic techniques to a rural clinic in a small town.

Telemedicine will allow patients to stay close to home for support. For most people, one of the most traumatic times is when they are sick or injured, and we should be helping them stay with their family and friends.

I am not saying there will be times when people will not have to go far away from home for treatment, nor am I saying that telemedicine will replace local doctors or the need for specialists. But whenever possible, telemedicine will facilitate local care and provide needed relief for overworked small town doctors, nurses, and other health care providers.

I have looked over very carefully Senator MITCHELL's bill because on the Labor and Health Committee I was very much involved with other Senators in putting in very strong provisions for rural health care, and those provisions basically have been adopted in the Mitchell bill—not all of them, most of them. Those positions are strengthened now by the Daschle amendment.

Senator MITCHELL's bill will expand access to care for rural Americans, access to the Federal Employees Health Benefits plan, or another purchasing cooperative will help keep the cost of coverage down for rural residents. Many people in the rural areas are either self-employed or work in small businesses, and currently pay much more than big businesses for the same benefits. And they face much higher administrative costs.

The insurance reform provisions in the Mitchell bill are critical for rural residents, particularly for our farmers. Farming is now the most dangerous occupation in America with annual death rates at 52 per 100,000 workers, almost five times the national average. Under the Mitchell bill, farmers will have access to a community rated plan. This means that farmers in a given area will be charged the same premium for health insurance regardless of their occupational risk. In addition, health plans will not be able to deny coverage because of preexisting conditions.

Under the current system, the self-employed can only deduct 25 percent of the cost of health insurance while, of course, corporations can deduct the full cost of coverage. The Mitchell bill would raise the deduction for the self-employed to 50 percent. I support this increase. Senator WOFFORD, who I see is on the floor, and I intend to offer an amendment that will raise this to 100 percent.

I again want to compliment the Senator from Pennsylvania for his leadership. He understands that our farmers and our self-employed ought to have the same kind of tax deduction as a large business would have in providing for their own health insurance. I congratulate Senator WOFFORD for taking a leadership position in this area.

Allowing the self-employed to deduct the full 100 percent of the costs of the premium is critical in rural areas where the only health plan available is often a more expensive fee-for-service plan. It is time that we put the self-employed and corporations on equal footing. Again, that is not addressed in this amendment but will be addressed in the amendment to be offered by Senator WOFFORD.

To address the critical need for health care providers in rural areas the Mitchell bill focuses on training more primary care doctors, and also provides incentives for health providers to locate in rural areas.

The Mitchell bill would increase funding for the National Health Service Corps, which places about 55 percent of their providers in rural areas. The amendment offered by Senator DASCHLE would expand support for this program. Forty National Health Service Corps members are currently providing care in 20 sites in Iowa. And yet there is still a shortage of providers in many of our Iowa communities. We have 18 counties in Iowa that do not have a doctor that will deliver babies, and an additional 14 counties have only one doctor who will deliver babies. Right now with the National Health Service Corps we have 47 bases in Iowa right now. These are communities who are eligible, and who have applied, and are on the waiting list to get a National Health Service Corps provider.

The need to expand funding for the National Health Service Corps is very clear. Last year there were 4,000 applications, and yet we were able to fund only 406 of those applications. The funding provided by the Daschle amendment will allow us to return the National Health Service Corps to its strength prior to 1980 when the program was gutted.

Again, I point out that there are provisions in the so-called Dole bill that would provide authorization for expanded funding for National Health Service Corps.

Mr. President, with the budget caps and the ceilings that we have on right now, that authorization is worthless. It is meaningless. It sounds nice. But it does not do anything. So the Dole bill really does not address the need to fund the National Health Service Corps. The Daschle amendment does. It provides a stream of funding for the National Health Service Corps.

So some get up and say perhaps this is the same as in the Dole bill. It is quite a bit different, Mr. President. This provides the funding. The Dole bill only provides the promise.

In order to recruit doctors and nurses to rural areas, the Mitchell bill also provides tax credits for primary care providers serving in underserved areas.

I am also pleased that the amendment offered by Senator DASCHLE would expand support for rural health clinics. Rural health clinics are located in health professional shortage areas, and are often the only source of care in a community.

I have visited a number of these in Iowa, including the Redfield Clinic in Redfield, IA. Most of the patients in this clinic are seen by Ed Friedman, a physician's assistant, who also sees patients in five area nursing homes. Physicians visit the clinic once a week, and are always available by phone.

Over one-half of the patients seen in this clinic are Medicaid or Medicare patients. Of course, with telemedicine, Ed Friedman, a physician's assistant, will have ready access at all times to specialists in Iowa, and perhaps even in other States to back him up.

This rural health clinic in Redfield is an essential element of the health care system in rural Iowa. I am pleased that the amendment offered by Senator DASCHLE will provide assistance for clinics such as this one.

Mr. President, I am pleased to support the amendment offered by Senator DASCHLE.

I urge its adoption by my colleagues.

Again, I will close my remarks by complimenting the Senator from South Dakota by focusing our attention on rural health care.

I believe the bill that we reported out of the labor and health committee addressed these issues. Now for whatever reason they were not as tightly formed in the Mitchell bill. But this amendment addresses that, brings them up to speed, and brings these back up to the level we had in the labor and health bill, but for the provision of the 100 percent deductibility, and for which, as I said earlier, an amendment will be offered to correct that by Senator WOFFORD from Pennsylvania.

Mr. President, as we continue the debate on the health care reform bill, and we continue all the talking about this amendment, and that amendment about employer mandates and other things that we are going to be talking about, let us not lose sight of the fact that people who live in rural America, as I said, are more often poor and more often underserved than anywhere else in this country.

If any group of Americans need health care reform, it is the people who live in our small towns in rural America. They are not getting access because they do not have the providers. They do not have the providers because the system is skewed against providers being able to serve in underserved areas.

The Mitchell bill addresses all of that. It does it in a very forthright manner. The Daschle amendment enhances that and strengthens that, especially, as I point out one more time, in funding for the National Health Service Corps. That is most critical to make sure that our people in rural areas have the kind of access and quality of care that they not only need, but they deserve.

Mr. President, I thank the Senator from South Dakota for yielding this time.

I yield the floor.

STATEMENT UNDER SECTION 27 OF THE CONCURRENT RESOLUTION ON THE BUDGET

Mr. SASSER. Mr. President, on behalf of the Committee on the Budget, under section 27 of the concurrent resolution on the budget, House Concurrent Resolution 218, I hereby submit revised budget authority and outlay allocations to the Senate Committee on Finance and revised aggregates in connection with the Daschle amendment to the Mitchell substitute amendment (number 2560) to S. 2351, the Health Security Act.

Section 27 of the budget resolution states, in relevant part:

SEC. 27. DEFICIT-NEUTRAL RESERVE FUND IN THE SENATE.

(a) * * *

(2) BUDGET AUTHORITY AND OUTLAY ALLOCATIONS AND REVENUE AGGREGATES.—In the Senate, budget authority and outlays may be allocated to a committee (or committees) and the revenue aggregates may be reduced (as provided under subsection (c)) for direct-spending or receipts legislation in furtherance of any of the purposes described in subsection (b)(2) within that committee's jurisdiction, if, to the extent that this concurrent resolution on the budget does not include the costs of that legislation, the enactment of that legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1995; or

(B) the period of fiscal years 1995 through 1999.

* * * * *

(b) * * *

(2) PURPOSES UNDER SUBSECTION (a)(2).—Budget authority and outlay allocations may be revised or the revenue floor reduced under subsection (a)(2) for—

* * * * *

(B) to make continuing improvements in ongoing health care programs, to provide for comprehensive health care reform, to control health care costs, or to accomplish other health care reforms;

* * * * *

(c) REVISED ALLOCATIONS AND AGGREGATES.—

(1) UPON REPORTING.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on that legislation (if a conference report is submitted), the chairman of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised aggregates to carry out this section.

(2) ADJUSTMENTS FOR AMENDMENTS.—If the chairman of the Committee on the Budget submits an adjustment under this section for legislation in furtherance of the purpose described in subsection (b)(2)(B), upon the offering of an amendment to that legislation that would necessitate such a submission, the chairman shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised aggregates, if the enactment of that legislation (as proposed to be amended) will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1995; or

(B) the period of fiscal years 1995 through 1999.

(d) EFFECT OF REVISED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates submitted under subsection (c) shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this concurrent resolution on the budget.

On August 9, 1994, I submitted an adjustment under this section for S. 2351, the Health Security Act. Within the meaning of section 27(c)(2) of the budget resolution, the Health Security Act constitutes "legislation in furtherance of the purpose described in subsection (b)(2)(B)."

The Daschle amendment to the Health Security Act also meets the other requirement of section 27(c)(2) of the budget resolution that

the enactment of that legislation (as proposed to be amended) will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—

(A) fiscal year 1995; or

(B) the period of fiscal years 1995 through 1999.

As the Daschle amendment to the Health Security Act complies with the conditions set forth in the budget resolution, under the authority of section 27(c)(2) of the budget resolution, I hereby submit to the Senate appropriately revised budget authority and outlay allocations under sections 302(a) and 602(a) and revised aggregates to carry out this subsection.

Note that, as this reserve fund submission accommodates an amendment, it covers the time that the amendment

is either pending or adopted (if the amendment is adopted). If the Senate rejects the amendment, this reserve fund submission shall lapse, and the allocations and aggregates shall revert to the levels they would have in the absence of this reserve fund submission.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

RESERVE FUND FILING PURSUANT TO SECTION 27 OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR FY 1995—DASCHLE RURAL AMENDMENTS

[Adjustments to aggregates and allocations; dollars in billions]

Aggregate totals	1995	1996	1997	1998	1999
Budget authority	$0.000	$0.125	$0.165	$0.180	$0.205
Outlays	0.000	0.060	0.130	0.168	0.190
Revenues	0.000	0.060	0.130	0.168	0.190

	1995	1995–99
Finance Committee allocations:		
Budget authority	$0.000	$0.675
Outlays	0.000	0.548
Revenue allocations	0.000	0548

AMENDMENT NO. 3: DASCHLE RURAL AMENDMENTS (NO.)

[In billions of dollars]

	1995	1996	1997	1998	1999	15-year
MANDATORY CHANGES						
Budget authority	$0.000	0.125	0.165	0.180	0.205	0.675
Outlays	0.000	0.060	0.130	0.168	0.190	0.548
Revenues	0.000	0.000	0.000	0.000	0.000	0.000
Deficit	0.000	0.060	0.130	0.168	0.190	0.548
SOCIAL SECURITY						
Revenues	0.000	0.000	0.000	0.000	0.000	0.000
Outlays	0.000	0.000	0.000	0.000	0.000	0.000
Deficit	0.000	0.000	0.000	0.000	0.000	0.000
RESERVE FUND ADJUSTMENT						
Finance:						
Budget authority	0.000	0.125	0.165	0.180	0.205	0.675
Outlays	0.000	0.060	0.130	0.168	0.190	0.548
Revenues	0.000	0.060	0.130	0.168	0.190	0.548

AMENDMENT NO. 3: DASCHLE RURAL AMENDMENTS (NO.)

[In billions of dollars]

	2000	2001	2002	2003	2004	6–10 year
MANDATORY CHANGES						
Budget authority	0.249	0.015	0.000	0.000	0.000	0.264
Outlays	0.223	0.132	0.034	0.002	0.000	0.391
Revenues	0.000	0.000	0.000	0.000	0.000	0.000
Deficit	0.223	0.132	0.034	0.002	0.000	0.391
SOCIAL SECURITY						
Revenues	0.000	0.000	0.000	0.000	0.000	0.000
Outlays	0.000	0.000	0.000	0.000	0.000	0.000

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the bill before this body that was introduced by the majority leader I believe provides a sound strategy for addressing many of the health care problems that face rural Nevada and rural America. Senator MITCHELL's bill will guarantee a comprehensive set of standard benefits for all Americans. It will expand coverage—extremely important for rural America where there is a disproportionate number of underinsured people, and Medicare and Medicaid populations—and will channel resources to rural areas.

The Mitchell bill also increases access to care by designating rural health clinics as essential community providers and in providing funding for enabling services like transportation, education, and outreach.

The bill also provides funding for community health programs, increases funding for the National Health Service Corps, and encourages cooperative relationships among urban and rural providers.

Mr. President, the amendments that are being offered today will build on the strong foundation laid by the majority leader's legislation. This amendment that is authored and sponsored by the Senator from North Dakota, and the junior Senator from West Virginia, the senior Senator from Montana, and the Senator from Nevada and, of course, Senator HARKIN who just spoke so eloquently about a provision of the rural amendment that is certainly the wave of the future—that is, telemedicine, so that people in rural America can have access to the finest care available.

These amendments are necessary because the health care crisis facing this Nation is felt every day by the millions of people across this country who live in rural areas, where there are few, if any, primary care physicians. The lack of access to qualified primary care providers in rural areas is a critical symptom that our current system is badly broken.

Unfortunately, Mr. President, for the rural population in the State of Nevada, health profession shortages are a daily fact of life. Nevada is much different than many of the other States in the Union. Even though it is the seventh largest State, including Alaska and Hawaii, in area, it is a small State in population. I think we are 36th or 37th in population. But unlike many of the other counties—I hear my colleagues here in the Senate talk about going back to their States and visiting dozens of counties on a weekend. Well, you cannot do that in Nevada. Nevada is about 80 million acres, consisting of only 17 counties. We have many counties larger than States. Thirteen of these seventeen counties are identified as health profession shortage areas. Eleven of our seventeen counties are classified as frontier. What does that

mean? It means there are six persons or fewer per square mile, and more than 45 miles between medical service sites.

The loneliest road in the United States has been designated to be in Nevada. Four of the seventeen counties are classified as rural. So we have, Mr. President, 11 counties that are classified as frontier and 4 counties that are classified as rural. So we have 15 of the 17 counties that are sparsely populated, and most of them are very large. The only two counties in the State of Nevada that have large cities in them are the counties of Clark and Washoe. Clark County is where Las Vegas is located. Washoe County is where Reno is located. The rest of our counties are—except for Storey—large in area and sparsely populated.

In the State of Nevada, distances between major rural towns average 100 miles, with distances of 180 to 200 miles in more isolated areas. There are some people within the sound of my voice who have driven from Las Vegas to Reno or vice versa, and that is a long, lonely drive. But as long and as lonely as that is, it is still not the loneliest road in Nevada. We have a number of roads that are longer and more isolated than that area.

As an example, Pershing County, encompassing greater than 6,000 square miles, has only one physician and no physician assistants to service this population of almost 5,000 people. Recruitment efforts have been complicated by intense competition for the limited number of primary care graduates. Esmeralda and Storey Counties have no resident physicians. Other health professionals are also scarce. Rural acute care hospitals have experienced nursing vacancy rates of 17 percent.

I have given this illustration about rural health, Mr. President, and especially focused on Nevada, to indicate that we do have problems in Nevada and in our country with rural health. But no one should think that rural America is only the western part of the United States. There are many rural communities in a State like Massachusetts. There are rural communities in almost every State of the Union. So this legislation is not select legislation for the people of the State of Nevada or the State of Idaho, the State of West Virginia, the State of Montana, or the State of Iowa.

Mr. President, because of the unique characteristic of rural areas and the geographical and resource limitations faced by rural providers, I believe it is imperative that rural providers, consumers, and patient advocacy groups are represented on all of our national advisory committees. One of the amendments in this package, submitted as the rural amendment, deals with that.

Rural health care needs are much different than those of urban areas. A recent study done by the National Rural Electric Cooperative shows that although both urban and rural residents average 7 restricted-activity days resulting from illness, rural residents miss more days from major activity than those in urban areas. Rural workers experience more health problems at work.

As the Senator from Iowa stated, agriculture is a very dangerous occupation. But, also, in Nevada we know how dangerous mining is. It is not as dangerous as it used to be because there is limited underground mining in Nevada. In the State of South Dakota, though, there is a very deep underground mine, and that is very dangerous. Agriculture and mining are America's most dangerous occupations and, of course, they are done in rural areas. Rural residents are also more likely to lack health care coverage than their urban counterparts. These differences should be understood and taken into account when developing policy recommendations and implementing quality standards.

Part of this package that was written by the Senator from Nevada deals with this. That is, when we develop health plan and policy recommendations and implement quality standards, there should be some input from rural America. That is what my part of the amendment deals with.

This amendment would require at least two rural representatives, one representing rural physicians and health care providers, and one representing rural consumers and members of patient advocacy groups on the Advisory Committee on Medical Technology and the National Quality Council. The Advisory Committee on Medical Technology is made up of experts in medical technology assessment, health statistics, and economics, as well as representatives from the durable medical equipment industry, pharmaceutical industry, and the biotechnology industry. The advisory committee must also have representation from consumers, members of patient advocacy groups, and health professionals, two of which must be from rural areas. This committee will assist in preparing a study of the impact of medical technology and treating disease.

Certainly rural America should be involved in this. The use of medical technology in treating disease and injury is especially important to rural areas. As an example, defibrillators are rarely used in urban areas. Why? Because they can get them to an acute care facility, emergency room, so quickly. But in rural America, our emergency medical technologists must know how to use defibrillators. Why? Because it takes them a long time to get the patient to an emergency room. So this is just one example of why we need input from rural America.

Rural input on the advisory committee would ensure appropriate consideration of the accessibility, impact, and use of medical technology in rural areas. The National Quality Council, consisting of 15 members, 2 of which must be from a rural area, will oversee a national program of quality management and improvement designed to enhance access and quality of care. The council is made up of individuals representing consumers, insurers, States, and health care providers. Many of the quality components in Senator MITCHELL's health care proposal are private, nonprofit-based programs.

Again, I repeat, the programs generally speaking, in Senator MITCHELL's legislation, do not create Government bureaus, agencies, but rather they are, generally speaking, private, nonprofit, State-based programs, a design that will streamline quality measures, and because of its local nature, will benefit from rural input on quality issues facing rural America.

This rural package of amendments will also place at least one rural representative on the seven-member National Health Care and Coverage Commission.

Rural America must be actively involved in the delivery of health care services assessing the role of medical technology and ensuring health care and recommendations regarding coverage and health care costs. The perspective of rural America is necessary to guarantee quality and affordable care to rural residents.

Let me say one more time the Mitchell bill does work to get rid of Government agencies and activities. I do not want to get into a debate at this time over comparing Mitchell's rural proposals and the Dole rural proposals. If anyone cares to enter into that debate, I will be happy to participate in that because clearly the Mitchell bill favors rural America as compared to the Dole bill.

In addition to that, while we are talking about boards and commissions, if you compare, as I would be happy to do it at some subsequent time, if someone cares to do so, if you want to compare the commissions and boards established in the Mitchell proposal, you will find that he has done a great deal to eliminate bureaucratic redtape.

But this is not the time to debate that. Perhaps one of the most important amendments in this package that I would comment on in addition to that that I talked about rural representation on boards and commissions is the one which provides full funding for the National Health Service Corps.

As I stated, there are two Nevada counties with no resident physicians and one county with only one physician for its residents spanning 6,000 miles. Recruitment efforts have been extremely difficult. Currently Nevada has 11 National Health Service Corps

participants providing health care services to rural residents. They are essential. They are very important. They are imperative.

Fully funding the National Health Service Corps will greatly increase the availability of primary care health care providers to the underserved areas in my State and across this country.

In closing, let me say that rural health care delivery in America is important. There are 7.7 million rural Americans who now lack basic health insurance. Fourteen percent of rural residents are without health insurance at some point during the year. Almost 27 percent of the rural uninsured are children. Thirty-two percent of the non-elderly rural uninsured have family incomes below the poverty level.

We can make a case as to why we must reform our health care delivery system simply for rural Americans. If we came to this body and said we want to reform health care only for rural Americans, I think it would and should pass overwhelmingly. But we are coming with a package that not only takes care of rural Americans but urban Americans as well, and the amendment that we have submitted, Mr. President, will improve greatly the Mitchell bill as it relates to rural America.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I want to speak on the pending amendment and the subject of rural health care which relates to the entire issue of the Mitchell bill.

Mr. President, on the subject of the pending amendment I have not had a chance to study it all in great detail, but large portions of it are provisions that have been worked on by the Rural Health Caucus over a long period of time and are in fact very necessary to make sure that rural areas are treated fairly. in any massive reorganization of health care reform that we could pass yet this year.

However, I think we ought to consider why we have to give some special consideration to rural America in almost any bill that we pass. I do not care whether it is a Republican bill or a Democrat bill or a bipartisan bill, any massive reorganization of health care in America that is proposed by the most comprehensive bill, including President Clinton's own bill, ought to raise a red flag for people in rural America.

The reason is, very simply, without change of the health care delivery system in America, there are problems of the quantity and quality of the delivery of health care in rural America. There is already a problem. OK, maybe you would think, well, if you are passing a comprehensive bill, you are going to solve these problems.

There is too much in a comprehensive approach of health care reform that fits into the "one size fits all" pattern of things that we attempt to do in Washington, DC, I think, not only by some of the things we have done in past Congresses that have had a negative impact on the delivery of health care in rural America, and one of those is putting restrictions on Medicare reimbursement—that has had a very negative impact on rural America—but also if you look at national schemes in other countries, you find in these countries, as you have seen in some of the slight things we have done in rural America on Medicare and the impact on rural America, that rural areas of these countries come up short.

And so, I think a long time ago, when we first started talking about comprehensive reforms, even in 1992, as we were working, some of us Republicans were meeting every other Thursday morning for breakfast to work on what eventually became the CHAFEE bill and what we were hoping to get President Bush interested in doing, we felt that we had to have some special considerations for rural America.

Mr. REID. Will the Senator from Iowa yield for a question?

Mr. GRASSLEY. Mr. President, I would be glad to yield for a question.

Mr. REID. Mr. President, I say to my friend from Iowa, I have listened to the few minutes he has spoken. I think it is important that, on this issue alone we do not talk about the underlying bill, but on the issue of rural health care. It is something that those us of who represent States that have rural populations should recognize. During the last 10 years we have had 330 hospitals in rural America that have gone out of business.

Is the Senator aware of those figures like that that are prevailing?

Mr. GRASSLEY. Mr. President, I believe that the Senator from Nevada is making a case with statistics that I am prepared to agree with and make as well.

As I was saying, it is it is a situation in rural areas of any country that have adopted national plans. I can show you a newspaper article I have here that, within the last 10 months, there was a major reorganization of health care in Saskatchewan because of the limit on funds that were available, that they just closed 52 hospitals in one move, one decision by the Health Minister of Saskatchewan.

Mr. REID. Will the Senator yield for one further question?

Mr. GRASSLEY. Yes.

Mr. REID. I believe, as the Senator's statement indicated, one of the reasons we had 330 rural hospitals closing between 1980 and 1990 is how we have handled Medicare. The fact of the matter is that hospitals have not been reimbursed properly. They have gotten less for doing the same procedure in a rural hospital. They are given less money than if it were done in an urban hospital, and it should be just reversed.

So I really very much appreciate the Senator's statement. I think, if the Senator looks closely at our amendments, that consists of this one amendment, he will find significant information in the amendment that came from the work that he and some of the others have done on the rural health care caucus.

So, through the Chair, to the Senator from Iowa, I express my appreciation for the statement and the work that he has done in the years gone by in rural health, and I look forward to working with him on this issue. I think the importance of this issue to a lot of us is evident in the fact that this is one of the first amendments we brought up to make sure that rural health is taken care of if, in fact, we do major legislation dealing with health care.

(Mr. CAMPBELL assumed the chair.)

Mr. GRASSLEY. I do not disagree with anything the Senator from Nevada has stated. I think, for the most part, as we have read the outline—we have not studied the language of the amendment yet—that most of what is in there we would agree with.

I was hoping to set the stage for the fact that when you have massive reorganization of health care, as is evidenced by this 1,400-page bill that we have before us, you do, in fact, have to commit yourself to taking very special care for rural America or, with that massive reorganization of health care, we are going to come up further short than rural America already is when it comes to the delivery of health care in rural America, both from a quantity and quality standpoint.

I referred to the situation in Canada where, because of lack of money and reorganization, they found it necessary to close 52 rural hospitals. It is a situation you get into when you have a potential for limiting the amount of money that is going to be spent on health care in America.

Even though there is not in this bill before us, as there was in President Clinton's bill, proposals for global budgeting and premium caps, there are some things in the bill, like the 25 percent assessment on high cost plans, which are going to eventually work like premium caps and which are eventually going to lead us to a point where there is going to be limits on what can be spent and plans are going to have to live within those limits.

And those plans are going to lead to some rationing. And the impact of that rationing is going to be much more seriously impacted in rural America than in urban America. I think that is what we want to take into consideration.

I have a letter that I want to refer to about the impact of some of these bills and the bill before us on rural America.

And, the letter says:

On behalf of more than 100 farm and rural organizations we would like to voice our concern with the Health Care Reform Proposal

offered by Senator Mitchell, as presently written.

We have spoken forcefully in favor of 100 percent tax deduction for the self employed and against an employer mandate * * * and against mandatory alliance.

We cannot support any plan that: 1. Does not achieve a 100 percent deduction. 2. Lays out the foundation for an Employer Mandate. 3. Sets up "required' 'participation in purchasing alliances, a "de-factor' Mandatory Alliance.

But there are other rural concerns that required bi-partisan attention.

Paperwork. It sets up administrative and reporting requirements that will be highly burdensome for small employers.

Cost of insurance may rise. Farmers traditionally buy plans with high deductibles. The Mitchell Plan limits this option. Community rating pools are broadly defined so that—in many instances—rural citizens will subsidize the health costs of their urban and suburban cousins, places where medical costs are not only higher, but so is utilization. In addition, age banding is unnecessarily restrictive. States have the option of setting up a community rate for the entire state.

It limits choice. It would allow states or the D.O.L. to determine, base on unstated definitions, that there is insufficient competition in certain rural areas so they are not required to even offer more than one plan to their employees. That one plan must always be the HIPC, and the HIPC must always include the FEHBP. This amounts to a potential back-door single-payor system for rural areas.

Cost-shifting. It cuts into projected Medicare expenditures, which will hurt many rural hospitals, and because it shifts billions in Medicaid costs to private insurers, cost-shifting will take place. Net result: a massive, unintended cost-shift that will fuel insurance costs of fee-for-service plans—the primary insurance vehicle for rural communities.

Taxes. The new tax on plans with fast growing health premiums will hit fee-for-service plans hardest, especially those in rural areas, for reasons already noted in previous paragraph.

Association Plans. About 1 in 3 farmers and very-small rural small businesses have their health insurance through "association plans", which pool businesses or individuals in a form of voluntary cooperative. These plans are more likely to have begun to negotiate PPO and cost-savings with providers. However, these plans are essentially made ineffective by making them a part of a community rated pool, and not part of an experienced rated pool, despite the fact that many of these plans have more than 500, and some more than 5,000, individuals enrolled. Solutions: allow large association plans to be experienced rated, but require an annual open enrollment for members. The long-range impact of weaker private sector pooling arrangements is to eventually force very small businesses, and the self-employed into the state or federal-directed HIPCs—which may be the insurance of last resort for the poor.

Subsidies. Subsidies do not clearly distinguish the realities of farm income, in which it is true that farmers have relatively high "gross income" but "low net income". Careful consideration should be made for agricultural producers, especially young farmers, because "gross incomes" may not be the best determination.

Health Board. It gives enormous power to several new agencies, especially the National Health Board, but it does not include provisions that would guarantee rural representation on those boards. Health care is not necessarily better, or worse in rural America, but it is different. The composition of any agency with important health powers should include stronger rural representation.

Medical Savings Account. It does not include Medical Savings Accounts. Farmers would benefit from MSAs, and have been pioneers in the use of the MSA concept by blending high deductible plans with personally-funded tax deferral savings vehicles. MSAs are a proven "concept", the Mitchell Plan does not acknowledge their value in any way at all.

There are many positive enhancements to the recruiting of health professionals to rural areas and grants for demonstration projects, but on balance is not a plan we can embrace.

Mr. President, I am not going to read the 150-some organizations from rural America who have signed this letter. I ask unanimous consent to have the letter printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 12, 1994.

Hon. CHARLES GRASSLEY,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR GRASSLEY: On behalf of more than 100 farm and rural organizations we would like to voice our concern with the Health Care Reform Proposal offered by Senator Mitchell, as presently written.

We have spoken forcefully in favor of 100 percent tax deduction for the self employed and against an employer mandate * * * and against mandatory alliance.

We cannot support any plan that: 1. Does not achieve a 100 percent deduction. 2. Lays out the foundation for an Employer Mandate. 3. Sets up "required" participation in purchasing alliances, a "de-facto" Mandatory Alliance.

But there are other rural concerns that require bi-partisan attention.

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Cost of insurance may rise. Farmers traditionally buy plans with high deductibles. The Mitchell Plan limits this option. Community rating pools are broadly defined so that—in many instances—rural citizens will subsidize the health costs of their urban and suburban cousins, places where medical costs are not only higher, but so is utilization. In addition, age banding is unnecessarily restrictive. States have the option of setting up a community rate for the entire state.

It limits choice. It would allow states or the D.O.L. to determine, based on unstated definitions, that there is insufficient competition in certain rural areas so they are not required to even offer more than one plan to their employees. That one plan must always be the HIPC, and the HIPC must always include the FEHBP. This amounts to a potential back-door single-payor system for rural areas.

Cost-shifting. It cuts into projected Medicare expenditures, which will hurt many rural hospitals, and because it shifts billions in Medical costs to private insurers, cost-shifting will take place. Net result: a massive, unintended cost-shift that will fuel insurance costs of fee-for-service plans—the primary insurance vehicle for rural communities.

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There are many positive enhancements to the recruiting of health professionals to rural areas and grants for demonstration projects, but on balance is not a plan we can embrace.

Sincerely,

American Agri-Women; American Dry Pea and Lentil Association; American Sod Producers Association; Communicating for Agriculture; farm Health Care Coalition; Farmers Health Alliance; International Apple Institute; National Association of Wheat Growers; National Barley Growers Association; National Cattlemen's Association; National Contract Poultry Growers Association; National Cotton Council; National Cotton Council of America; and the National Council of Agricultural Employers.

National Council of Farmer Cooperatives; National Christmas Tree Association; National Christmas Tree Nursery; National Grange; National Milk Producers Federation; National Pork Producers Council; United Agribusiness League; United Egg Producers; United Fresh Fruit & Vegetable Association; Women Involved in Farm Economics; Agricultural Council of Arkansas; Agricultural Producers; Alabama Contract Poultry Growers Association; AZ Cotton Growers Association; and the Arkansas Association of Wheat Growers.

Arkansas Contract Poultry Growers Association; California Association of Wheat Growers; CA Cotton Ginners Association; CA

Cotton Growers Association; California Farm Bureau Federation; California Grape & Tree Fruit League; Colorado Association of Wheat Growers; Florida Contract Poultry Growers Association; Florida Fruit & Vegetable Association; Florida Nurserymen & Growers Association; Georgia Contract Poultry Growers Association; Idaho Grain Producers Association; and the Idaho Onion Growers Association.

Illinois Cattlemen's Association; Kansas Association of Wheat Growers; Kentucky Contract Poultry Growers Association; Kentucky Small Grain Growers Association; LA Cotton Association; LA Cotton Producers Association; Louisiana Contract Poultry Growers Association; LA Ginners Association; LA Independent Cotton Warehouse Association; Delmarva Contract Poultry Growers Association; Minnesota Association of Wheat Growers; Mississippi Contract Poultry Growers Association; and the Mississippi Delta Council.

Montana Grain Growers Association; Nebraska Wheat Growers Association; New England Apple Council; New Mexico Wheat Growers Association; North Carolina Apple Growers Association; North Carolina Small Grain Growers; North Carolina SweetPotato Commission; North Dakota Grain Growers Association; North Dakota Stockmen; Ohio Contract Poultry Growers Association; Oklahoma Contract Poultry Growers Association; and the Oklahoma Wheat Growers Association.

Plains Cotton Growers Association; South Carolina Contract Poultry Growers Association; South Dakota Wheat Incorporated; Southern Cotton Growers Association; Southeastern Cotton Ginners Association; Tennessee Contract Poultry Growers Association; Texas Cattle Feeders Association; Avian Cooperative of Texas; Texas Citrus & Vegetable Association; Texas Wheat Producers Association; South Texas Cotton & Grain Association; and the Rolling Plains Cotton Growers.

Virginia Agricultural Growers Association; Virginia Contract Poultry Growers Association; Virginia Small Grain Growers Association; Washington Association of Wheat Growers; Washington Cattlemen's Association; Washington Growers Clearinghouse Association; Washington Growers League; Washington State Horticultural Association; Washington Women for the Survival of Agriculture; Western Growers Association; and the Western Pistachio Association.

Wisconsin Christmas Tree Producers Association; Wyoming Wheat Growers Association; Curtice Burns Foods/Pro-Fac Cooperative; Dovex Fruit Company; Eastgate Farms, Inc.; El Vista Orchards, Inc.; Florida Citrus Mutual; Forrence Orchards, Inc.; Grainger Farms, Inc.; Grower-Shipper Vegetable Association of Central California; Hood River Grower-Shipper Association; and the Johnny Appleseed of Washington/CRO Fruit Company.

Knouse Fruitlands, Inc.; Lyman Orchards Country; Newman Ranch Company; Nyssa-Nampa Beet Growers Association; Princeton Nurseries; Rocky Mountain Apple Products Company; Torrey Farms, Inc.; Valley Growers Cooperative; Ventura County Agricultural Association; Wasco County Fruit & Produce League; and the Yakima Valley Growers-Shippers Association.

Mr. GRASSLEY. The letter was initiated by the Farm Bureau but signed by 150 organizations.

I will yield the floor in just a minute. But the purpose of reading from that letter is, under a massive 1,400-page bill like this, making these changes, I am asking our colleagues to be cognizant that we already have problems in rural America under the status quo. If we make the massive changes like those in this 1,400-page bill we are going to have terrible consequences for the delivery of health care in rural America. The Daschle amendment legitimately is taking care of a lot of those problems. But the point I want to make is, and it is not the intention of Senator MITCHELL or any of the people working closely with him, but it is just a fact of life—when you have a massive rewrite of legislation like this, some of the good you want to accomplish for the Nation as a whole has negative consequences in rural America. I do not think that the things that are in the Daschle amendment and other amendments that will be offered for rural America are going to make up the difference.

We want to be prepared, to make sure that we take care of those. I hope we have, in the process, corrected some of those things that are in the original Mitchell bill, the underlying piece of legislation, so those negative impacts will not exist for rural America.

Tomorrow on this side of the aisle we look forward to considerable discussion. Many of my colleagues want to speak on the impact of this legislation on rural America. I do not think too many of my colleagues will disagree with what Senator DASCHLE is trying to accomplish in his amendment. But we want to go through some provisions in the underlying legislation to point out where we feel that it has a very negative impact upon the delivery of health care in rural America.

One of those would be what Senator HARKIN has already mentioned. Self-employed people, farmers, et cetera, are not going to have equity under this legislation. We have to have 100 percent tax deductibility for the self-employed.

The impact of Medicare cuts is further going to increase the number of rural hospitals going out business, above the 330 that Senator REID just recently referred to. There are other things in this underlying legislation that is negative to rural America.

So I yield the floor and look forward to the debate tomorrow.

Mr. BINGAMAN. Mr. President, I rise in support of the amendment pending before the Senate. I worked with my distinguished colleagues from the Senate Finance Committee, Senators DASCHLE, ROCKEFELLER, BAUCUS, and my distinguished colleague on the Labor and Human Resources Committee, Senator HARKIN on this package, and I am pleased that we are discussing health care in rural America tonight.

This package of amendments is straightforward, aimed at helping to develop a health care infrastructure and improve the health care delivery system in our five States—New Mexico, South Dakota, West Virginia, Montana, and Iowa—and throughout rural America. I urge my colleagues to support this package.

Mr. President, there are many features of the majority leader's bill that would significantly improve the standard of health care for rural Americans. We have moved closer to really taking seriously the health needs of farmers, ranchers, small business owners, their families, and their employees. This is an important accomplishment.

I. RURAL FEATURES OF HEALTH REFORM BILL

The majority leaders's bill will, contrary to some assertions, make it easier for all small businesses to buy health insurance, whether those businesses are located in the inner city of Chicago or the rural towns of Mora County, NM.

A. INSURANCE REFORM RULES

This is because the proposal limits the ability of insurance companies to discriminate against Americans with preexisting conditions. Many small businesses in rural areas would be protected from escalating costs and arbitrary charges.

B. WORK FORCE: MORE RURAL PROVIDERS

The bill will increase the number of primary health care providers, which will significantly ease burdens on doctors, nurse practitioners and other health care providers in States like New Mexico. By increasing the number of health care providers nationally, the bill will make health care for rural Americans more accessible and more affordable.

Last week, Senator BAUCUS told us that urban America has 2½ times as many doctors per 100,000 people as rural areas. By offering tax credits to doctors and other providers who practice in rural areas, we can ensure both continuing excellence in specialty care and improved access to primary care.

C. TELEMEDICINE

The bill before us today also provides grants for telemedicine, or high-technology networks between rural health care providers and specialists. Many believe these cutting-edge programs are among the most efficient and promising developments in rural medicine.

D. COMMUNITY HEALTH ADVISERS

I am particularly pleased that the majority leader's bill contains a provision I authored in the Labor and Human Resources Committee health reform bill. This provision authorizes a new community health adviser program as part of the Public Health Service's priority National Initiatives on Health Promotion and Disease Prevention.

Through this initiative, the Public Health Service will assist States, local governments, and nonprofit organizations in establishing and maintaining vital community health adviser programs.

The advisers are specially trained local community residents who deliver preventive health information to their communities, in homes and larger groups. They help encourage access to critical primary and preventive care; in particular, this program would be aimed at helping to achieve the Healthy People 2000 goals. These programs can play an important role in reducing overall health care costs.

Community health advisers and the provision in Senator MITCHELL's bill are widely supported by public and women's health organizations, including the American Public Health Association; Children's Defense Fund; the National Breast Cancer Coalition; the New Mexico Public Health Association; the National Women's Health Network; and dozens of other national organizations.

E. ASSISTANT SECRETARY FOR RURAL HEALTH

Finally, this bill takes a step toward acknowledging the health care needs of rural Americans by creating a permanent position of Assistant Secretary for Rural Health within the Department of Health and Human Services.

II. TWO AMENDMENTS

Mr. President, the majority leader's bill is a beginning to improved rural health. But there are also some real opportunities to strengthen this legislation and make it even more responsive to the needs of rural Americans. I would like to briefly describe two of the provisions contained in the amendment pending before the Senate.

B. RURAL RESIDENTS ON BOARDS

First, we believe it is critical that rural residents be included on any board or commission authorized under this bill. Rural residents, rather than rural experts or rural representatives must be specifically included in all board membership lists to ensure that rural people assume a fair and proper role in all issues of governance.

C. RURAL FRONTIER AREAS

Second, we need to make sure that in the very definition of "rural," we do not exclude the people who most depend on us. A provision of title IV (section 4111(d)(2)(B)(i)) gives States the authority to designate medical assistance facilities in frontier areas.

Under the current criteria of this section, States can only designate these special facilities if the entire county has fewer than six residents per square mile. This disadvantages Western States.

Many of our counties are larger than some States in the east. In addition, they encompass both urban and very remote areas. As the bill stands, these counties would be disqualified even though many of their residents live in areas far more remote than eastern rural counties.

We propose that an equivalent unit of local government or subcounty unit designated by the Governor or chief officer of the State be an acceptable criterion for designating the medical assistance facilities.

Only by making this change can we actually conform to the true intent of the provision: To improve medical services in rural America.

Mr. President, these are all vital provisions. They are essential to building the health care infrastructure and networks that are desperately needed in rural America. I urge my colleagues to support this package of amendments and to continue to work with us to improve the quality of life for all of our rural constituents.

HEALTH CARE REFORM

Mr. HATCH. Mr. President, both yesterday and today, our colleague from North Dakota, Senator DORGAN, spoke in this Chamber about spiraling medical costs in the hospital and drug sectors. He pointed to specific drugs and compared the prices of those drugs in other countries with their prices here.

He did not mention that all of those drugs have cheaper, generic counterparts. Nor did he mention that Congress specifically passed legislation—legislation that I sponsored—to accelerate the entry of generic drugs to the market as a cost-saving alternative to branded drugs.

I think it would be useful for my colleagues to look at some relevant facts, starting with the latest figures from the Bureau of Labor Statistics [BLS].

According to the BLS, drug prices, at the producer level, rose 2.8 percent during the 12-month period that ended in July 1994. That increase can hardly be characterized as skyrocketing. If NASA's rockets rose at that rate, we would have never reached the Moon.

In fact, this 2.8-percent increase is a new low, the lowest in 20 years. That is a trend this Congress should encourage, not discourage.

Drug prices have fallen steadily since 1989, when the rate of increase was 9.5 percent. I simply do not think this could be characterized as relentless inflation. On the contrary, I think it shows that drug inflation is under control.

And this is a very important point. Because it is the result not of anything the Government has done, but because the market is working.

In a June 1994 report, "How Health Care Reform Affects Pharmaceutical Research and Development," the Congressional Budget Office stated:

> The market is changing. On the supply side, sales of generic drugs are increasing. On the demand side, buyers exercise more market power to reduce the profits of the pharmaceutical companies. * * * in view of the increasing competition within the pharmaceutical market, drug prices could easily decrease regardless of the Administration's proposal.

This competition—which some of my colleagues seem to ignore—is also controlling the introductory prices of new drugs. The Boston Consulting Group looked at the prices of new drugs approved and launched during 1991 and 1992 and found they were, on average, 14 percent lower than the market leader in their category.

I recently saw a cartoon in the Wall Street Journal. It showed a receptionist telling a visitor: "Can you come back tomorrow? Mr. Ferguson is in deep denial today."

I think some of my colleagues must be in deep denial, Mr. President.

Marketplace reform is for real.

The figures show it.

The experts confirm it.

Instead of denying this competition, as I have said, I think we ought to encourage it.

Nor can we deny the fact that there are people, especially among the elderly, who are forced to make desperate choices between medicine and other necessities.

There are the people we need to help, the elderly poor, not millionaires and billionaires who would be eligible for the new Medicare drug benefit in the Mitchell bill.

No matter how much Congress tries to regulate drug prices, there will be some patients who cannot afford them. And the more we talk about artificially controlling prices, the more we hurt drug research. Seven out of 10 drugs lose money for the manufacturer.

What we should be doing is targeting efforts on those who need assistance. Then, we can help those who need help the most, and we can do it without hurting drug research and without discouraging the market forces which are working.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. Mr. President, I want to echo the concerns of Senator REID, the Senator from Nevada, about what the Senator from Iowa said. I have always thought of the Senator from Iowa as being sort of a quintessential westerner in the farm sense, and I have told him so. So that is not unnecessary flattery. He is very independent. It is my understanding that Senators from Iowa do not usually get reelected to second terms but this Senator has, Senator GRASSLEY. I think it is because he has an independent streak. I think when he feels about something deeply, as he does about rural health care and rural matters, it comes through. I think it comes through partly because if you shake his hand it is usually pretty rough, because he owns a farm. His son runs it for him but he is there to help on weekends if it is needed.

So this Senator, the junior Senator from West Virginia—very junior Senator from West Virginia—wanted to add his praise of the remarks the Senator from Iowa has made.

Mr. DASCHLE. Will the Senator yield?

Mr. ROCKEFELLER. Of course.

Mr. DASCHLE. I appreciate very much the comments made by the distinguished Senator from Iowa. I have had the good fortune to work with him on both Agriculture and Finance. He and I had the opportunity to work with the distinguished Senator from West Virginia on rural health issues during the ongoing consideration of health in general over the last several months.

As is always the case, he is an extraordinary student of the issues relating to rural health and is a tremendous partner. I associate myself with the remarks made by the distinguished Senator from West Virginia. He is absolutely correct, he has been someone that I hope we can continue to work with on many of these issues mutually.

I thank the Senator for yielding.

Mr. ROCKEFELLER. I thank my friend from South Dakota.

Mr. President, I rise with a great deal of passion, interest, and fervor and good feeling because we are discussing something which I think is at the core of what we need to do, and that is to try to be helpful to rural America—which the distinguished Presiding Officer also represents—in any way we can in terms of health care. My colleague Senator DASCHLE, Senator BAUCUS, Senator REID, and Senator HARKIN and I have offered a number of amendments that I think are very important.

It is late in the evening. Not many people are here, but that does not make any difference because our work here is significant.

From this Senator's point of view, Mr. President, Senator MITCHELL's bill already offers substantial hope for rural America. It contains important provisions to make very sure that the promise of health care is more than just an empty promise. That is very much on the minds of people who live in rural parts of this country.

Nationally, 25 percent of all Americans live in a rural area. In West Virginia, that figure is 64 percent. We are 77 percent forest, so the fact we are 64 percent rural should not be surprising. In addition, all or part of 43 of our 55 counties in West Virginia are designated as "medically underserved"—a seriously bad designation.

I should say, Mr. President, that my senior colleague, Senator BYRD, is not a fan of charts and neither is his junior colleague. In the nearly 10 years that this Senator has been in the Senate, I have never used a chart or a graphic entity on the floor of the Senate because I do not have a good feeling about them. But on this matter of rural health care in America, I feel strongly enough that I have broken my habit this one time, hopefully.

One can see very easily, if I simply describe that all of the yellow that one sees on this map are areas that have enough doctors and all of the red, which is obviously the great majority of the map, are areas that do not have enough doctors. I will explain more of what I mean by enough doctors. These are basically underserved areas.

Senator MITCHELL comes from Maine. There is just a very small, little area here. Look at California. People think of California always as being—I do—as being urban with sort of rural intervals. Of course, that is not true and this proves it. Ninety percent of California is underserved.

Look at Arizona, almost entirely, 95 percent underserved; New Mexico, 98 percent underserved. My own State is right here. You can see there are just very few areas which are yellow which means that they are adequately served medically. Look down to Florida. I would have thought Florida would be substantially served for many reasons—its climate, its population, its way of life. But entirely to the contrary. It is hurting medically in terms of health care professionals and opportunities to get health care.

Indeed, if you look at North Dakota, South Dakota, more toward the west than toward the east, but then look at Louisiana, it is really quite distressing; Mississippi; Hawaii, even with its universal health care plan, has substantial service problems. So they must be doing a remarkable job to overcome that.

This map leads me to want to know more. I find this a distressing map. All the red—is not enough health care. It is the great majority of our country and it also describes, I think, that a lot of our country is rural. It certainly describes that my State of West Virginia is not alone.

More than half a million Americans live in a county, Mr. President, that does not have a single doctor, and 34 million Americans live in areas with a thoroughly insufficient supply of physicians, or other health care providers. That all adds up to a situation that makes it extremely difficult for the rural areas, which the Presiding Officer, myself, the Senator from South Dakota, and others represent, to get health care in any form, much less when they need it and where they need it.

Less access to primary and preventive care means more costly and serious illness that have to be treated later. I will give you an example in my own case.

My wife and I and our four children have a farm right on the West Virginia border in the Allegheny Mountains in a beautiful county called Pocahontas County.

And in the northern part of the county, we had, I can remember, a number of years ago when our children were still young a Dr. and Dr. Jones, a couple. They were two wonderful young physicians who graduated from West Virginia University and decided to come and live in that extremely rural area. The county where we live is one of the largest counties east of the Mississippi, Mr. President, and has only 6,000 people, which, of course, my family and I love because of the solitude and the beauty of the West Virginia hills.

But Dr. and Dr. Jones, husband and wife, came there with the full idealism, the full expectation of being able to make it. They both were family physicians. They both happened to love railroads, and we have some old logging railroads that still exist from earlier days. I suspect they do in the Presiding Officer's State also.

They made the best of it for about 3 or 4 years, but then they just could not hang on, could not get the payments, could not meet their own bills, and they were forced to leave. So there we are with a building and with a doctor who visits from time to time and, basically, without health care in an enormous county, which in itself is a vast area of wilderness.

Most of us realize that an insurance card is, in fact, meaningless unless there are doctors and hospitals and nurses and physician assistants who are actually available in an area to provide health care services. They have to be there or be close by. People understand that.

In many parts of West Virginia, access to health care is simply wishful thinking. The problems of rural health residents in buying insurance are similar to the problems of small business owners, because so many of them are self-employed or employees of very small firms or, in many cases, not employed at all.

Rural Americans generally have to pay insurance premiums that are higher than nonrural Americans because they are buying small-group or individual policies which are generally 35 to 40 percent more expensive than what larger companies can pay for the same product.

It is not fair. It is part of what is wrong with our health insurance system. But it is a fact in rural America.

Rural families are subject to the most abusive kinds of insurance underwriting practices because they are purchasers of small-group insurance policies.

What I mean by that basically is that they are more or less helpless as they face the insurance company. Many rural residents are not familiar with terms like "lifetime limits," "preexisting condition." I would think that many rural residents, as many urban residents, would not know that if you are a young woman, get married and get pregnant and you do not have health insurance, you cannot buy health insurance. By the act of becoming pregnant, being pregnant, that itself constitutes a preexisting condition, and therefore you cannot get health insurance.

Most people do not know that. Rural people are more likely to be subject to that kind of underwriting practice. They wind up having their policies canceled the minute that they or a family member has a serious medical condition. Most of them do not know that that is going to happen because they would tend to trust the insurance policy, because in America, if something is institutional, you tend to trust it.

Well, sometimes that trust is not well placed. So a family member has a serious medical condition. No more health insurance. Or they might get to keep the health insurance but their premiums would rise very sharply in order for them to keep health insurance. Just because they are farmers. Just because they are loggers. Just because they are coal miners. Just because they are older, or just because they have something called a preexisting condition. And thus it is in rural America.

Rural residents will gain significant health benefits under Majority Leader MITCHELL's bill because they are so disadvantaged under the current system. Very stringent insurance reforms; the availability of purchasing cooperatives—something which is understood by farming families—the targeted subsidies to purchase private health insurance, all of these are ways that the majority leader's bill will substantially benefit rural Americans. I am very happy about that, and I am very excited about that. That is important and significant news.

Before describing the exact provisions that I have worked on and authored in this amendment, I would like to just take a moment to emphasize that while an insurance card alone does not guarantee the actual delivery of health services, it is one of the single, most important things that we can do to try to encourage doctors and other health providers to move to a rural and underserved area, because if a physician or other provider understands that people have insurance, they are going to understand that they are going to be reimbursed, that life financially is going to be different.

The proportion of people without insurance is higher in rural areas than in urban areas. Without a stable source of reimbursement that can only come with an insurance card, many doctors and nurse practitioners and physicians' assistants and others cannot sustain a viable practice in a rural area. My example of Dr. Jones and Dr. Jones that I talked about a moment ago applies here. If the vast majority of their patients are uninsured, a health practice is simply not sustainable—a fact of life, and a very painful one in rural America.

Mr. President, the amendment we are offering, and that the distinguished Senator from South Dakota, TOM DASCHLE, is leading, offers several important provisions to make health care a reality for millions of Americans across this country. So I want to take a moment to describe a couple of these provisions.

Especially important to me is the provision to provide improved funding for the National Health Services Corps. This is something about which I care deeply. VISTA, which is similar to the National Health Service Corps, changed my whole life. I did in social work what physicians and other providers will be doing in the National Health Service Corps. I know that if you get a young American in their mid twenties studying medicine, or in my case trying to learn more about their country and having the rudiments of social work in my head, when those folks get to the rural places or to the urban places, inner-city areas, they are going to be challenged. They will see things that they have never seen before. They are going to understand the importance of their presence to the people in that area.

When I went to West Virginia as a VISTA volunteer, I had no intention of staying in West Virginia as a VISTA volunteer because all of my training had been in Japan and China and Asian affairs. I had worked in the Peace Corps and State Department and had lived in Japan for a number of years. VISTA just turned my life upside down because it put me in contact with real people in rural areas where there were real needs and where I thought I could make a real difference.

If you are young and in your mid twenties or mid thirties and your life is before you, this is exciting. It is extremely exciting. So under this amendment, we will move towards restoring pre-1980 award levels in the National Health Service Corps. At that time 3,000 to 7,000 scholarship awards were made on an annual basis. So imagine that, physicians, in return for payment of part of their medical school years, spreading out, 3,000 to 7,000, all across America in rural and inner-city areas.

A very good friend of mine did that in eastern Kentucky, and it changed his life. It just totally changed his life. Eastern Kentucky is like southern West Virginia. He went there, practiced medicine there, fell in love with the place, with the opportunity, could not leave and has had a remarkable career—a fellow named Harvey Sloan.

The amendment Senator DASCHLE and I have proposed would provide sufficient funding to place at least one doctor, nurse practitioner, or physician assistant in every single county in America that is currently designated a shortage area. In every one of those red areas, in every county in California, in every county in North Dakota, South Dakota, Montana, Wyoming, in every one of them, there would at least be one health care provider. That seems to me very reasonable, a very exciting prospect. And it can be done and is done under the amendment that Senator DASCHLE, myself, and others are offering.

Now, last year, Mr. President, there were 2,492 primary care shortage areas.

That is a big chunk of this country. A health professional shortage area is an area that does not have at least 1 primary care provider for every 3,500 residents. That is what is reflected on this map; there is not 1 physician or nurse practitioner or physician's assistant or other health provider for every 3,500 residents. That is pretty slim coverage.

If we want to do the ideal—which, of course, I would—but we cannot because of the finances, the ideal percentage is 1 doctor for every 2,000 people. That is what it ought to be. That is what this country ought to have. We do not. It is a mystery that we do not. We continue not to. But, nevertheless, that is the fact.

The National Health Service Corps Program has been extremely successful in providing essential services in remote areas, which are very familiar to the Presiding Officer, and rural areas, and, again let me repeat, in inner cities.

I am a member of the board of the Children's Health Fund. It was started actually in New York City by a wonderful pediatrician, a physician by the name of Dr. Irwin Redliner. The Children's Health Fund's purpose is to put pediatricians in areas of the country where they are not.

So in New York City, which is surrounded within 10 blocks by doctors of every variety, there is an enormous shortage of physicians, a shortage in New York City, not to speak of upstate New York.

The National Health Service Corps would place health care providers in rural areas and in the inner-city areas. It is so popular as a concept, and well thought of, in fact, that Senator DOLE and Senator PACKWOOD in their summary also list a provision to fully fund the National Health Service Corps Program. That is what we intend to do. That is what they said they intend to do.

A total, Mr. President, of 43.5 million people in America live in medically underserved areas. Last year, the National Health Service Corps had only 1,200 providers in the field providing care to only about 1.2 million of those 43.5 million people who need their help. So you can see the disparity between availability and need.

The corps received over 4,000 applications last year, Mr. President, to fill awards for 406 slots. So do not tell me that medical students are not ready to do that, that idealism is dead in America.

This demonstrates the tremendous interest by medical students, by nursing students, by physician's assistants

to have their training paid for in return for making a commitment to practice in an underserved area, urban or rural, after completing their training. I cannot think of a better deal for those young students, and for America.

For many students, especially minority students, and low-income students, this is the only way that they can afford to go to medical school or to go to nursing school—a major factor to bear in mind.

I constantly get calls from West Virginia clinics and hospitals who are desperate to find a physician or other health care provider. In 1986, Mr. President, 26 corps doctors were placed in West Virginia. That was 8 years ago. In 1987, 28 came to West Virginia. In 1988, 5 came to West Virginia. Since then, between one and three physicians or other providers have been placed in West Virginia on an annual basis. I am appalled. I am appalled at our willingness to so ignore underserved areas of America. Needless to say, the need for these folks has not declined.

Funding in our amendment will give all underserved areas, rural and urban, a tremendous boost. In fact, I want to note that of the 43.5 million people that live in designated medically underserved areas, 50 percent are urban residents. The funding for the corps in this amendment will help millions of people from Appalachia, Montana, Colorado, South Dakota, Massachusetts, Chicago, and Los Angeles.

Mr. President, a lifeline in many, many rural counties in West Virginia and rural areas across the country are something called local health centers, rural health centers. Some of them are designated federally qualified health centers. Some are rural health clinics. Some are just primary care clinics. While the names and the designations may vary, their missions are all exactly the same, and their importance is all exactly equal.

I have probably visited all, certainly most, of our clinics in West Virginia. I am always not just impressed but in many ways overcome by their dedication, by their commitment—the doctors, the nurses, the administrators, the physician's assistants who staff these clinics. They are not big hospitals. They are small places. One place I am thinking of in a small county in West Virginia is in a grocery store that closed down in a shopping center. But it is comfortable. People are familiar with it. There it is. I am so proud of what they do. I cannot say that strongly enough. They are performing miracles every day with very meager resources and without notice from the rest of the world.

The majority leader's proposal establishes several special accounts to help rural providers improve, expand, and reorganize themselves, to deliver services efficiently and to deliver them effectively.

One account provides funding for network development and expansion into shortage areas, including recruitment and training, upgrading equipment purchasing, and as Senator HARKIN mentioned, telemedicine systems.

A second account provides grants and loans for capital needs. And a third account provides funding for supplemental or enabling services, such as transportation services, home visiting, case management, and outreach.

Our amendment would expand the list of providers eligible to apply for funding from these accounts to include rural health clinics. That is my point.

Under the majority leader's proposal, federally qualified health centers, or FQHC's, are automatically eligible for funding opportunities. But rural health clinics with the same mission, same miracles, the same people, and the same need, are not eligible, except if they are part of something called a consortium.

Mr. President, I support the notion of various rural providers banding together to promote integration and coordination of services. But I do not think the participation of rural health clinics should be restricted.

Under this amendment, rural health clinics would be able to qualify and compete for funds in each of the separate accounts, without being a part of a larger consortium. For profit, rural health clinics would be eligible to apply only for capital funding for loans. Nonprofit rural health clinics could compete for funding under all three separate accounts.

In my own State of West Virginia, the majority of clinics and centers are already designated federally qualified health centers. West Virginia has about 38 of them, and about 14 rural health clinics. My point is that the rural health clinics do the same work, serve the same people, and have the same needs, and provide the same miracles as the federally qualified health centers.

Of those 14 rural health clinics, a few are in the process of qualifying as a federally qualified health center. But a few are not. And they cannot. The reasons they are not designated federally qualified health clinics has nothing to do with the quality of the service they provide or the qualifications of the people providing those services. A few clinics cannot qualify because they do not meet the very specific criteria required of a Federal qualified health clinic. I am not quarreling with the criteria, but I do want to make sure that all essential rural providers in West Virginia have equal access to all of the available funding sources in Senator MITCHELL's bill.

For example, the Belington Community Medical Services Association, in Belington, WV, a very small community, often flooded, cannot qualify for FQHC status because one full-time physician is not a permanent staff member. That is part of the FQHC criteria. The Belington clinic is run by a physician assistant named Tom Harward, and physician coverage is provided on a rotating basis. That is the best they can do, Mr. President. And they do it well. But they do not have a permanent physician on staff and, therefore, the Belington clinic cannot nor will they ever receive FQHC status. I think you understand that is not fair.

I do not think that fact alone should disqualify the Belington clinic, along with other rural health clinics across this country who are in a similar situation, who cannot meet the criteria for reasons which they cannot overcome, from applying for all available funding to help clinics in underserved areas.

Tom Harward, who runs the Belington clinic, was honored several years ago by his professional association as the Outstanding Physician Assistant of the Year. At that time, Tom described his typical week. This is what his week is.

He sees 20 to 30 patients a day and makes house calls 2 days a week. That still happens in places like West Virginia, and I expect South Dakota and Colorado. I, frankly, do not know when he would find the time to even fill out an application for new rural health funding. But if he can find the time, I want to make sure that he is not automatically disqualified because his clinic is something called a rural health clinic as opposed to a federally qualified health clinic.

Another example is the Children's Health Care Clinic in Pineville, WV, in the southern part of the State. They cannot qualify for federally qualified status because they only serve children. They only serve children. Yes. Therefore, they do not qualify. One of the criteria for federally qualified status is that they must provide a full range of services to people of all ages, not just pediatric services.

Again, we are not talking about a quality problem but rather a criteria issue. Children's Health Care Clinic in Pineville, WV, should also be able to compete for any and all funds made available under the majority leader's bill. I intend to fight to make sure that it happens.

A final provision would clarify that the current set-aside for nurse practitioners for National Health Service Corps funding includes physician assistants—the same Tom Harward I have just been talking about. I think it was a drafting oversight. I think it was nothing more than that. The current National Health Service Corps program already includes a 10 percent set-aside for nurse practitioners, nurse midwives, and physician assistants. The majority leader's bill increases the set-aside to 20 percent, and my provision

merely clarifies that physician assistants are included in the corps set-aside, as they are under current law.

So, Mr. President, Senator MITCHELL's bill would go a long way to assure financial and physical access to health services for rural residents that are on my mind very much, as I speak. I see faces and I see families, as I speak. Our amendment—mine, Senator DASCHLE's, and others'—builds on some very important improvements that the majority leader already proposed. Taken altogether, I believe rural residents will gain real health security from health care reform. There will still be challenges. There will still be bumps in the road. There always are in places like West Virginia. But I believe that, on the whole, I can tell the majority of my constituents that the legislation we are considering will make a real difference in their lives. I have no other reason for being here. That is what I am hired on to do by my people of West Virginia—to try to make a difference in their lives. I believe this bill and this amendment will do that. For rural doctors and rural hospitals, this bill, frankly, is a long-awaited relief package that will provide them with additional resources and stable financing.

Mr. President, I look forward to the adoption of this amendment by my colleagues.

I thank my patient colleague from South Dakota and the distinguished Presiding Officer, and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota [Mr. DASCHLE].

Mr. DASCHLE. Mr. President, let me commend the distinguished Senator from West Virginia for an extraordinarily complete explanation of our amendment.

I think it is appropriate that as we begin this debate we have a better understanding of why it is necessary to introduce this amendment, and how it addresses the critical shortage of rural health providers that the Senator from West Virginia so ably depicted on his chart.

I commend him. He has been an extraordinary partner in this whole effort and, as a cosponsor, has been a real leader over the years in rural health care reform. It has been my privilege to work side by side with him for virtually as long as I have been here, and I cannot think of a greater privilege I have had in the Senate.

I commend him for his statement and appreciate very much his contribution to this effort.

Mr. President, I ask unanimous consent that Senators WOFFORD and LEAHY be added to the list of cosponsors, which includes Senators BAUCUS, HARKIN, ROCKEFELLER, and REID.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, the Senator from West Virginia, as I indicated, has described our amendment very well. He, too, publicly commended our majority leader for including in his bill a substantial set of rural health provisions.

Senator MITCHELL has listened to the concerns that many of us have expressed about how rural areas would be affected by changes being proposed in our health care system. The bill he introduced, as the Senator from West Virginia has indicated, truly reflects his commitment to ensuring that rural health reform does not pass by rural communities.

The amendments that we are proposing tonight build upon the solid base that the majority leader's bill establishes for rural America.

From the very beginning of this debate, many of us have insisted that we would not vote for a bill that did not include substantial recognition of the need for improvements to rural health care access. I do not think anyone who has cosponsored this amendment is prepared to back off that determination. We are not going to abandon that principle now.

Thankfully, efforts to enhance access to rural health care have always had strong bipartisan support, as the statement from the Senator from Iowa indicated this evening.

Earlier this year I cochaired a bipartisan working group that recommended a series of rural provisions that should be included in health reform. I am very pleased that many of the suggestions we recommended were included in the Senate Finance Committee bill and now in the legislation Senator MITCHELL has presented to us.

Our efforts have been for a good cause. Indeed, both Republican and Democratic health reform bills frankly have included similar strong rural provisions. It gives me hope that the majority of Senators on both sides of the aisle share our insistence that health reform benefit rural and urban areas alike.

We have come together on this issue in the past, and I am hopeful that we can be united again on this debate. Let the same bipartisan spirit of cooperation prevail as we consider this set of amendments.

We all want to make health care reform a guaranteed winner for rural people.

The amendments that we are proposing tonight would encourage doctors, nurse practitioners, and physician assistants to practice in rural underserved areas, to ensure that financial and other assistance is available to help rural facilities adjust to the changing health care environment, and to assist rural providers in forming their own health care networks.

Among the provisions we are proposing, including some the Senator from West Virginia described so ably tonight, is a proposal to increase funding for the National Health Service Corps, one of the most important, respected workforce programs in the country today.

This program was nearly eliminated in the 1980's despite the fact that many rural communities are completely dependent upon corps doctors as their only source of physician care. While the program has been slowly built back up over the last couple of years, rural America badly needs more of these providers.

Another amendment we are proposing would provide Medicare bonus payments to nurse practitioners and physician assistants who practice in rural areas. This incentive money will help rural America attract and retain these important practitioners.

Another series of provisions included in this amendment would ensure that clinics in rural areas are eligible for loans and grants that can help them upgrade their services, form networks with other providers, and help better serve rural areas.

Finally, to help rural communities determine how to develop their own health care plans, we have established 10 demonstrations projects for the development of rural-based managed care.

Simply put, rural America's most significant problem is that we do not have enough providers. We see that in rural Colorado. We see it in rural Idaho. We see it in rural South Dakota. We have attempted to address that problem through a number of different provisions in our amendment.

Why do we need these provisions, some may ask. Does not universal coverage solve the problems facing rural America? It is true that if we move closer to universal coverage we could enhance access to care in rural America.

The problem we have is that guaranteed health insurance in rural America is defined differently than it is in urban America. In my home State of South Dakota, 145,000 residents had no health insurance at some point in 1993.

We must ensure rural residents have the same opportunities as urban dwellers to buy the range of insurance plans that will be required under the Mitchell bill.

Because we know that, compared to their urban counterparts, rural residents are less likely to be insured and tend to be older, sicker, and poorer with higher rates of uneconomic and chronic ailments and disability. This will remain so in spite of the fact that rural Americans may have improved coverage under the Mitchell bill.

Universal coverage is the most important building block to ensuring health security in rural America. But providing health coverage is not and cannot be the whole solution for what ails rural America today.

In far too many rural areas a health insurance card does little good because

there are simply no providers to care for patients. Increasing the supply of primary care practitioners and attracting them to rural communities is by far the biggest challenge facing us today.

This is a serious issue in South Dakota and in many States throughout the Midwest and West. South Dakota currently ranks 47th in the country in terms of physician-to-population ratio with 1 primary care doctor for about every 1,500 people. In fact, 16 counties in my State have no hospital at all. Equally important is increasing the number of nonphysician providers practicing in these rural areas and enhancing their ability to practice independently.

More recently, we have seen a new problem. The increased competition for primary care physicians and nonphysician providers from urban-managed care plans is complicating life in rural America today. Rural areas are seeing a drain of primary care physicians from rural to urban areas, where employment packages offered by HMO's provide a shorter, more predictable work schedule and a much higher guaranteed income.

In other words we exacerbate the problem of a shortage of practitioners by encouraging doctors to leave underserved areas to go to those areas where there is no shortage.

We try to address that problem, Mr. President, with a number of the provisions to encourage providers, both doctors and other health care practitioners, to move to rural areas, and stay there, once they are there.

Coordinating care in rural areas is another major challenge. While urban residents can join a number of health care plans and have available to them a network of primary care doctors, specialists, nursing homes, and home health care providers, we have very limited access to integrated networks that can help patients manage their care.

These arrangements rarely exist in our part of the country. Managed care plans have been hesitant to enter rural health care markets and few rural providers have formed no networks at all.

So we need to do everything we can to encourage providers to cooperate and form integrated service delivery networks.

We should not wait for an urban-based HMO to set up shop in rural America. We can form our own community health plans and networks. All the providers need are the proper incentives.

In sum, this package of amendments makes the statement that rural America should no longer be asked to settle for less health care than their urban counterparts. What better message can we send as we debate health reform?

I certainly hope that, as we debate this amendment over the next day, Mr. President, we appreciate fully the unique set of circumstances that we have in rural America today; that we understand, we also have a unique responsibility to be sensitive to those circumstances. We simply cannot allow health reform to pass rural America by.

This amendment is a concerted effort on the part of a number of Senators from different States, all with the same appreciation of the need to respond more effectively to rural health care needs, recognizing very well how much the majority leader has already done in his bill to address many of the concerns we have expressed to him.

So I am hopeful, Mr. President, that before the end of the day tomorrow, perhaps, we can have a good debate and a good discussion about these needs and about ways to respond more effectively to these needs. This is our best effort to do so in a concerted and very sincere way.

I also ask unanimous consent, Mr. President, that the junior Senator from Colorado, Senator BEN NIGHTHORSE CAMPBELL, be added as a cosponsor to this amendment.

The PRESIDING OFFICER (Mr. AKAKA). Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, the distinguished Senator from Idaho has shown remarkable patience tonight. So while I have a much longer statement and full explanation of what our amendment would do, I would like to elaborate more tomorrow on each of the provisions. We got a good start tonight from the Senator from West Virginia, so there is no need to further delay this evening.

I am aware that a number of housekeeping chores are required, and I will do that and then yield the floor to the distinguished Senator from Idaho.

MORNING BUSINESS

SENATOR CAROL MOSELEY-BRAUN REMEMBERS CECIL PARTEE

Ms. MOSELEY-BRAUN. Mr. President, many of the actions I have taken in my life have been heralded as firsts. But, people like Cecil Partee were firsts before I was even born and made my way possible. Mr. Partee was an example to me—an example of how to be an excellent legislator, an example of how to use the political system to make people's lives better, and an example of how to reach goals and hold on to dreams.

Cecil Partee believed in the Dream of America, and he proved, time and time again, that excellence and merit and hard work could overcome the odds and barriers he faced as an American of African descent. He was always a gentleman, and personified the dignity and class that are borne of struggle and achievement.

When I first ran for the general assembly, Cecil Partee was one of the first to become a friend and resource. Sometimes I would go down to his office just to sit and talk with him, and learn from his intelligence, his patience, and his experience. He was a mentor to me, and to countless others who saw public service as a noble calling.

Mr. Partee was born in Arkansas in 1921. He attended Tennessee State University for his undergraduate degree and then chose to pursue a career in law. The University of Arkansas would not accept him, however. They did not admit African-Americans at the time. The university agreed to pay his way to a northern law school. He chose Northwestern University Law School in Evanston. We can be thankful he came to Illinois and even more thankful that he stayed.

He passed the Illinois bar in 1947, but was not allowed to attend the congratulatory dinner with the other new lawyers, because the hotel where the dinner was held did not allow African-Americans. A year later Mr. Partee started his public career as an assistant state's attorney. In 1956, he was first elected to the Illinois House of Representatives.

Mr. Partee went on to serve for 10 years in the Illinois House of Representatives and for 10 years in the Illinois Senate. He was the first African-American to be president of the Senate, a post he held from 1971–73 and 1975–77.

He had a reputation as an astute and able legislator who fought to make the lives of ordinary citizens better. He worked to eradicate discrimination in the public and private sectors. He wanted to make sure that people could get good jobs and decent homes, whatever their race or nationality. He worked to ensure that consumers were treated fairly under the law. Most importantly, he worked to bring people together, and to eliminate barriers to real communication. He was a warrior in the battle to make the American dream a reality for all.

In 1989, Mr. Partee was named state's attorney. He took over the position from Mayor Daley, and served in that capacity for a year. He also served as city treasurer in Chicago for three terms.

The people of Illinois owe a great debt to Cecil Partee. He spent many of his years serving us, leading us, and making our lives better. His legacy is inspiring and tangible.

Partee's wife and their two children and two grandchildren have much to be proud of and much to miss. He was a good man, a pioneer, and a great politician. I will miss him. We will all miss him.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar Order No. 1121, Ricardo Martinez, to be Administrator of the National Highway Traffic Safety Administration; Calendar Order No. 1122, Dharmendra K. Sharma, to be Administrator of Research and Special Programs Administration, Department of Transportation; Calendar Order No. 1124, Harold J. Creel, Jr., to be a Federal Maritime Commissioner; Calendar Order No. 1125, Delmond J.H. Won, to be a Federal Maritime Commissioner; Calendar Order No. 1127, Alexander Williams, Jr., to be a U.S. district judge; Calendar Order No. 1128, Charles Redding Pitt, to be a U.S. attorney; Calendar Order No. 1129, Larry Reed Mattox, to be a U.S. Marshal; Calendar Order No. 1130, Walter Baker Edmisten, to be a U.S. Marshal; Calendar Order No. 1131, Thomas Joseph Maroney, to be a U.S. attorney; and all nominations placed on the Secretary's desk in the Coast Guard.

I further ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read; that upon confirmation, the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's actions; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF TRANSPORTATION

Ricardo Martinez, of Louisiana, to be Administrator of the National Highway Traffic Safety Administration.

Dharmendra K. Sharma, of California, to be Administrator of the Research and Special Programs Administration, Department of Transportation.

FEDERAL MARITIME COMMISSION

Harold Jennings Creel, Jr., of Virginia, to be a Federal Maritime Commissioner for the term expiring June 30, 1999.

Delmond J. H. Won, of Hawaii, to be a Federal Maritime Commissioner for the term expiring June 30, 1997.

THE JUDICIARY

Alexander Williams, Jr., of Maryland, to be United States District Judge for the District of Maryland.

DEPARTMENT OF JUSTICE

Charles Redding Pitt, of Alabama, to be United States Attorney for the Middle District of Alabama for the term of four years.

Larry Reed Mattox, of Virginia, to be United States Marshal for the Western District of Virginia for the term of four years.

Walter Baker Edmisten, of North Carolina, to be United States Marshal for the Western District of North Carolina for the term of four years.

Thomas Joseph Maroney, of New York, to be United States Attorney for the Northern District of New York for the term of four years.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE COAST GUARD

Coast Guard nominations beginning Roger K. Wiebusch, and ending Robert W. Montfort, which nominations were received by the Senate and appeared in the Congressional Record of May 17, 1994.

Coast Guard nomination of Kay L. Hickman, which was received by the Senate and appeared in the Congressional Record of May 17, 1994.

Coast Guard nominations beginning Mark L. Everett, and ending Euill W. Long, III, which nominations were received by the Senate and appeared in the Congressional Record of July 27, 1994.

STATEMENT ON THE NOMINATION OF RICARDO MARTINEZ

Mr. HOLLINGS. Mr. President, I urge my colleagues to support the nomination of Ricardo Martinez to be Administrator of the National Highway Traffic Safety Administration [NHTSA]. His nomination was unanimously approved by the Committee on Commerce, Science, and Transportation at its executive session on August 11, 1994.

NHTSA was established to reduce the number of deaths, injuries, and economic losses resulting from traffic accidents on the Nation's highways. Armed with that mission, the agency plays a vital role in reducing health care costs, by promoting safety of cars and light trucks.

If confirmed as Administrator, Dr. Martinez will bring a fresh perspective to the agency with his extensive medical background in trauma services and injury control and prevention. The nominee is currently serving as a consultant to Secretary of Transportation Peña on health issues. Prior to this, he most recently served as associate professor of surgery and emergency medicine at Emory University school of medicine. From 1985 to 1993, Dr. Martinez served in various positions at Stanford University, including associate director of trauma service at the university's hospital, and clinical assistant professor in the Department of surgery at the school of medicine. In addition, Dr. Martinez has written extensively on medical issues, and his works have been published in numerous medical journals, magazines, and books.

At his confirmation hearing on April 21, 1994, Dr. Martinez stressed his commitment to injury prevention, and the need to reinvigorate NHTSA to prepare it for the challenges of the next century. He also acknowledged NHTSA's role with respect to consumer education, as well as the important mandate the agency has to set CAFE [Corporate Average Fuel Economy] standards, and to analyze and disseminate data concerning fuel economy issues.

This nominee deserves our support, and I urge my colleagues to join me in approving Dr. Ricardo Martinez to be NHTSA Administrator.

STATEMENT ON THE NOMINATION OF DHARMENDRA K. SHARMA

Mr. HOLLINGS. Mr. President, I am pleased that the Senate is considering the nomination of Dharmendra K. Sharma to be Administrator of the Research and Special Programs Administration [RSPA] of the U.S. Department of Transportation [DOT]. At its executive session on August 11, 1994, the Committee on Commerce, Science, and Transportation unanimously ordered this nomination reported favorably.

The position of Administrator of RSPA is a critical one. RSPA is responsible for hazardous materials transportation and pipeline safety, transportation emergency preparedness, safety training, multimodal transportation research and development activities, and the collection and dissemination of air carrier economic data. Two of the more significant offices within RSPA are the Office of Hazardous Materials Safety, which develops and issues regulations for the safe transportation of hazardous materials by all modes, and the Office of Pipeline Safety, which establishes and provides for compliance with standards that assure public safety and environmental protection in the transportation of gas and hazardous liquids by pipeline.

The nominee brings to this position a broad range of technical, research, analytical, and management abilities. He has demonstrated expertise in the fields of energy, science, and technology. For over 10 years Dr. Sharma has served as a Manager with the Electric Power Research Institute [EPRI], and prior to that he worked for the General Electric Co.

This nominee has demonstrated his understanding of the critical issues facing RSPA. He understands the need for greater vigilance over RSPA's pipeline safety program and the need for some form of comprehensive "one-call" legislation so that the number of pipeline accidents may be reduced. In addition, Dr. Sharma's background and expertise will allow him to assist Secretary Peña in the area of transportation technology development, a cornerstone of this Administration's plan for the future.

Mr. President, I am confident that Dharmendra K. Sharma's professional background and experience have prepared him well for the tremendous challenges confronting DOT and our Nation's system of transportation. I welcome this opportunity to recommend Dharmendra K. Sharma's confirmation as RSPA Administrator, and I urge my colleagues to join me in approving this nomination.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous, the Senate will now return to legislative session.

REPORT ON THE CONTINUATION OF THE EMERGENCY RELATIVE TO THE NATIONAL UNION FOR THE TOTAL INDEPENDENCE OF ANGOLA [UNITA]—MESSAGE FROM THE PRESIDENT—PM 139

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to the National Union for the Total Independence of Angola ["UNITA"] is to continue in effect beyond September 26, 1994, to the Federal Register for publication.

The circumstances that led to the declaration on September 26, 1993, of a national emergency have not been resolved. The actions and policies of UNITA pose a continuing unusual and extraordinary threat to the foreign policy of the United States. United Nations Security Council Resolution 864 (1993) continues to oblige all Member States to maintain sanctions. Discontinuation of the sanctions would have a prejudicial effect on the Angolan peace process. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to UNITA to reduce its ability to pursue its aggressive policies of territorial acquisition.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 17, 1994.*

REPORT ON BELARUS AND UZBEKISTAN RELATIVE TO THE GENERALIZED SYSTEM OF PREFERENCES—MESSAGE FROM THE PRESIDENT—PM 140

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

I am writing to inform you of my intent to add Belarus and Uzbekistan to the list of beneficiary developing countries under the Generalized System of Preferences [GSP]. The GSP program offers duty-free access to the U.S. market and is authorized by the Trade Act of 1974.

I have carefully considered the criteria identified in sections 501 and 502 of the Trade Act of 1974. In light of these criteria, and particularly the level of development and initiation of economic reforms in Belarus and Uzbekistan, I have determined that it is appropriate to extend GSP benefits to these two countries.

This notice is submitted in accordance with section 502(a)(1) of the Trade Act of 1974.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 17, 1994.*

MESSAGES FROM THE HOUSE

At 3:59 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3508. An act to provide for tribal self-governance, and for other purposes.

H.R. 4709. An act to make certain technical corrections, and for other purposes.

H.R. 4867. An act to authorize appropriations for high-speed rail transportation, and for other purposes.

H.R. 4868. An act to amend the Railroad Unemployment Insurance Act to reduce the waiting period for benefits payable under that Act, and for other purposes.

H.R. 4884. An act to authorize noncompetitive, career or career-conditional appointments for employees of the Criminal Justice Information Services of the Federal Bureau of Investigation who do not relocate to Clarksburg, West Virginia.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 1305) to make boundary adjustments and other miscellaneous changes to authorities and programs of the National Park Service, with an amendment, in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 2947) to extend for an additional 2 years the authorization of the Black Revolutionary War Patriots Foundation to establish a memorial.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4624) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1995, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two houses thereon; and appoints Mr. STOKES, Mr. MOLLOHAN, Mr. CHAPMAN, Ms. KAPTUR, Mr. TORRES, Mr. THORNTON, Mr. OBEY, Mr. LEWIS of California, Mr. DELAY, Mr. GALLO, and Mr. MCDADE as the managers of the conference on the part of the House.

At 7:14 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 285. Concurrent resolution directing the Secretary of the Senate to make technical corrections in the enrollment of S. 2182.

ENROLLED BILLS SIGNED

At 8:13 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 2815. An act to designate a portion of the Farmington River in Connecticut as a component of the National Wild and Scenic Rivers System.

H.R. 4812. An act to direct the Administrator of General Services to acquire by transfer the Old U.S. Mint in San Francisco, California, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second time by unanimous consent and referred indicated:

H.R. 4907. An act to reform the concept of baseline budgeting; referred jointly, pursuant to the order of August 4, 1977, to the Committee on the Budget, and to the Committee on Governmental Affairs.

H.R. 4709. An act to make certain technical corrections, and for other purposes; to the Committee on Indian Affairs.

H.R. 4868. An act to amend the Railroad Unemployment Insurance Act to reduce the waiting period for benefits payable under that Act, and for other purposes; to the Committee on Labor and Human Resources.

H.R. 4884. An act to authorize noncompetitive, career or career-conditional appointments for employees of the Criminal Justice Information Services of the Federal Bureau of Investigation who do not relocate to Clarksburg, West Virginia; to the Committee on Governmental Affairs.

ENROLLED BILL AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on August 17, 1994, she had presented to the President of the United States, the following enrolled bill and joint resolutions:

S. 2099. An act to establish the Northern Great Plains Rural Development Commission, and for other purposes.

S.J. Res. 153, Joint resolution to designate the week beginning on November 20, 1994 and ending on November 26, 1994, as "National Family Caregivers Week."

S.J. Res. 196. Joint resolution designating September 16, 1994, as "National POW/MIA Recognition Day" and authorizing display of the National League of Families POW/MIA flag.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3223. A communication from the Secretary of Defense, transmitting, pursuant to law, the report of the Joint Military Net Assessment for calendar year 1994; to the Committee on Armed Services.

EC–3224. A communication from the Acting Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the nondisclosure of Safeguards Information for the period April 1, 1994 through June 30, 1994; to the Committee on Environment and Public Works.

EC–3225. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the report of the Federal Housing Administration for fiscal year 1993; to the Committee on Governmental Affairs.

EC–3226. A communication from the Assistant Attorney General (Office of Legislative Affairs), transmitting, pursuant to law, the report of the Office for Victims of Crime for fiscal year 1992; to the Committee on the Judiciary.

EC–3227. A communication from the Secretary of Education, transmitting, pursuant to law, the report of final regulations—Strengthening Institutions Program; to the Committee on Labor and Human Resources.

EC–3228. A communication from the Secretary of Education, transmitting, pursuant to law, the report of final regulations—State Independent Living Services Program and Centers for Independent Living Program; to the Committee on Labor and Human Resources.

EC–3229. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, the sequestration update report for fiscal year 1995; referred jointly, pursuant to the order of August 4, 1977, to the Committee on the Budget, and to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–617. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation.

"JOINT RESOLUTION 40

"Whereas, The United States Passenger Services Act allows only United States-flagged ships to sail between United States ports, while foreign-flagged vessels are permitted to sail between California ports only as part of a longer journey; and

"Whereas, Historically, United States-flagged cruise lines were prohibited from offering gambling on board their vessels, while foreign-flagged vessels have always had gambling on board their vessels; and

"Whereas, The United States-flagged cruise industry has had difficulty in competing with foreign-flagged cruise lines; and

"Whereas, In order to level the playing field, in 1992 Congress amended the federal Johnson Act to allow United States cruise ships to offer gambling; and

"Whereas, Congress left the right to regulate or prohibit gambling on voyages or segments of voyages that are intrastate to the individual states, and

"Whereas, California's efforts to prohibit gambling cruises to nowhere have had the effect of prohibiting gambling on cruise ships traveling between California's ports, even as part of a longer journey; and

"Whereas. Cruise ships are declining to visit California ports, citing a ban on cruise ship gambling; now, therefore, be it

"*Resolved, by the Assembly and the Senate of the State of California jointly*, That tourism is an important and vital industry to California, and that passengers disembarking from cruise ships in California ports add significantly to our economic base; and be it further

"*Resolved*, That California memorializes Congress to amend the Johnson Act to remove California's authority to regulate gambling on cruise ships traveling to foreign ports or on segments of voyages going to another state or country; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–618. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works.

"JOINT RESOLUTION 52

"Whereas, Providing the American people with safe and wholesome drinking water has long been an important national objective; and

"Whereas, State and local water suppliers have attained this national objective by developing water systems that provide some of the safest drinking water in the world; and

"Whereas, The water suppliers of this country have worked with state and federal officials to ensure this safe water at a reasonable cost; and

"Whereas, Water treatment techniques applied in this country have eradicated waterborne organisms that have historically resulted in widespread disease and death; and

"Whereas, Federal legislation and legislation enacted by many states aims to ensure that the quality of drinking water remains at a level that will protect the public health and safety from the threats posed by contaminants, both naturally occurring and those introduced by human activity, with particular legislative emphasis on significantly reducing public exposure to substances that may cause cancer of birth defects; and

"Whereas, The federal Safe Drinking Water Act (42 U.S.C. 300f et seq.) is the foundation for this nation's drinking water protection, including an aggressive federal regulatory program administered in most states by the United States Environmental Protection Agency (EPA) and, in states that have qualified for "primacy," by state regulatory agencies; and

"Whereas, The technical ability to detect and monitor the presence of substances in drinking water has, in some cases, outstripped scientific understanding of the impact of those substances on public health and safety; and

"Whereas, On at least one occasion, in commenting on proposed federal regulations regarding radon in drinking water, the EPA's own Science Advisory Board criticized the regulatory principles that the EPA has relied on in promulgating regulatory requirements, questioning whether those requirements will significantly improve the public health; and

"Whereas, Increasing regulatory requirements and concomitant costs threaten to make water a very expensive commodity, with the potential to place a significant financial burden on many Californians; and

"Whereas, The use of financial resources to promulgate and enforce water quality regulations, some of which may be of minimal protective value, occurs at a time when the people of this country, particularly those in California are having difficulty providing funding for many government programs and for needed improvements in our public infrastructure; and

"Whereas, National and state water organizations, associations of public health officials, the National Governors Association, and the National Association of State Legislatures, have proposed amendments to the federal Safe Drinking Water Act that will both maintain a program to protect the public health and minimize some of the negative regulatory impacts on the water systems and the water consumers of this country: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly* That the Legislature of the State of California respectfully memorializes the President and Congress of the United States, when the federal Safe Drinking Water Act is reauthorized, to adopt amendments to that act that will preserve the federal requirements that ensure the protection of the public health and safety but will reduce the regulatory burden on drinking water providers and, in turn, reduce the financial burden on the citizens of this nation; and

"*Resolved*, That the Legislature respectfully memorializes the President and Congress to adopt amendments to the federal Safe Drinking Water Act recommended by various state and national water organizations, associations of public health officials, and the National Governors Association, that do all of the following:

"(a) Revise present law that requires the EPA to establish water quality standards for 83 specified contaminants and requires the EPA to establish standards every three years thereafter for 25 additional contaminants, to, instead, require standards to be established in addition to the original list of 83 contaminants only when it is determined that a substance present in drinking water poses a potential public health risk.

"(b) Require the EPA to revise the list of regulated substances or the standards applicable to those substances if new scientific findings indicate that a regulated substance does not pose a threat to the public health or safety or does not require as stringent a standard.

"(c) Revise monitoring requirements so that the frequency of routine testing and reporting is reduced to a minimum when a

public water system demonstrates that a substance is not, and has not historically been, present in its water supply.

"(d) Replace existing public notification requirements that may cause undue public concern with more flexible rules that allow for adjusting the content of a public notice to the degree of health risk present.

"(e) Recognize that, while some substances that pose a health hazard, such as radon, may be present in water, remediation efforts should be more heavily focused on the medium that poses the greatest risk of exposure, such as indoor air in the case of radon exposure, where those remedial efforts are more likely to provide the greatest public health benefits; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Administrator of the Environmental Protection Agency."

POM-619. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works.

"JOINT RESOLUTION 51

"Whereas, The Metropolitan Water District of Southern California, Upper San Gabriel Valley Municipal Water District, Three Valleys Municipal Water District, San Gabriel Valley Municipal Water District, and the Main San Gabriel Basin Watermaster jointly studied conjunctive use as a means to control the migration of groundwater contamination in the Main San Gabriel Groundwater Basin; and

"Whereas, The Federal Environmental Protection Agency published the Baldwin Park Operable Unit Feasibility Study Report and Proposed Plan; and

"Whereas, The feasibility study includes an analysis of four project design alternatives to remedy contaminated groundwater in the Main San Gabriel Groundwater Basin, with two of the four project design alternatives incorporating the elements of conjunctive use; and

"Whereas, The Federal Environmental Protection Agency selected an alternative in the Proposed Plan that did not incorporate conjunctive use as the plan's preferred remedy; and

"Whereas, The Region IX Administrator of the Environmental Protection Agency is scheduled to sign the Record of Decision (ROD) for the Baldwin Park Operable Unit Cleanup Project in late March or early April; and

"Whereas, Following the signing of the ROD, negotiations to compel the responsible parties to design and construct the selected remedy will begin; and

"Whereas, The Board of Directors of the Metropolitan Water District of Southern California has committed financial support for a Baldwin Park Operable Unit Cleanup Project that incorporates conjunctive use; and

"Whereas, Public Law 102-575 authorizes 25 percent cost sharing from the Bureau of Reclamation for a Baldwin Park Operable Unit Cleanup Project that incorporated conjunctive use; and

"Whereas, The combined funding provided by the Metropolitan Water District of Southern California and the federal Bureau of Reclamation could potentially provide cost savings for the responsible parties; and

"Whereas, The Metropolitan Water District of Southern California and the Main San Gabriel Basin Watermaster, the court-appointed entity having the responsibility for managing the Main San Gabriel Groundwater Basin, are working to develop the Conjunctive Use and Basin Cleanup Agreement to govern the operation and management of conjunctive use in the Main San Gabriel Groundwater Basin; and

"Whereas, The incorporation of conjunctive use into the remedial design would accomplish the objectives of controlling the migration of groundwater contaminants and maximizing contaminant removal; and

"Whereas, The California Legislature concludes that the incorporation of conjunctive use into the remedial design would provide broad benefits to the Main San Gabriel Groundwater Basin and the affected region that are superior to those that would be realized by the alternative selected by the federal Environmental Protection Agency in the Proposed Plan; and

"Whereas, The California Legislature believes that the incorporation of conjunctive use into the remedial design would be the preferred means by which to remove significant contamination and to augment the region's water supply: Now therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the Administrator of the Environmental Protection Agency to incorporate conjunctive use into the remedial design for the purpose of remedying groundwater contamination in the Main San Gabriel Groundwater Basin; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Administrator of the Environmental Protection Agency."

POM-620. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"JOINT RESOLUTION 1

"Whereas, The closing of Norton Air Force Base in March of 1994 will result in the loss of more than 4,000 jobs in the San Bernardino area; and

"Whereas, The site of Norton Air Force Base is ideally suited for the location of a foreign trade zone center and the existing base airport and surrounding facilities could be easily adapted to accommodate a foreign trade zone; and

"Whereas, Foreign trade zones are designated sites licensed by the Foreign Trade Zones Board under the United States Department of Commerce that permit domestic transactions involving foreign products to take place as if those transactions were conducted outside United States Customs territory, thus offsetting trade advantages available to foreign producers who export in competition with United States producers; and

"Whereas, Foreign trade zones facilitate and expedite international trade, assist in state and local economic development efforts, and create new employment opportunities; and

"Whereas, A foreign trade zone center at Norton Air Force Base, in addition to the Lockheed Corporation facility and a proposed Department of Defense Finance Accounting Center, would serve as anchor tenants employing nearly 10,000 people: Now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States and the Foreign Trade Zone Board under the United States Department of Commerce to designate the airport located at Norton Air Force Base in San Bernardino County as a foreign trade zone center; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Secretary of Commerce, the Chairman of the Foreign Trade Zone Board, the Speaker of the House of Representatives, and each Senator and Representative from California in the Congress of the United States."

POM-621. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION 69

"Whereas, the lingering recession has hit California families hard through the loss of jobs and deflation of the housing market; and

"Whereas, many Californians have had sizable amounts of money invested in their homes; and

"Whereas, many Californians have suffered from deep depreciation in the value of their homes and are being forced, by circumstances, to sell their homes for a loss; and

"Whereas, the Internal Revenue Code treats nonreinvested profits from the sale of a home as capital gain; and

"Whereas, the same tax code makes no comparable allowance for those who realize a capital loss on the sale of a home: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to provide tax relief to homeowners caught in the largest housing market depression in many years by providing for the recognition of a capital loss on the sale of a principal residence; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-622. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION 70

"Whereas, the federal income tax burden during the past four decades has increased by more than 300 percent as a share of family income; and

"Whereas, measuring average after-tax per capita income, families with children are the lowest income group in America, with average after-tax income below that of elderly households, single persons, and couples without children; and

"Whereas wage stagnation and an ever-increasing tax burden has forced a growing number of families to rely on two wage earners to make ends meet; and

"Whereas, in 1948, a family of four at the median family income level paid just 2 percent of its income to the federal government in taxes; and

"Whereas, in 1989, that same family paid nearly 24 percent of its income to the federal government in taxes; and

"Whereas, the personal exemption for children was intended to help offset the costs of raising a child; and

"Whereas, in 1948, the personal exemption was six hundred dollars ($600), or roughly 20 percent of the median income for two-parent families, and for a family of four shielded 80 percent of personal income from taxation; and

"Whereas, to have the same value to families today as it did in 1948, the personal exemption would have to be raised from two thousand three hundred fifty dollars ($2,350) to eight thousand dollars ($8,000) and continue to be indexed to inflation; and

"Whereas, the effect of this ever-shrinking exemption penalizes the most vulnerable members of our society, our children; and

"Whereas, our children are the most likely members of our society to live in poverty, in part because their parents are not able to keep enough of their wages after taxes to properly feed, clothe, and shelter their children; and

"Whereas, in 1948, as much as 80 percent of personal income was exempt from federal income taxation, and this relatively low level of taxation helped to fuel the growth of the strongest economy in the world; and

"Whereas, our economy would be strengthened by returning substantial tax dollars to our citizens; and

"Whereas, American families are struggling to make ends meet; and

"Whereas, the fact that an increasing number of our children grow up in single-parent households makes it all the more imperative that we relieve the tax burden on their parents: Now therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to reduce the tax burden on children and families by restoring the inflation-eroded value of the personal exemption by increasing that exemption from two thousand three hundred fifty dollars ($2,350) to eight thousand dollars ($8,000), and continuing to index the exemption to inflation; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and each Senator and Representative from California in the Congress of the United States."

POM-623. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

POM-624. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION 75

"Whereas, the President of the United States and the President of Mexico signed an agreement on August 14, 1993, entitled 'Agreement Between the United States of American and United Mexican States in Cooperation for the Protection and Improvement of the Environment in the Border Area'; and

"Whereas, the Board of Supervisors of Imperial County and the Mexican State of Baja California Norte, on December 14, 1993, entered into a memorandum of understanding concerning environmental matters; and

"Whereas, the recent approval of the North American Free Trade Agreement (NAFTA) strengthens the economic and environmental ties between Mexico and the United States; and

"Whereas, the New River, which originates in Mexico and flows northward across the international boundary into California's Imperial County, is the most contaminated river in the United States, and is aesthetically repulsive to the residents of, and visitors to, Imperial County; and

"Whereas, the Governor, on October 6, 1993, documented the health and public safety dangers associated with the unregulated discharges into the New River in a state of emergency proclamation; and

"Whereas, due to the international nature of this problem, it is the obligation if the United States, on behalf of the residents of the State of California and Imperial County, to implement adequate measures to correct the contamination of the New River caused by discharges within the Republic of Mexico; and

"Whereas, the contamination of the New River is caused by uncontrolled discharges of raw and inadequately treated sewage, highly toxic industrial, chemical solid and geothermal waste and seepage from major garbage dumps slaughter houses, and industrial refuse within or near the City of Mexicali into the New River; and

"Whereas, the contaminated waters of the New River flow into the Salton Sea, which discharges are incompatible with the ecological, recreational, and other beneficial uses associated with the Salton Sea; and

"Whereas, Federal, state, and local public officials have documented the clear and present danger that the contaminated New River presents to residents of, and visitors to, Imperial County; and

"Whereas, immediate action to clean up the New River is essential for the health and safety of the public: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to implement measures in cooperation with the Republic of Mexico and state and local public officials, to correct the contamination of the New River caused by discharges within the Republic of Mexico; and be it further

"*Resolved*. That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, each Senator and Representative from California in the Congress of the United States, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, and the Governor of California."

POM-625. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary.

"ASSEMBLY JOINT RESOLUTION 77

"Whereas, the prison system in California is seriously overcrowded and is currently operating at 180 percent capacity; and

"Whereas, approximately 16,000 or 15 percent of all prison inmates who are imprisoned in California are undocumented aliens who have been convicted of felony offenses under state law; and

"Whereas, the cost of imprisonment in California is twenty-two thousand dollars ($22,000) per prison inmate per year, which totals approximately three hundred fifty million dollars ($350,000,000) per year to imprison undocumented alien criminal offenders; and

"Whereas, the federal government is responsible for immigration policy and should bear the cost of imprisonment for undocumented alien criminal offenders; and

"Whereas, the Congress of the United States is considering the construction of 10 new regional federal prisons as part of the Omnibus Crime Bill: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to immediately enact legislation to construct new federal prisons and to transfer undocumented alien criminal offenders who are presently imprisoned in state prisons to the new federal facilities as a first priority in order to relieve California and other states from the financial burden of imprisoning dangerous convicted criminals who have entered the country illegally; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Attorney General of the United States, the Speaker of the House of Representatives, and each Senator and Representative from California in the Congress of the United States."

POM-626. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary.

"ASSEMBLY JOINT RESOLUTION 84

"Whereas, the Armenians, among us, have contributed to the progress and betterment of life through agriculture, commerce, teaching, the professions, churches, and community and worldwide organizations; and

"Whereas, the United States of America has repeatedly gone on record in support of human rights around the world; and

"Whereas, it is well documented that approximately 1,500,000 Armenians were massacred in Turkey during the years 1915 to 1918, although this genocide has been consistently denied by the Turkish government; and

"Whereas, by their own resolute Christian faith and will to survive and live again, and the generosity of many in the United States of America resulting in relief operations, a fraction of the survivors were rescued and subsequently immigrated to this country; and

"Whereas, the Armenians in some other countries must continue to endure daily acts of oppression, such as denial of their basic human rights, confiscation of their churches and schools, and punishment for speaking their native language openly; and

"Whereas, April 24, 1915, is the date historians have marked as the beginning of the massacre and consequently this day should be a day of reflection by all Armenians and other Americans; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to designate April 24 as 'National Day of Remembrance' and requests the President of the United States to issue a proclamation calling upon the people of the United States to observe that day as a day of remembrance for all the victims of genocide, especially those of Armenian ancestry who succumbed to the genocide perpetrated in 1915, and in whose memory this date is commemorated by all Armenians and their friends throughout the world; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to

the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-627. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary.

"ASSEMBLY JOINT RESOLUTION 78

"Whereas, Congress has proposed to create the 'Public Safety Partnership and Community Policing Act of 1993,' establishing a program of grants and assistance to the states for a period of six years for the hiring and rehiring of additional career law enforcement officers; and

"Whereas, the purpose of this program is to increase police presence, to expand and improve cooperative efforts between law enforcement agencies and members of the community to address crime and disorder problems, and to otherwise enhance public safety; and

"Whereas, the ability of state and local law enforcement agencies to qualify for these grants is dependent on their ability to provide matching funds; and

"Whereas, these nonfederal matching funds must provide 25 percent of costs of the program, project, or activity provided under a grant; and

"Whereas, for a grant for a period exceeding one year for hiring or rehiring career law enforcement officers, the federal share shall decrease from year to year for up to five years when state or local grant recipients shall be required to fully fund the program, project, or activity provided under a grant; and

"Whereas, the State of California has been experiencing a severe, persistent, and continuing recession that has resulted in four successive years of contraction of the state and local budgets; and

"Whereas, as a result of the recession, most California law enforcement agencies have seen a reduction in their budgets; and

"Whereas, declining revenues will make it impossible for many California law enforcement agencies to meet the matching funds requirement contained within the proposed 'Public Safety Partnership and Community Policing Act of 1993' without impacting existing programs; and

"Whereas, those California communities suffering the most severe budget shortfalls are experiencing the greatest impact of crime and would benefit most from access to the federal grant program; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to include in the 'Public Safety Partnership and Community Policing Act of 1993' an exemption for California law enforcement agencies from meeting the matching funds requirement; and be it further

"*Resolved*, That if no exemption for California law enforcement agencies is forthcoming, the President and the Congress should give the Attorney General broad authority to waive the matching funds requirement; and be it further

"*Resolved*, That local officials should also be permitted to use the funds in the most flexible manner so that they may be applied to the most pressing local needs, which include using the funds to keep existing police officers on the streets longer, for improved communications technology, and for necessary equipment; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-628. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary.

"JOINT RESOLUTION 46

"Whereas, An estimated 18,000 illegal aliens who are convicted felons are being housed and fed in California's state prisons, five times more than any other state, have cost California taxpayers more than one billion dollars in the last five years, and will cost a projected $375 million during the 1994-1995 fiscal year; and

"Whereas, California's prisons are overcrowded at 180 percent of capacity; and

"Whereas, California's current inmate population is over 120,000 inmates as of March 1994, which is nearly double the system's design capacity; and

"Whereas, The state prison population is projected to grow to at least 141,000 by 1997-1998; and

"Whereas, California is suffering from a severe fiscal crisis; and

"Whereas, The United States Congress is making trade agreements with other countries: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to negotiate with countries to whom the United States gives foreign aid or with whom the United States enters into trade agreements, for an agreement to require that nationals convicted of felonies in the United States, when they have entered the United States illegally, serve their prison sentences in their country of origin and that the term of each sentence to be served in a country of origin shall be comparable to the sentence imposed in the state within the United States wherein the crime occurred; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-629. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary.

"JOINT RESOLUTION 81

"Whereas, United States Senator Dianne Feinstein (D-California) has introduced a bill (S. 1522) which would direct the United States Sentencing Commission to promulgate guidelines or amend existing guidelines to provide sentencing enhancements of not less than three offense levels for hate crimes; and

"Whereas, United States Congressman Charles E. Schumer (D-New York) has introduced a bill (H.R. 1152) which would direct the United States Sentencing Commission to promulgate guidelines or amend existing guidelines to provide sentencing enhancements of not less than three offense levels for hate crimes; and

"Whereas, Those two bills combine to make up the 'Hate Crimes Sentencing Enhancement Act of 1994'; and

"Whereas, The Sacramento area has witnessed and is still recovering from a series of racially motivated violent incidents, including the firebombings of the local National Association for the Advancement of Colored People headquarters, the Japanese-American Citizens League headquarters, the office of the Department of Fair Employment and Housing, the home of City Councilman Jimmie Yee, and the B'Nai Israel Synagogue; and

"Whereas, California is a multiracial, multicultural state which expects to have a majority of communities of color by the year 2010; and

"Whereas, The Legislature has demonstrated repeated dedication to the abolition of hate crimes by passing major pieces of hate crimes legislation that have come before them: Now, therefore, be it

"*Resolved, by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to swiftly pass and sign into law the "Hate Crimes Sentencing Enhancement Act of 1994"; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-630. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary.

"JOINT RESOLUTION 60

"Whereas, Persons who lawfully reside in the United States, whether they be American citizens, immigrants, or persons working or studying in the United States on a visa, have traditionally been assured their spouses and children could also lawfully reside in the United States; and

"Whereas, Family unity has always been a cornerstone of American immigration policy; and

"Whereas, The spouses and children of persons who have become permanent residents, through the amnesty provisions of the Federal Immigration Reform and Control Act of 1986 (IRCA) do not enjoy the same derivative rights; and

"Whereas, The result is that the spouses and children of many of the nearly 1.5 million persons in California who have become permanent residents of the United States are subject to deportation as undocumented persons even though their spouses or parents may lawfully reside and work in the United States; and

"Whereas, The federal Immigration and Naturalization Service has deported or has begun procedures to deport the spouses and children of persons who have in good faith secured amnesty under the laws of the United States; and

"Whereas, It is a waste of taxpayer funds to commence deportation proceedings, resulting in costly litigation, when virtually all of the children and spouses of persons granted amnesty under IRCA will eventually become lawful permanent residents through petitions filed by their spouses or parents within a few years; and

"Whereas, The two separate amnesty provisions of IRCA were available to applicants for the period of May 5, 1987, to November 30, 1988, inclusive, and thus, the persons and families affected are necessarily limited in number; and

"Whereas, It would not be in the sense of fairplay and justice to destroy families; and

"Whereas, It is nonsensical for American society to grant amnesty to parents and

leave their children subject to deportation: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to do all of the following:

(1) Review the actions of the Immigration and Naturalization Service with respect to deportation procedures for the children and spouses of permanent residents who were under the amnesty provisions of IRCA and (2) amend Section 301 of the Immigration Act of 1990 to ensure that the spouses and children of permanent residents who are legalized under the amnesty provisions of IRCA are afforded family unity protection; and be it further

"*Resolved*, That the President is strongly urged to issue an executive order that will direct the Immigration and Naturalization Service to cease any deportation actions that it may be taking against the spouses and children of permanent residents until the effective date of the amendments to Section 301 of the Immigration Act of 1990 described above; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-631. A joint resolution adopted by the Legislature of the State of California; to the Committee on Labor and Human Resources.

"ASSEMBLY JOINT RESOLUTION 80

"Whereas, it is estimated that one of every nine women in the United States will develop breast cancer, with more than 36,000 women in their 40s dying each year from this disease; and

"Whereas, there were 175,000 new cases of breast cancer diagnosed and 44,500 breast cancer deaths reported in 1991; and

"Whereas, the five-year relative survival rate in women whose breast cancer is detected early when the disease is localized is over 90 percent, while the five-year relative survival rate drops to 18 percent when the disease is not detected early; and

"Whereas, breast cancer is a critical health concern for women, not only because it threatens life itself, but also because of its impact on the self-image and quality of life of women; and

"Whereas, women are more likely than men to have no health insurance because they are concentrated in small businesses and low-wage, part-time, or temporary work and their health needs and the illnesses that are more prevalent in women, such as breast cancer, have historically been ignored in clinical research: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the state of California memorializes the President and the Congress of the United States to include the provision for mammograms and other women's health care needs as an integral part of any nationwide health care benefit reform package; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and each Senator and Representative from California in the Congress of the United States."

POM-632. A joint resolution adopted by the Legislature of the State of California; to the Committee on Labor and Human Resources.

"ASSEMBLY JOINT RESOLUTION 44

"Whereas, today, over 37 million Americans and over 6 million Californians lack health insurance, constituting a public crisis that adversely impacts the quality of our health as well as our economy; and

"Whereas, title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272) has brought relief to approximately one million Americans every year who face the loss of group health insurance through termination of employment, the death of a spouse, or other qualifying event; and

"Whereas, the Consolidated Omnibus Budget Reconciliation Act of 1985 requires employers to offer, at the employee's expense, the continuation of group health insurance at group rates, to enrollees and their eligible dependents whose group coverage would otherwise end due to termination of employment, death of a spouse, or other qualifying event; and

"Whereas, the terminated employee, the spouse of a deceased employee, or other dependent, may continue coverage for 18 to 36 months after a change in work or family status; and

"Whereas, the rate for coverage is not to exceed 102 percent of the applicable premium charged for that employee's coverage for the applicable period preceding that employee's termination of employment; and

"Whereas, a gap exists in this continuation coverage, to wit, terminated employees or dependents of employees cannot continue their COBRA coverage beyond 36 months; and

"Whereas, Americans between the ages of 50 and 64 who lose group health insurance often have difficulty replacing it with affordable insurance and are disproportionately affected by this gap in COBRA coverage; Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Congress and President of the United States are respectfully memorialized to extend the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272) to enable individuals 50 years of age or older to continue participating in their employer provided group health plan after a qualifying event until the qualified beneficiary or beneficiary's spouse has attained the age to qualify for Medicare, or a beneficiary's dependent minor has reached the legal age of adulthood; and be it further

"*Resolved*, Consistent with existing law, continuation coverage shall provide for health care benefits at a rate not to exceed 102 percent of the premium charged for that employee's coverage for the applicable period preceding that employee's termination of employment or change in work status without medical qualification or exclusions for preexisting medical conditions; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Majority Leader of the United States Senate, and to the United States Secretary of Health and Human Services."

POM-633. A resolution adopted by Board of County Commissioners, Okaloosa County, Florida relative to Federal mandates; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following report of committees were submitted on August 16, 1994:

By Mr. INOUYE, from the Committee on Indian Affairs, with an amendment:

H.R. 734: A bill to amend the Act entitled "An Act to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes." (Rept. No. 103-338).

The following report of committees were submitted on August 17, 1994:

By Mr. INOUYE, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 2329. A bill to settle certain Indian land claims within the State of Connecticut, and for other purposes (Rept. No. 103-339).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROTH:

S. 2400. A bill to establish the Northern Yukon-Arctic International Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DECONCINI:

S. 2401. A bill to establish the National Commission on Major League Baseball, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 2400. A bill to establish the Northern Yukon-Arctic International Wildlife Refuge, and for other purposes; to the Committee on Environment and Public Works.

NORTHERN YUKON-ARCTIC INTERNATIONAL WILDLIFE REFUGE ACT

• Mr. ROTH. Mr. President, I address our needs as well as our opportunities for international cooperation to protect our world's circumpolar region.

During my years in the Congress I have expressed my sincere ideology concerning mankind's responsibility to the environment. Simply stated, it is that man is bound to serve nature through an environmental ethic. Mankind has the responsibility to pass on a life-giving, life-sustaining environment to future generations. Our natural and cultural heritage rank high among our most priceless and irreplaceable possessions. To lose any of these possessions would be a loss to all of mankind.

It is often exhibited that all ecosystems—from Alaska to Africa, South America to Saudi Arabia—are inextricably connected. Not only can destruction in one small area bruise the conscience of man, but it can affect the fragile ecological balance of a tiny world appear more vulnerable with

each passing day. Perhaps this environmental transcendentalism is nowhere more apparent than in the circumpolar region which serves as a sink for global pollution. It gathers the wastes and fallout from all that surrounds it, and we all know the tragic consequences befalling the fragile ecosystem and biosphere. The wind, water, fish, fowl, caribou, and other animals and plants know no political boundaries. Whether the pollution that threatens their pristine and fragile environment comes from the Soviet Union, Brazil, Eastern Europe, or the United States is of little consequence—especially when the contamination begins to affect the native peoples who depend on the ecosystem.

Likewise, the contamination of this precious international resource poses a threat to the Arctic region as scientific laboratory for comparisons of the Earth's health. As someone recently put it: "if the Arctic systems fail, the health and the understanding of the health of the entire planet fails." It is for those and other reasons that I commend proposals that encourage international cooperation to protect the precious Arctic area. The Finnish and Pisces initiatives and the Beringia Cooperative Agreement are very important steps in this process. Likewise, I'm proud to announce my own piece of legislation, that I am introducing today.

Mr. President, today I am introducing legislation to establish a Northern Yukon-Arctic International Wildlife Refuge. Its purpose is to bring these two great nations together in historic cooperation to permanently protect the last complete Arctic ecosystem in North America, North America's serrengethi, to fulfill our responsibility as stewards of our land, its resources and the life that depends on it.

This effort will protect all shared wild bird resources native to North America that are in an unconfined state and that are protected under the Migratory Bird Treaty Act. Likewise, it protects wetlands, marine mammals—including seals, walruses, whales, and polar bears; and it maintains our commitment to the principles of caribou management as prescribed under the Porcupine Management Agreement. And it provides for continued protection of marine and anadromous fish species that inhabit the coastal waters of the Beaufort Sea. Finally, it reaffirms the commitments we made to the residents of these lands, to continue to provide them with the opportunity for subsistence uses for the resources of these lands.

Each of these objectives is worthy, and this bill is an important step toward caring for our stewardship in the entire Arctic National Wildlife Refuge as it is currently administered under the National Wildlife Refuge Administration Act. However, most important is that this bill demonstrates the willing spirit and many opportunities nations can take advantage of toward the objective of protecting our environment. It is a first step—an important first step. But it is my hope that it serves as an example of what nations can do with shared objectives, a spirit of cooperation, and little bit of effort.

It is also my hope that we can build on this effort to actively pursue arctic agreements that lead to an arctic refuge protection plan. Such a plan should include international protection for shared lands and waters, cultural and historical sites, and management of fish, birds and wildlife, as well as international cooperative efforts to control the sources of pollutants that affect this fragile environment. The legislation that I am introducing today should be one of the building blocks for this effort.●

By Mr. DECONCINI:

S. 2401. A bill to establish the National Commission on Major League Baseball, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL COMMISSION ON MAJOR LEAGUE BASEBALL ACT OF 1994

Mr. DECONCINI. Mr. President, I know that we all are very much consumed on the health care. The debate has been going on for some time.

There is something that is really, really important that people are missing in this country, and that is baseball. I want to talk about it for a moment.

Today I am introducing legislation that would establish a five-member, National Commission on Major League Baseball. The purpose of this Commission is very simple. This panel will do for baseball, and the baseball fans of America, what baseball has been unable to do for itself—that is keep the focus on the game and not on the lawyers, and more importantly make the game accountable to the millions of Americans who call themselves baseball fans.

This Commission will have oversight and regulatory control over major league baseball. In particular, the Commission will have the ability to investigate many areas of major league baseball, including expansion, ticket prices, stadium financing, television revenues, and marketing and merchandising. Most importantly, however, is the Commission's power to conduct binding arbitration in the event of a labor impasse. Given that we are currently in the eighth work stoppage in the past 22 seasons, it is unfortunate, but obvious, that baseball cannot put its own house in order. The need for this authority has never been more clear than it is today.

Once again, the players and the owners have betrayed the American public and put their own self-interests above those of the fans. To the average fan, salary caps and labor negotiations do not matter. The average fan feels no sympathy for either the multimillion-dollar players or the multimillion-dollar owners. All the average fan wants to do is enjoy baseball. This Commission is intended to give them that opportunity.

While developing this Commission, I envisioned a panel which could act as an impartial commissioner of the national pastime. Unfortunately, baseball does not have a commissioner at this time despite the repeated promises to appoint one. With all due respect to Mr. Selig—I know him, he is a fine man, and a very good businessman—this game needs a strong, impartial leader who can be guided not solely by the interests of the players or the owners, but by the best interests of the game. Accordingly, this must involve the views of the fans.

Under the legislation, the President will select three individuals from the millions who proudly call themselves baseball fans to serve on the Commission. This Commission may not resolve the myriad of problems which plague the game, but it will give the fans a much needed voice in the debate. Additionally, the Commission will have a member chosen from among the players and a member chosen from among the owners. The panel will have the power to hold hearings and to obtain all relevant documents and other evidence in order to make their review as comprehensive as possible. If the parties will not unilaterally disclose their positions then this legislation will compel them to do so. The distrust and secrecy between the players and the owners has made reaching a compromise all the more difficult. If we are to address these issues and the concerns of the respective parties, it can only be done through complete disclosure. This Commission has the power to make certain that reality and not rhetoric is the basis for any discussion of these issues.

Many people might wonder why, or if, Government should involve itself in this matter. But the Government is already involved and has, in effect, created a baseball monopoly. Baseball is special and receives special treatment through the antitrust immunity.

This exemption allows baseball to operate as one large entity which operates free of the threat of competition, despite the fact that competition is the hallmark of American free enterprise. In other instances where we create a monopoly, such as utilities, no one questions the Government's authority to regulate the industry. In essence we grant the monopoly, but we do so with the understanding that this rare exception has conditions, one of which is the Government's right to regulate.

And the players are just as much at fault. They could settle this but, no, they have three or four agents that

hold out and really do not care about the fans.

Many will argue that we should simply repeal the exemption. Frankly, that day may be coming, but at this point I think the larger issue is whether or not the game can police itself—I have not seen much recently to suggest that it can. Proponents of the exemption cite the unique place of baseball in American society. This raises the obvious question of how many times will the game which claims to be uniquely American walk away from the American public? My legislation is a compromise between the two positions which lets the exemption remain for the time being, but subjects the monopoly to regulation. Furthermore, my bill requires the Commission to study the need for the anti-trust exemption and the effects of its possible repeal and report to Congress on their findings within 3 years. This study will allow Congress to better understand the consequences of continuing or repealing the anti-trust exemption. That decision, when and if it is made, should be an informed one, and the Commission will help in that regard.

Critics will argue that this Commission is ill conceived, that it places complex issues in the hands of those who lack the knowledge or understanding to resolve them. To those critics, I suggest that what this situation desperately needs is a little perspective and a good dose of reality. Who better to provide it than the very people who fill the coffers of the players and owners by going to the games, by purchasing the merchandise, by supporting the advertisers who pay the enormous television contracts? One thing is clear, the current system has failed and it is time for new ideas.

It is true that baseball is a uniquely American game. But with that special place in American culture comes a responsibility to the American public. The select few who constitute the ownership and players of major league baseball must preserve the game for the enjoyment of all fans. When the games stopped last week, fans were enjoying perhaps the finest season in many years. Matt Williams, Ken Griffey, Jr., and Frank Thomas were all chasing Roger Maris's home run record. Houston Astro Jeff Bagwell might have become the first triple crown winner since 1967. On the field the game was living up to its proud tradition. But now this fine season has been taken away and replaced with sound bites of lawyers from both sides who always find a new way to say, "we've made no progress." The baseball fans of America are the most loyal and dedicated in all of sports, they deserve better. They deserve a chance to watch the game they love—this Commission will give them that chance.

Mr. President, I compliment the Senator from Ohio here, who has tried to bring public attention to this in a different way, by lifting the exemption. I have not been a supporter of that because I am not convinced that it is going to solve the problem. I have given it a lot of thought, and I came to the conclusion that we need to regulate this monopoly, not just open it up by taking the exemption away. Critics will argue that the commission is ill-conceived and places complex issues in the hands of those who lack the knowledge or understanding to resolve them. To those critics, I suggest that what the situation desperately needs is a little perspective and a good dose of reality.

Who better to provide it than the very people who fill the coffers of the players and the owners by going to the game, by purchasing the merchandise, by supporting the advertisers who pay the enormous television contracts?

You know who that is: the baseball fans.

One thing is clear, the current system has failed, it is broken, it is not working.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2401

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "National Commission on Major League Baseball Act of 1994".

SEC. 2. ESTABLISHMENT.

There is hereby established the National Commission on Major League Baseball (hereafter in this Act referred to as the "Commission").

SEC. 3. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of five members, all of whom shall be appointed by the President. The President shall appoint—

(1) one member after consultation with the Major League Baseball Players Association;

(2) one member after consultation with the owners of Major League Baseball; and

(3) three members (after consultations with baseball fan organizations and the informal solicitation of recommendations from the general public), one of whom the President shall designate as Chairman of the Commission.

(b) TERM.—Members of the Commission shall be appointed for a six year term. No individual may serve as a member for more than one term.

(c) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but the Commission may provide for the taking of testimony and the reception of evidence at meetings at which there are present not less than three members of the Commission.

(d) APPOINTMENT DATE.—The first appointments made under subsection (a) shall be made within 60 days after the date of enactment of this Act.

(e) FIRST MEETING.—The first meeting of the Commission shall be called by the Chairman and shall be held within 90 days after the date of enactment of this Act.

(f) PUBLIC MEETINGS.—All Commission meetings shall be open to the public.

(g) VACANCY.—If any member of the Commission is unable to serve a full term or becomes unqualified to serve in such position, a new member shall be appointed to serve the remainder of such term of office, within 45 days of the vacancy, in the same manner in which the original appointment was made.

SEC. 4. DUTIES OF THE COMMISSION.

The duties of the Commission are to oversee and regulate any aspect of Major League Baseball, where, in the opinion of the Commission, it is in the best interests of baseball to intervene, including but not limited to the—

(1) conduct of binding arbitration in the event of a labor impasse;

(2) setting of ticket prices;

(3) expansion and relocation of franchises;

(4) financing of any stadium;

(5) regulation of television revenues;

(6) regulation of marketing and merchandising revenues; and

(7) revenue sharing disputes among the owners of Major League Baseball.

SEC. 5. POWERS OF THE COMMISSION.

(a) HEARINGS AND MEETINGS.—The Commission or, on authorization of the Commission, a panel of at least three members of the Commission, may hold such hearings, sit and act at such time and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(b) OBTAINING DATA.—The Commission may secure directly from any Federal department, agency, or court information and assistance necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of such agency or department shall furnish such information or assistance to the Commission. In addition, the Commission may request any relevant information from any appropriate parties with an interest in Major League Baseball.

(c) SUBPOENA POWER.—

(1) ISSUANCE.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. The attendance of witnesses and the production of evidence may be required from any place within a judicial district at any designated place of hearing within the judicial district.

(2) ENFORCEMENT.—If a person issued a subpoena under paragraph (1) refuses to obey the subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which the person is found or resides or transacts business may (upon application by the Commission) order the person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey the order of the court may be punished by the court as a contempt of the court.

(3) MANNER OF SERVICE.—A subpoena of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) PLACE OF SERVICE.—All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(d) FACILITIES AND SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such facilities and support services as the Commission may request. Upon

request of the Commission, the head of a Federal department or agency may make any of the facilities and services of such agency available to the Commission to assist the Commission in carrying out its duties under this Act.

(e) EXPENDITURES AND CONTRACTS.—The Commission or, on authorization of the Commission, a member of the Commission may make expenditures and enter into contracts for the procurement of such supplies, services, and property as the Commission or member considers appropriate for the purposes of carrying out the duties of the Commission. Such expenditures and contracts may be made only to such extent or in such amounts as are provided in appropriations Acts.

(f) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal departments and agencies of the United States.

SEC. 6. COMPENSATION OF THE COMMISSION.

(a) PAY.—Each member of the Commission shall be a full-time Federal employee and shall be paid at an annual rate of basic pay payable for level II of the Executive Schedule under section 5313 of title 5, United States Code.

(b) TRAVEL.—Members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

SEC. 7. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) STAFF.—

(1) APPOINTMENT.—The Chairman of the Commission may appoint and terminate no more than ten staff personnel to enable the Commission to perform its duties.

(2) COMPENSATION.—The Chairman of the Commission may fix the compensation of personnel without regard to the provisions of chapter 51 and subchapter II of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(b) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services of experts and consultants under section 3109(b) of title 5, United States Code.

SEC. 8. REPORT TO CONGRESS.

No later than three years after the date of the enactment of this Act, the Commission shall submit a report to the Congress on the need for continuing the antitrust exemption for Major League Baseball and the possible effects resulting from the elimination of such exemption.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated $1,500,000 to carry out this Act.

SEC. 10. EFFECTIVE DATE.

This Act shall take effect on the date of enactment.

Mr. METZENBAUM. Mr. President, I rise to applaud Senator DECONCINI for proposing legislation to deal with the horrible problems that result from the Major League Baseball's exemption from our Nation's competition laws. As a consequence, today, baseball is not operating. Baseball games are not being played in the major lesion. Because baseball functions as an unregulated cartel, fans throughout the country have suffered as the season came to a crushing halt.

Senator HATCH and I have introduced a bill that will limit baseball's exemption from the competition laws. We hope for speedy passage of that bill, and we hope that it will convince the players to end their strike and management to sit down and negotiate, without imposing any one-sided conditions on the players.

I prefer this free market solution, as opposed to regulation.

However, I applaud my colleague for his effort to remedy the inequities in baseball, and I agree with him that we should not stand for an unregulated cartel.

I hope to work with my friend from Arizona to combine our legislative efforts in the hopes of letting the season continue for the benefit of all fans.

There is no secret about it that the situation that presently exists, where the owners are in a position to impose, on their own, conditions on the baseball players, has brought baseball to this condition in this country. That is not what the fans want, not what the country wants, and I do not think it is good for baseball or for the country. I think perhaps Senators DECONCINI, HATCH, and I, and others, who have a strong interest in the subject will be able to move forward and bring our some legislative resolution of the issue. Hopefully, the parties themselves will be able to resolve the issue and get baseball back on the field rather than in the U.S. Senate.

ADDITIONAL COSPONSORS

S. 1887

At the request of Mr. BAUCUS, the names of the Senator from North Dakota [Mr. DORGAN], the Senator from California [Mrs. FEINSTEIN], the Senator from Connecticut [Mr. DODD], and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 1887, a bill to amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes.

S. 2255

At the request of Mr. GORTON, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 2255, a bill to amend the Budget Enforcement Act of 1990 to establish a new budget point of order against any amendment, bill, or conference report that directs increased revenues from additional taxation of Social Security or Railroad Retirement benefits to a fund other than the Social Security trust fund or the Social Security Equivalent Benefit Account.

S. 2257

At the request of Mr. DURENBERGER, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 2257, a bill to amend the Public Works and Economic Development Act of 1965 to reauthorize economic development programs, and for other purposes.

At the request of Mr. BAUCUS, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2257, supra.

S. 2286

At the request of Mr. LUGAR, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 2286, a bill to amend title 23, United States Code, to provide for the use of certain highway funds for improvements to railway-highway crossings.

S. 2330

At the request of Mr. ROCKEFELLER, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2330, a bill to amend title 38, United States Code, to provide that undiagnosed illnesses constitute diseases for purposes of entitlement of veterans to disability compensation for service-connected diseases, and for other purposes.

SENATE JOINT RESOLUTION 214

At the request of Mr. BINGAMAN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Joint Resolution 214, a joint resolution designating August 9, 1994, as "Smokey Bear's 50th Anniversary."

SENATE CONCURRENT RESOLUTION 66

At the request of Ms. MIKULSKI, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Concurrent Resolution 66, a concurrent resolution to recognize and encourage the convening of a National Silver Haired Congress.

SENATE CONCURRENT RESOLUTION 73

At the request of Mrs. FEINSTEIN, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Concurrent Resolution 73, a concurrent resolution expressing the sense of the Congress with respect to the announcement of the Japanese Food Agency that it does not intend to fulfill its commitment to purchase 75,000 metric tons of United States rice.

AMENDMENTS SUBMITTED

THE HEALTH SECURITY ACT OF 1994

NICKLES (AND OTHERS) AMENDMENT NO. 2563

Mr. NICKLES (for himself, Mr. MOYNIHAN, Mr. PACKWOOD, Mr. CRAIG, Mr. COATS, Mr. GREGG, Mr. D'AMATO, Mr. GRASSLEY, Mr. DASCHLE, Mr. STEVENS, Mr. DURENBERGER, Mr. SHELBY, Mr. MACK, Mr. GORTON, Mr. ROTH, Mr. LOTT, Mr. BURNS, Mr. EXON, Mr. MURKOWSKI, Mr. SMITH, Mr. THURMOND, Mr. SPECTER, Mr. WOFFORD, and Mr. COVERDELL) proposed an amendment to amendment No. 2560 proposed by Mr.

MITCHELL to the bill (S. 2351) to achieve universal health insurance coverage, and for other purposes; as follows:

On page 145, strike lines 1 through 5.

DASCHLE (AND OTHERS) AMENDMENT NO. 2564

Mr. DASCHLE (for himself, Mr. HARKIN, Mr. ROCKEFELLER, Mr. BAUCUS, Mr. REID, Mr. LEAHY, Mr. WOFFORD, and Mr. CAMPBELL) proposed an amendment to amendment No. 2560 proposed by Mr. MITCHELL to the bill S. 2351, supra; as follows:

On page 112, line 6, insert "including residents of rural areas" before the period.

On page 215, line 10, strike "(c)" and insert "(d)".

On page 215, between lines 9 and 10, insert the following new subsection:

(c) TRANSFER OF DUTIES.—Effective January 1, 1996, the functions, powers, duties, and authority that were carried out in accordance with Federal law by the Office of Rural Health Policy in the Department of Health and Human Services are transferred to the Office of the Assistant Secretary for Rural Health in the Department of Health and Human Services.

On page 612, line 24, insert before the period the following: ", at least one of whom resides in a rural area".

On page 613, line 9, insert before the period the following: ", at least one of whom resides in a rural area".

On page 647, strike lines 25 and 26, and insert the following:

"For purposes of carrying out section 3341, there are authorized to be appropriated $15,000,000 for each of the fiscal years 1997 through 2001.".

On page 664, line 10, strike "or health professional shortage areas" and insert "area, health professional shortage area, or other rural underserved area (as designated by the Governor)".

On page 651, between lines 9 and 10, add the following new paragraph:

(3) SUBPART F.—For the purpose of providing funds under subpart F, there are authorized to be appropriated $10,000,000 for each of the fiscal years 1996 through 2000.

On page 652, line 18, strike "and".

On page 652, between lines 18 and 19, insert the following new paragraph:

"(7) rural health clinics, except that for-profit rural health clinics shall only be eligible for direct loans and grants under subpart C; and".

On page 652, line 19, strike "(7)" and insert "(8)".

On page 653, after line 23, add the following new subsection:

(f) PURPOSES AND CONDITIONS.—Grants shall be made under this part for the purposes and subject to all of the conditions under which eligible entities otherwise receive funding to provide health services to medically underserved populations under the Public Health Service Act. The Secretary shall prescribe comparable purposes and conditions for eligible entities not receiving funding under the Public Health Service Act, including conditions with respect to the availability of services in the area served (as provided for in section 330(e)(3)(A) of such Act), and conformance of fee and payment schedules with prevailing rates (as provided for in section 330(e)(3)(F) of such Act). With respect to federally qualified health centers, such comparable purposes and conditions shall include conditions concerning sliding fee scales under section 1128B(b)(3)(D) of the Social Security Act and waivers of deductibles under section 1833(d) of such Act.

On page 672, line 1, strike the subsection heading and insert "FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS".

On page 673, line 3, insert "and rural health clinics" after "Act)".

On page 675, between lines 16 and 17, add the following new subpart:

Subpart F—Rural-Based Managed Care Grants

SEC. 3467. RURAL-BASED MANAGED CARE GRANTS.

(a) IN GENERAL.—The Secretary shall award grants for the development and operation of rural-based managed care networks that integrate the medicare population of the area served.

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an applicant organization shall—

(1) prepare and submit to the Secretary an application, at such time, in such manner and containing such information as the Secretary may require;

(2) be based or provide services in rural or rural underserved areas; and

(3) be currently operating or in the process of establishing a provider network serving the nonmedicare population .

(c) USE OF FUNDS.—Funds provided under a grant under this section may be used—

(1) for the development and implementation of rural-based managed care networks;

(2) for data and information systems, including telecommunications;

(3) for meeting solvency requirements for a risk-bearing entity under the medicare program under title XVIII of the Social Security Act;

(4) for the recruitment of health care providers; or

(5) for enabling services, including transportation and translation.

(d) PRIORITY.—In awarding grants under subsection (a), the Secretary shall give priority to—

(1) applicants that will use amounts received under the grant to develop and operate rural-based managed care networks that would serve at least one rural underserved area; and

(2) applicants that involve local residents and providers in the planning and development of the rural-based managed network.

(e) DEFINITIONS.—As used in this section

(1) RURAL AREA.—The term "rural area" means a rural area as described in section 1886(d)(2)(D) of the Social Security Act.

(2) UNDERSERVED RURAL AREA.—The term "underserved rural area" means a health professional shortage area under section 332 of the Public Health Service Act (42 U.S.C. 254e) or an area designated as underserved by the Governor of a State taking into account—

(A) financial and geographic access to health plans by residents of such area; and

(B) the availability, adequacy, and quality of qualified providers and health care facilities in such area.

(f) STUDY.—The Secretary shall study different risk-bearing approaches for rural managed care and payment methodologies that differ from or modify the medicare average area per capita cost payment methodology.

Beginning on page 675, strike line 24 and all that follows through line 4 on page 676, and insert the following: "priated $314,000,000 for fiscal year 1996, $285,000,000 for fiscal year 1997, $365,000,000 for fiscal year 1998, $382,000,000 for fiscal year 1999, $386,000,000 for fiscal year 2000, $91,500,000 for fiscal year 2001, $53,350,000 for fiscal year 2002, $38,100,000 for fiscal year 2003, and $38,100,000 for fiscal year 2004, of which $2,000,000 shall be made available in each of the fiscal years 1996 through 2000 to carry out section 338L of the Public Health Service Act.".

On page 676, line 10, strike "NURSES" and insert "ADVANCED PRACTICE NURSES AND PHYSICIAN ASSISTANTS".

On page 676, line 20, strike "nurse anesthetists" and insert "nurse anesthetists or physician assistants".

On page 676, lines 21 and 22, strike "nurse anesthetists" and insert "nurse anesthetists or physician assistants".

On page 677, between lines 13 and 14, add the following new parts:

PART 4—ANTITRUST SAFE HARBORS FOR RURAL HEALTH PROVIDERS

SEC. 3491. ANTITRUST SAFE HARBORS FOR RURAL HEALTH PROVIDERS.

(a) IN GENERAL.—The Attorney General, in consultation with the Commissioner of the Federal Trade Commission, shall clarify existing and future policy guidelines, with respect to safe harbors, by providing additional illustrative examples with respect to the conduct of activities relating to the provision of health care services in rural areas.

(b) DISSEMINATION OF INFORMATION.—The Attorney General, in consultation with the Commissioner of the Federal Trade Commission and the Assistant Secretary for Rural Health, shall develop methods for the dissemination of the guidelines established under subsection (a) to rural health care providers.

PART 5—EMERGENCY MEDICAL SYSTEMS

SEC. 3495. GRANTS TO STATES REGARDING AIRCRAFT FOR TRANSPORTING RURAL VICTIMS OF MEDICAL EMERGENCIES.

Part E of title XII of the Public Health Service Act (42 U.S.C. 300d-51 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1252. GRANTS FOR SYSTEMS TO TRANSPORT RURAL VICTIMS OF MEDICAL EMERGENCIES.

"(a) IN GENERAL.—The Secretary shall make grants to States to assist such States in the creation or enhancement of air medical transport systems that provide victims of medical emergencies in rural areas with access to treatments for the injuries or other conditions resulting from such emergencies.

"(b) APPLICATION AND PLAN.—

"(1) APPLICATION.—To be eligible to receive a grant under subsection (a), a State shall prepare and submit to the Secretary an application in such form, made in such manner, and containing such agreements, assurances, and information, including a State plan as required in paragraph (2), as the Secretary determines to be necessary to carry out this section.

"(2) STATE PLAN.—An application submitted under paragraph (1) shall contain a State plan that shall—

"(A) describe the intended uses of the grant proceeds and the geographic areas to be served;

"(B) demonstrate that the geographic areas to be served, as described under subparagraph (A), are rural in nature;

"(C) demonstrate that there is a lack of facilities available and equipped to deliver advanced levels of medical care in the geographic areas to be served;

"(D) demonstrate that in utilizing the grant proceeds for the establishment or enhancement of air medical services the State

would be making a cost-effective improvement to existing ground-based or air emergency medical service systems;

"(E) demonstrate that the State will not utilize the grant proceeds to duplicate the capabilities of existing air medical systems that are effectively meeting the emergency medical needs of the populations they serve;

"(F) demonstrate that in utilizing the grant proceeds the State is likely to achieve a reduction in the morbidity and mortality rates of the areas to be served, as determined by the Secretary;

"(G) demonstrate that the State, in utilizing the grant proceeds, will—

"(i) maintain the expenditures of the State for air and ground medical transport systems at a level equal to not less than the level of such expenditures maintained by the State for the fiscal year preceding the fiscal year for which the grant is received; and

"(ii) ensure that recipients of direct financial assistance from the State under such grant will maintain expenditures of such recipients for such systems at a level at least equal to the level of such expenditures maintained by such recipients for the fiscal year preceding the fiscal year for which the financial assistance is received;

"(H) demonstrate that persons experienced in the field of air medical service delivery were consulted in the preparation of the State plan; and

"(I) contain such other information as the Secretary may determine appropriate.

"(c) CONSIDERATIONS IN AWARDING GRANTS.—In determining whether to award a grant to a State under this section, the Secretary shall—

"(1) consider the rural nature of the areas to be served with the grant proceeds and the services to be provided with such proceeds, as identified in the State plan submitted under subsection (b); and

"(2) give preference to States with State plans that demonstrate an effective integration of the proposed air medical transport systems into a comprehensive network or plan for regional or statewide emergency medical service delivery.

"(d) STATE ADMINISTRATION AND USE OF GRANT.—

"(1) IN GENERAL.—The Secretary may not make a grant to a State under subsection (a) unless the State agrees that such grant will be administered by the State agency with principal responsibility for carrying out programs regarding the provision of medical services to victims of medical emergencies or trauma.

"(2) PERMITTED USES.—A State may use amounts received under a grant awarded under this section to award subgrants to public and private entities operating within the State.

"(3) OPPORTUNITY FOR PUBLIC COMMENT.—The Secretary may not make a grant to a State under subsection (a) unless that State agrees that, in developing and carrying out the State plan under subsection (b)(2), the State will provide public notice with respect to the plan (including any revisions thereto) and facilitate comments from interested persons.

"(e) NUMBER OF GRANTS.—The Secretary shall award grants under this section to not less than 7 States.

"(f) REPORTS.—

"(1) REQUIREMENT.—A State that receives a grant under this section shall annually (during each year in which the grant proceeds are used) prepare and submit to the Secretary a report that shall contain—

"(A) a description of the manner in which the grant proceeds were utilized;

"(B) a description of the effectiveness of the air medical transport programs assisted with grant proceeds; and

"(C) such other information as the Secretary may require.

"(2) TERMINATION OF FUNDINGS.—In reviewing reports submitted under paragraph (1), if the Secretary determines that a State is not using amounts provided under a grant awarded under this section in accordance with the State plan submitted by the State under subsection (b), the Secretary may terminate the payment of amounts under such grant to the State until such time as the Secretary determines that the State comes into compliance with such plan.

"(g) DEFINITION.—As used in this section, the term 'rural areas' means geographic areas that are located outside of standard metropolitan statistical areas, as identified by the Secretary.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this section, $15,000,000 for fiscal year 1995, and such sums as may be necessary for each for fiscal years 1996 and 1997.".

Beginning on page 718, strike line 23 and all that follows through line 5 on page 719, and insert the following new paragraph:

"(8) with respect to the National Health Service Corps program referred to in section 3471, $314,000,000 for fiscal year 1996, $285,000,000 for fiscal year 1997, $365,000,000 for fiscal year 1998, $382,000,000 for fiscal year 1999, $386,000,000 for fiscal year 2000, $91,500,000 for fiscal year 2001, $53,350,000 for fiscal year 2002, $38,100,000 for fiscal year 2003, and $38,100,000 for fiscal year 2004, of which $2,000,000 shall be made available in each of the fiscal years 1996 through 2000 to carry out section 338L of the Public Health Service Act;".

On page 720, line 22, strike "; and" and insert a semicolon.

On page 720, between lines 22 and 23, insert the following new paragraph:

"(14) with respect to the development of rural telemedicine under section 3341, $15,000,000 for each of the fiscal years 1997 through 2001; and".

On page 720, line 23, strike "(14)" and insert "(15)".

On page 725, strike lines 7 through 11, and insert the following:

"(6) in subsection (l), by striking paragraph (1) and inserting the following new paragraph:

" '(1) IN GENERAL.—The Secretary shall use amounts made available under section 3471 of the Health Security Act to carry out this section in each of the fiscal years 1996 through 2000.' ".

On page 777, line 18, strike "and medical assistance facilities".

On page 780, line 3, insert "In the case of payment under this subsection to medical assistance facilities, the lesser-of-cost-or charges provisions under subsection (j) are not applicable." after "services.".

Beginning on page 808, strike line 16 and all that follows through page 809, line 4, and insert the following:

(2) by inserting "described in paragraph (2) and services furnished by a physician assistant, nurse practitioner, or a clinical nurse specialist described in such paragraph that would by physicians' services if furnished by a physician" after "physicians' services",

(3) by inserting "physician assistant, nurse practitioner, or a clinical nurse specialist" after "physician",

(4) by striking "10 percent" and inserting "the applicable percent", and

(5) by adding at the end the following new paragraph:

"(2)(A) The applicable percent referred to in paragraph (1) is—

"(i) in the case of physicians' services that are primary care services, a percent determined by the Secretary that may not be less than 10 percent and may not exceed 20 percent,

"(ii) in the case of services furnished by a physician assistant, nurse practitioner, or a clinical nurse specialist described in such paragraph that would be physicians' services that are primary care services if a physician furnished the services, a percent to be determined by the Secretary that is equal to the percent determined in clause (i) and determined so that the total amount of such payments under this clause and clause (i) is equal to the amount that would have been paid under clause (i) if the applicable percent for such clause was equal to 20 percent, and

"(iii) in the case of physicians' services other than primary care services furnished in a health professional shortage area located in a rural area (as defined in section 1886(d)(2)(D)), 10 percent.

On page 873, line 20, insert "urban and rural" after "representative of the".

On page 874, line 1, insert ", at least one of whom resides in a rural area" before the first period.

On page 874, line 4, insert ", at least one of whom resides in a rural area" before the first period.

On page 1390, line 22, insert "and that at least one member of the Commission is a resident of a rural area" before the period at the end.

GRASSLEY AMENDMENTS NOS. 2565–2567

(Ordered to lie on the table.)

Mr. GRASSLEY submitted three amendments intended to be proposed by him to amendment No. 2560 proposed by Mr. MITCHELL to the bill S. 2351, supra; as follows:

AMENDMENT NO. 2565

On page 263, between lines 15 and 16, insert the following new section:

SEC. . LIMITATION ON FULL-TIME EQUIVALENT POSITIONS.

Nothing in this Act, or an amendment made by this Act, shall be construed as permitting the total number of full-time equivalent positions in all agencies to exceed the limitations contained in section 5 of the Federal Workforce Restructuring Act of 1994.

AMENDMENT NO. 2566

On page 817, strike lines 14 through 24, and insert the following:

(a) COVERAGE IN OUTPATIENT SETTINGS; DIRECT PAYMENTS TO NURSE PRACTITIONERS.—

(1) IN GENERAL.—Section 1861(s)(2)(K) (42 U.S.C. 1395x(s)(2))K)) is amended—

(A) in clause (i)—

(i) by striking "or" at the end of subclause (II); and

(ii) by inserting "or (IV) in an outpatient setting as defined by the Secretary" following "shortage area,"; and

(B) in clause (ii)—

(i) by striking "in a skilled" and inserting "in (I) a skilled"; and

(ii) by inserting ", or (II) in an outpatient setting (as defined by the Secretary)," after "(as defined in section 1919(a))".

(2) DIRECT PAYMENTS TO NURSE PRACTITIONERS IN OUTPATIENT SETTINGS.—(A) Section 1833(r)(1) (42 U.S.C. 1395l(r)(1)) is amended by

inserting "or for services described in section 1861(s)(2)(K)(ii)(II) (relating to nurse practitioner services in outpatient settings)," after "rural area),".

(B) Section 1842(b)(6)(C) (42 U.S.C. 1395u(b)(6)(C)) is amended by striking "clauses (i), (ii), or (iv)" and inserting "clauses (i), (ii)(I), or (iv)".

On page 820, line 4, strike "(a)(2)" and insert "(a)(1)(B)".

AMENDMENT NO. 2567

On page 1226, beginning with line 4, strike all through page 1227, line 13.

On page 1227, line 14, strike "(B)" and insert "(A)".

On page 1227, line 19, strike "(C)" and insert "(B)".

Mr. GRASSLEY. Mr. President, I want to speak and have it placed in the proper place in the RECORD—so it does not interfere with the debate on rural health care—a discussion of three amendments that I am going to offer later on in this bill's debate, and I want to send those amendments to the desk for file.

I am going to offer these amendments at such time as the managers of the bill see fit. In the meantime I want to have them on record so people will know what I am thinking about doing. I do not want to play any games with anybody. There is no reason to keep these amendments secret.

One of the amendments deals with one of the subject matters that is going to be involved with the Daschle amendment anyway.

The first amendment would ensure that the effects of the Mitchell bill would not supersede the provisions of another law that was passed earlier this year, Public Law 103-226. That law established ceilings for the numbers of Federal workers over the next 6 years.

Based on an amendment that Senator PHIL GRAMM and I offered, the ceilings are set forth in the Federal Workforce Restructuring Act of 1994. Section 5 of the act is entitled "Reduction of Federal Full-Time Equivalent Positions." The ceilings are set for fiscal year 1994 through fiscal year 1999.

The purpose of the amendment originally offered by Senator GRAMM and myself was to put teeth in the administration's program to reinvent Government. I am a strong believer in the reinventing Government program. I support the efforts of the Vice President and have indicated that many times here on the floor.

The Congress is also on record strongly supporting the program, because the Senate voted 82 to 14 in support of the Gramm-Grassley amendment.

The amendment that I intend to offer to the Mitchell bill would preserve what Congress did earlier this year. It would say that the Mitchell bill would have to be consistent with section 5 of Public Law 103-226. In other words, the Mitchell bill could not add to the overall full-time equivalents, or what we call FTE's, established in law.

This amendment is relevant, I believe. The short answer of why is that is there is a great fear on our side of the aisle that the Mitchell bill would lead to new, flourishing bureaucracies, even though the author denies this. So my amendment is a way to keep the author of the legislation consistent with what this Senate previously had done, not to increase the number of employees. If there are not going to be bureaucracies, there will not be bureaucracies. I want to make it clear that my intention is not to call into question the author's assertion. Rather, my intention is to ensure that the statutory ceilings are protected.

As our side has analyzed the Mitchell bill, it would create 50 new Federal bureaucracies. They would include, among others, a National Health Benefit Board and a National Health Care Cost and Coverage Commission. It would also give hundreds of new powers to the Secretary of HHS as well as the Secretary of Labor.

The point is that, if you have new bureaucracies, then new bureaucrats would have to do this new work. Presumably, they could be shifted from elsewhere within the Federal work force. Such a zero-sum shift would be acceptable from the standpoint of protection of the limits of employment under current law as long as the overall totals established in the law are not breached.

However, when I say acceptable, I want to make it clear I am talking about from the standpoint of protecting current law. I am not accepting the motion that all these bureaucracies are either wise or needed.

The second amendment that I am filling is also a portion of the amendment that is before this body. It deals with the direct Medicare reimbursement to nurse practitioners providing services in outpatient settings. I first introduced this legislation in November 1991. I was successful in adding this legislation to the Senate version of H.R. 11 in 1992, which was eventually vetoed by President Bush.

I offered this amendment again in the Senate Finance Committee's version of OBRA fiscal year 1993. And I was successful in adding this legislation to the Finance Committee's health reform bill. Senator MITCHELL has included this legislation in his bill. But it appears that some drafting errors make it necessary to refine it. I think that is what Senator DASCHLE is trying to accomplish, because it would not in original bill permit direct reimbursement of these providers. The amendment I file separately would also deal with that issue.

Finally, Mr. President, my third amendment that I want to present to the Senate for consideration over the next few days would do two things: It would strike what is a de facto employer mandate on the self-employed as well as the resulting tax penalty for noncompliance. This is in section 7203 of the Mitchell bill.

Mr. President, I want to make sure my colleagues are made aware of my intentions to offer these amendments to the Mitchell bill, and I would urge their cooperation and support.

As I indicated, Mr. President, I want these amendments placed or filed or sent to the desk merely for printing in the RECORD and for everybody's consideration over the next few days.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry Subcommittee on Agricultural Research Conservation, Forestry, and General Legislation and the House Agriculture Subcommittee on Environment, Credit and Rural Development will hold a joint field hearing concerning the future of the Conservation Reserve Program. The hearing will be held on Thursday, September 1, 1994, at 9:30 a.m. in Aberdeen, SD, at the Ramkota Inn. Senator TOM DASCHLE will preside.

For further information, please contact Tom Buis at 224-2321.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. AKAKA. Mr. President, I would like to announce that an oversight hearing has been scheduled before the Subcommittee on Mineral Resources Development and Production.

The hearing will take place on Thursday, September 22, 1994, beginning at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the question of immigration in the Commonwealth of the Northern Mariana Islands.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit a written statement is welcome to do so by sending two copies to the Committee on Energy and Natural Resources, 304 Dirksen Senate Building, Washington, DC 20510.

For further information regarding the hearing, please contact Dionne Thompson of the subcommittee staff at (202) 224-5925.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, August 17, 1994, at 2 p.m., in room 226, Senate Dirksen Office Building, to hold a hearing on the

nominations of William Bryson to be U.S. circuit judge for the Federal circuit, Salvador Casellas to be U.S. district judge for the District of Puerto Rico, Daniel Dominguez to be U.S. district judge for the District of Puerto Rico, and Sarah Vance to be U.S. district judge for the Eastern District of Louisiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HOMICIDES BY GUNSHOT IN NEW YORK CITY

• Mr. MOYNIHAN. Mr. President, I rise today to announce to my Senate colleagues, as has been my custom each week during this session of the 103d Congress, that during the last week, 18 people were killed by gunshot in New York City, bringing the 1994 total to 621.•

HEALTH SECURITY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho [Mr. KEMPTHORNE].

Mr. KEMPTHORNE. Thank you very much, Mr. President.

May I also acknowledge and thank for his courtesy the Senator from South Dakota, who is always a gentleman in all floor debate I have ever seen. I appreciate that.

I often read comments from Idahoans here on the Senate floor, because they reflect down-to-earth common sense. This is such a case. I am going to share with you three quotes from Idahoans relating to this current health care debate:

> I do not believe that we have a crisis in the health care system. We have a good system, it just needs to be amended, says Missy Hunsucker of Boise.

Dr. Andrew McRoberts of Pocatello says:

> What I fear now is they're going to rush something through with very little thought or planning and when it's done they're going to say, 'Oh, my God, what did we do'

And Jim Guthrie, a small business owner in McCammon says,

> When you look at what the government is doing with some of the other things they've got their hand in, it's scary. I think something needs to be done, but I don't think this is it.

These are comments from hard-working, thoughtful and practical Idahoans. Real people, not policy wonks or "inside-the-beltway" analysts. These are the thoughts of the people whose lives will be impacted by the decisions we make in Congress. I hope we keep their comments in mind when we examine the whole question of health care reform.

The mail, faxes, and phone calls that come into my State offices and to my Washington office are almost unanimous in opposition to government-run health care and the Clinton-Mitchell bill. These are not part of any organized campaign, they are honest comments from concerned Americans.

There is no dispute that our country's health care system is the best in the world. Americans enjoy the best physicians, the best hospitals, and the best research facilities. There are changes that need to be made, but not a complete overhaul in our health care delivery system.

Is the Clinton-Mitchell plan, all 14-hundred-plus pages, the way to go? I do not think so. Veteran Senators tell me this is one of the most complex pieces of legislation they have ever seen. And what compounds the problem is the fact that we are now working on the third version of the bill—a bill that has not had the benefit of a complete committee markup and review, and a bill that frankly, not many people totally understand. The non-partisan Congressional Budget Office says this bill will cost more than $1.1 trillion over 8 years. In 1998 alone, it would cost nearly $104 billion, making it the third largest program in the budget.

My personal preference is to have Congress do what Idahoans tell me they would do: Implement local innovations and ideas, reform elements of the system, and let the private sector work.

When I first looked at the Clinton-Mitchell bill, one of the first phrases I saw was, "A participating State shall." A version of that phrase is repeated at least 85 times in the bill. What does that mean? Does it mean a State can opt out of the program? Far from it.

Under the Clinton-Mitchell bill, States would have to choose one of three options: Comply with the bill entirely, including the mountains of new rules and regulations; become a single-payer socialized medicine State; or let the Federal Government totally control health care in the State. None of these are attractive options.

State governments should not be forced to comply with the overly restrictive nature of this bill when they are doing a lot on their own, right now—and without Federal intervention.

The State of Idaho is not immune to the problems in health care. While Idahoans pay less for care than others, costs are going up and there are not enough doctors. That is making health care more difficult to get than in the past. Mr. President, 84 percent of Idahoans have health care coverage, but there are still more than 100,000 without coverage. Of those with coverage, 15 percent still do not have access to a primary care physician. That is because in a State with a large land mass and a small population, doctors tend to live in population centers, not in small, remote towns.

The Clinton-Mitchell bill makes provisions for rural communities. But that does not go far enough to meet the needs of a lot of towns in Idaho.

There are communities like Warren or Atlanta, ID—I could name dozens—that have no doctors or health care facilities. They are truly western frontier towns. They may be 25 miles or 100 miles from the nearest doctor, often isolated in the mountains and accessible by, at best, a gravel road. In the winter, they are lucky if that road is even plowed. They do not fit within the definitions of the Clinton-Mitchell health care bill for rural communities. We need to acknowledge these towns and their conditions and make allowances for them.

How important is a hospital to small town Idaho? It is often the difference between life and death, and is critical if there is an accident or sudden illness. Larry Lee, chief financial officer at Harms Memorial Hospital in American Falls is scared of the Clinton-Mitchell plan. He says isolated hospitals without cost efficiencies found in more urban areas are at risk. He says his greatest fear is that, "this small hospital will cease to exist—everything will be centered around the large hospitals with no consideration given to distance. Everything will be based on cost." In Emmett, a farming community northwest of Boise, the emergency room at Walter Knox Hospital treated 4,292 patients last year. That is roughly equal to the population of the town, and about one-third of the total number of people living in the entire county. The community can ill afford to lose its immediate care. There are other advantages of a hometown hospital beyond the medical needs of the community. An economic impact report presented to the local officials found that the hospital attracted three physicians to the valley, employs 92 people, and contributes more than $2 million annually to the economy. The report also stressed the importance of indirect revenues from related medical and service industries. So you can see that if small towns like Emmett, ID, lose their hospitals, they lose much more than health care—their economic health is also jeopardized. I do not want any part of a plan that causes rural hospitals and doctors to close their doors and abandon small towns. I doubt very much whether my colleagues do either.

Will the farmer in Idaho benefit from the Clinton-Mitchell plan? I mentioned that Idaho does not have enough health care providers. While the Clinton-Mitchell bill contains funding for outreach into rural underserved areas, it also creates disincentives to practice there. One example of such a disincentive may be the 25-percent tax for noncompetitive areas. The tax on so-called

high cost plans is to be paid, partially, by physicians.

Rural doctors already face low reimbursement rates—the additional burden may force some into more urban areas where there is a larger patient base and reimbursements are higher.

The 25-percent premium tax on high-cost plans is such a disincentive. My staff has prepared an analysis. This is how it works.

Your insurance policy will be taxed if your WAP is greater than the WARP. That is, if your Weighted Average Premium is greater than the Weighted Average Reference Premium. This is from the Clinton-Mitchell bill. The WARP is figured out this way: You take the total of all U.S. health care payments and subtract from that the Medicare beneficiaries, Supplemental Security Income recipients, worker's compensation, automobile or other liability insurance. To that amount you add the projected expenditures for underinsured and uninsured people and increase that amount by the estimated percentage reflecting the proportion of premiums required for administration and State premium taxes. Decrease that amount by a percentage that reflects the estimated average percentage to total amount payable for items and services covered under the standard benefits package that will be payments in the form of cost sharing under a certified standard benefit plan with a high-cost option. Then, divide that amount by your community rating area difference—which is actually the percentage of difference in health care expenditures, in rates of uninsurance and underinsurance and in the proportion of expenditures for services provided by academic health centers.

Sound simple? Not at all.

It will require an army of Washington bureaucrats to figure all this out, and this is just one small section of the Mitchell bill. The bill is a jobs bill for bureaucrats.

There are other complexities of this provision. The fact that you will not know when you buy insurance if your policy is going to be taxed. The fact that your doctor might very well be getting a bill for half of the tax at the end of the year. We all know who ends up paying this tax. Individuals and small businesses.

Is it so important that we enact this type of legislation and cause such disruption in the lives of many Americans? Isn't there a better way to improve health care? I think there is, and it is being done by the States and private sector already.

The Idaho legislature adopted health care reforms the last two sessions.

These are State, not Federal solutions.

Idaho has enacted legislation which guarantees access to health insurance, regardless of preexisting conditions or current health status.

At the same time, the legislature created true portability of insurance by allowing the insured to transfer coverage from one plan to another without a loss of coverage.

Administrative simplification was next on the list. Idaho now requires insurance companies to use a uniform claim form to reduce administrative costs and simplify the insurance process for the patient, the doctor, and the insurance companies.

Finally, the lawmakers took a step toward increasing the affordability of insurance by establishing Medical Savings Accounts. Contributions to these accounts are tax deductible from State income tax and may be used tax-free for medical expenses.

Idaho State Senator Dean Cameron says lawmakers recognized the need to do something, and he added, "We've accomplished everything they (the Federal Government) are trying to accomplish."

The private sector has also acted on its own. Moscow, Idaho, and Pullman, WA, are towns only 8 miles apart. They face a rural health care delivery problem, and they are doing something about it. Pullman Memorial Hospital and Gritman Medical Center have formed an alliance to keep costs down, improve care, and keep doctors and services available to the Palouse region.

The physician hospital organization, called a PHO, is voluntary—not mandated. Gritman's administrator, Robert Colvin, says, "We think we're doing this ahead of the curve, before it's do or die." This arrangement should be able to reduce costs and improve service by reducing the amount of duplicated services. Again, this is something these two communities, their hospitals, and doctors decided to do. The Federal Government did not tell them to do it.

I might add with no small amount of pride that I was an orderly at Gritman Medical Center when I was a student at the University of Idaho.

Because of the actions taken by the Idaho legislature, and innovations by private-sector health care providers, health care insurance and coverage in the State will be more affordable and accessible to many people. This was done without increasing taxes or more bureaucracy. The U.S. Congress could learn a lot from the Idaho State legislature.

Instead, the Senate is now debating a piece of legislation which will increase our taxes and dramatically increase the health care bureaucracy. Early reports indicate the Clinton-Mitchell bill will impose 17 new taxes and create 25 new bureaucratic regimes.

Over 90 percent of all employers in Idaho are small businesses. They employ almost two-thirds of the State's workers. People who currently receive their insurance through their employer, a small business, would be forced to change their current health plan. The business would be required to purchase a plan through the proposed Health Insurance Purchasing Cooperative, and the plan would have to provide the standard benefits package. Even if the worker preferred the old plan, he or she could easily be stuck paying for a plan that contains unneeded items or does not provide benefits that fit the worker.

Employees would suffer, and so would employers. Businesses would be negatively impacted by the Clinton-Mitchell plan. We are all aware of the serious impact the so called employer mandates will have on small business. Under this bill, there is little doubt that the mandate would likely be enacted. Willard Wood was in the restaurant business in Idaho for 58 years before retiring. He's managed both large and small restaurants, and he says employer mandates could be lethal to mom-and-pop businesses. "If health care reform goes through and the employer has to pay for all the employees, it will mean the loss of thousands of small businesses. I am talking about where the owners are working long hours just to make a living." After 58 years in business, I think Mr. Wood could be considered an expert in the field.

Chris Nye, who manages a business in Pocatello, says if employer mandates are forced onto his business, he will have to change his hiring practices because he won't be able to hire part-time help.

With examples like that, I can foresee where this bill will only serve to increase welfare rolls and lengthen unemployment lines because this health care bill will put people out of work.

Even before the mandates kick in, this bill is bad for a number of businesses—the small companies that have chosen to self-insure. They have taken the time and often the investment to carefully study their insurance needs and options and have decided that self-insuring provides them with the most efficient and most cost-effective way of providing coverage for their employees. Under the Clinton-Mitchell proposal, this would no longer be an option. The businesses would either have to buy insurance through those purchasing cooperatives I mentioned earlier or not provide insurance for their workers. I doubt we want to create a situation where a company is discouraged from providing coverage for its employees.

So how do we help small businesses across this country? What areas of reform are important to address right now?

There are insurance market reforms, providing portability, so a person can take insurance with them even between jobs.

Such reforms would also do away with limitations on insurance caused by preexisting conditions.

Antitrust reform is needed to allow hospitals and doctors to communicate and cooperate to provide the best care for a community.

St. Alphonsus Regional Medical Center and St. Luke's Regional Medical Center in Boise are only about 3 miles apart. Boiseans are truly fortunate to have two such fine facilities in their community. There have been times when people in Boise have wondered why each hospital provides the same specialized treatment or service. Would it not make sense to combine efforts? Normally, yes. But current antitrust laws make cooperation difficult. However, the hospitals have decided to push the edge of those laws and have combined their diabetes treatment centers. In doing so, the hospitals decided that several factors are more important than possibly risking violation of antitrust.

Both hospitals have diabetes centers. Both centers lose money or barely break even. So instead of passing the losses on to their patients in the cost of other services, the hospitals have combined efforts to improve delivery and cut costs. In the end, the community wins with a better quality of service in a facility that does not run the risk of closing down because it is losing money. It is a small step with two small programs, but could lead to more. Administrators at both hospitals say it could mark the beginning of more cooperative efforts. But they are nervous that the cooperation could run afoul of antitrust provisions. Enactment of antitrust reforms could remove the hurdles and provide incentive for the two hospitals to work together, not against each other, for the good of the community. Antitrust reform is not included in the Clinton-Mitchell bill.

One hundred-percent deductibility of health care premiums would give farmers, ranchers, and small business owners the same kind of advantages large corporations get. If you want to help rural and frontier areas, this would go a long way.

Congress should enact medical malpractice insurance reform. Bob Seeheusen, executive director of the Idaho Medical Association, says the current Clinton-Mitchell bill would preempt State laws on medical malpractice. In Idaho's case, he says this would undo what the State has already accomplished, and would likely push malpractice premiums up in price. It is unfortunate that even hospital equipment manufacturers need to buy malpractice insurance. Hospital administrators tell me that is what increases the cost of equipment, and the cost of care. If a hospital or doctor has to pay more for equipment, the cost is passed to the patient.

We need to enact anti-fraud and abuse control provisions; and administrative simplification. Nurses spend too much time filling out forms, taking away from the time they would like to spend with the patients.

I introduced a health care reform bill earlier this year that contained these reforms. I do not claim total authorship of the measure—I was able to take these items that are common to a variety of health care bills that had been introduced, and put them in one bill. I believed then, and I believe now, that there are reforms that most of us agree on and put in one bill and enact immediately and begin the reform of health care in America. Those should be put in a bill and enacted now so we can get started on the real reform Americans want.

Finally, it seems appropriate to remind everyone of the old adage, "Haste makes waste." It may seem trite, but it fits. With issues as detailed and complex as health care, it is vital that we not proceed too rapidly. We should not pass any piece of health-related legislation until we are sure we fully understand the consequences of our actions. Otherwise, we may find that we create more problems than we solve.

Larry Lee at Harms Memorial Hospital in American Falls has an interesting suggestion. He believes that before Congress jumps into something that is unproven, we should authorize pilot programs and test these theories. He says the health care reform proposals should go through the same kind of scrutiny, testing, retesting, and sampling that drugs undergo by the Food and Drug Administration.

There are many aspects of health care reform that I have not talked about today. They will be discussed by my colleagues on both sides of the aisle. But I look forward to that exchange. Only through extensive and thorough debate of the issues will we be able to unravel all the questions facing us, and only then will we hope to be able to pass legislation that Americans say they want and need.

The Clinton-Mitchell bill is not the right prescription for Idaho. Health care is too important an issue to pursue in this manner.

We would be wise to follow the advice of Missy Hunsacker, Dr. Andrew McRoberts, and Jim Guthrie when they say Congress should not move toward a hasty, big-government solution to our Nation's health care.

Mr. President, that completes my remarks. I thank you for your courtesy and the courtesy of all who have remained here this evening. I yield the floor.

ORDERS FOR TOMORROW

Mr. DASCHLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 9:30 a.m., Thursday, August 18; that when the Senate reconvenes on that day, the Journal of proceedings be deemed to have been approved to date, the call of the calendar be waived, and no motions or resolutions over under the rule; that the morning hour be deemed to have expired; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes, with Senator HATCH recognized to speak for up to 10 minutes; and that at 10 o'clock, the Senate resume consideration of S. 2351, the Health Security Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL TOMORROW AT 9:30 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands adjourned until 9:30 a.m., Thursday, August 18.

Thereupon, the Senate, at 9:29 p.m., adjourned until Thursday, August 18, 1994, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 17, 1994:

DEPARTMENT OF TRANSPORTATION

RICARDO MARTINEZ, OF LOUISIANA, TO BE ADMINISTRATOR OF THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION.

DHARMENDRA K. SHARMA, OF CALIFORNIA, TO BE ADMINISTRATOR OF THE RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION.

FEDERAL MARITIME COMMISSION

HAROLD JENNINGS CREEL, JR., OF VIRGINIA, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 1999.

DELMOND J.H. WON, OF HAWAII, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 1997.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

ALEXANDER WILLIAMS, JR., OF MARYLAND, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MARYLAND.

DEPARTMENT OF JUSTICE

CHARLES REDDING PITT, OF ALABAMA, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF ALABAMA FOR THE TERM OF 4 YEARS.

LARRY REED MATTOX, OF VIRGINIA, TO BE U.S. MARSHAL FOR THE WESTERN DISTRICT OF VIRGINIA FOR THE TERM OF 4 YEARS.

WALTER BAKER EDMISTEN, OF NORTH CAROLINA, TO BE U.S. MARSHAL FOR THE WESTERN DISTRICT OF NORTH CAROLINA FOR THE TERM OF 4 YEARS.

THOMAS JOSEPH MARONEY, OF NEW YORK, TO BE U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF NEW YORK FOR THE TERM OF 4 YEARS.

COAST GUARD

COAST GUARD NOMINATIONS BEGINNING ROGER K. WIEBUSCH, AND ENDING ROBERT W. MONTFORT. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF MAY 17, 1994, FOR COMPLETE LIST.)

COAST GUARD NOMINATION OF KAY L. HICKMAN.

COAST GUARD NOMINATIONS BEGINNING MARK L. EVERETT, AND ENDING EUILL W. LONG III. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF JULY 27, 1994, FOR COMPLETE LIST.)

HOUSE OF REPRESENTATIVES—*Wednesday, August 17, 1994*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Open our eyes, O God, so that our sight will be raised and our vision increased; open our minds so we will fathom the complexities of daily life; open our hearts so we will be touched by wisdom and courage; open our hands so we will do the works of justice and mercy. Breath into us such a faith, O God, that our spirits will be knit together in Your spirit and we will so gain that peace that passes all human understanding. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Ms. DELAURO. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Ms. DELAURO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 5 of rule I, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentleman from Illinois [Mr. DURBIN] will please come forward and lead the House in the Pledge of Allegiance.

Mr. DURBIN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

VETS SERVICE-CONNECTED DISABILITIES ENTITLEMENTS

(Mr. COOPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. COOPER. Mr. Speaker, we have to get Federal spending under control and balance the Federal budget. Sometimes that means we must make across-the-board cuts in Federal spending; nearly every Government program must be examined in order for us to put our economic house in order.

But as we make these cuts, one program needs special protection, the health benefits we provide for veterans who have service-connected disabilities.

Health benefits for these brave veterans are essential. When we recruited the soldiers, we promised them good health care for life, and that is a promise we cannot break. That is why in our bipartisan health bill we put in $4 billion, exactly the amount the Veterans' Affairs requested to help our veterans.

Our men and women of the armed services risked their lives for this Nation. We made a pledge to take care of them. This is a pact that we must keep. I urge my colleagues to consider and respect the interests of these veterans as we attempt to reform health care and put our own economic house in order.

THE CLINTONS' PERSONAL ATTACKS ARE BELOW THE BELT

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, I am personally offended by the First Couple's remarks on the crime bill over the past few days.

First, on Thursday night, the President suggested that I and my colleagues who voted against the rule did so to put our own political interests ahead of the Nation's security. Then on Sunday, he implied that we voted against the will of God. Finally, on Monday, the First Lady said that we "don't seem to care that our children don't feel safe in school."

Mr. Speaker, this is outrageous. Every Member of this body—regardless of party—regardless of their vote on the rule—cares deeply about the personal safety of their constituents.

It is out of line and just plain wrong for the First Couple to suggest otherwise.

This is not a debate about motives, it is a debate about policy. Let us talk about using some of that pork money to put more cops on the street. Let us talk about strengthening the sexual predator provisions. Let us talk about getting rid of the provisions which would release thousands of drug dealers from prison.

Mr. Speaker, we need to lift this debate to an honest level. We owe it to the American public. But we cannot unless the President and First Lady stop hitting below the belt.

CRIME BILL SILENCES THE DEAFENING DRUMBEAT OF CRIME

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, last week we had the opportunity to act on the most sweeping anticrime measure ever to come before the Congress. We had the opportunity to begin to silence the deafening drumbeat of crime: Violence in our homes, drugs in our schools, gunfire in our streets.

The Congress failed when it listened to the NRA rather than the country. Congress failed to give the American people the "three strikes and you're out" provision that puts violent repeat offenders behind bars for good.

Congress let down our families when it failed to put 100,000 more cops on the beat and increase safety in our neighborhoods.

Congress failed law enforcement when it failed to ban dangerous assault weapons, the weapon of choice of gang leaders, drug dealers, and cop killers, and it let down our children when the opposition used its procedural position to block investing in smart prevention programs that help them to steer clear of crime and drugs.

Our families and our communities need our help, and last week our institutions failed them.

Congress this week must take a different course; vote "yes" on the rule and "yes" on the crime bill.

NO CHOICE SHOULD HAVE NO CHANCE

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the Clinton no-choice health care plan would be the no-chance health care plan if the White House and Congress just listened to the American people.

The problem is the Democrats are not listening, they are preaching—telling America that big government, Big Brother knows what is best.

Well, America is not buying the plan, which is why its public approval rating continues to sink southward.

With this lack of support, it is no wonder that the President wants to give America a lack of choice in choosing his plan.

In the marketplace of medical care, President Clinton wants to establish a monopoly.

Imagine going to the grocery store, the car lot, or airport, and just finding one brand, one make of car, or just one airline.

That is what you will find when you go to the hospital, the doctor, or the pharmacy if President Clinton gets his way.

Americans, remember, if you choose the Clinton health plan it may be the last choice in health care you will ever make.

PREVENTING FRAUD IN THE EARNED INCOME CREDIT

(Mr. LEHMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN. Madam Speaker, I rise to draw the attention of the House to H.R. 4225, a bill that I introduced to eliminate fraud in the earned income credit for low-income working Americans.

The earned income credit [EIC] was established to increase the amount of income which low-income workers keep after taxes. However, there is ample evidence that EIC is being abused when filers provide incomplete or erroneous information to receive the credit.

While studies have shown that the earned income credit is an effective means of boosting low-income earners who work, they have also shown that nearly 1 in 3 of the 12.6 million families who received the EIC in 1990 were not eligible for it. As the EIC's cost nearly doubles to $25 billion in 1998, we must be sure that only eligible workers are receiving this tax break.

Specifically, this legislation requires the IRS to verify the taxpayer and dependent identification number before they can receive the credit—no number, no credit. A recent cost estimate by the IRS and OMB determined that this commonsense fraud-detection contained in the bill would save an average of 7.8 billion dollars. We cannot stand idly by while a flawed program continues to sap public funds.

Madam Speaker, I urge my colleagues to cosponsor and support this timely legislation.

TRIBUTE TO A GREAT LEADER: CECIL PARTEE

Mr. DURBIN. Madam Speaker, Illinois and the Nation lost a great leader yesterday, Cecil Partee, the Illinois Senate's first black president, died in Chicago.

As the first African-American in Illinois' history to preside over a chamber of the State legislature, he was truly a pioneer. Cecil Partee's life story traces the progress we have made in race relations in America. Cecil Partee was born in Arkansas in 1921, the son of a teacher. He was a brilliant student in high school and college. When he graduated from college, he applied for admission to the University of Arkansas Law School. He passed the admission test, but that law school was all white, so the State of Arkansas told Cecil Partee that they would pay his tuition for any law school he could be admitted to outside of the State of Arkansas. It turned out that he was admitted to Northwestern University Law School in Chicago. Arkansas' loss was Illinois' gain.

□ 1010

Cecil Partee graduated from Northwestern Law School and was admitted to the bar in Illinois. He served five times in the Illinois House, and then served in the Illinois Senate, and was president of the State Senate for two terms. During that time Cecil Partee sponsored fair employment legislation, open housing consumer rights legislation. He was the first black in Illinois running for attorney general in 1976.

Cecil Partee was my friend and my boss. I count myself fortunate to have learned the craft of politics at his side, and, equally important, to have learned that there is real happiness to be found in fighting the good political fight.

Cecil Partee is survived by his wife, Paris, granddaughters, and family. We join today in celebrating his life and mourning his loss.

STUFFING THE CRIME BILL WITH PORK

(Mr. GOODLATTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLATTE. Madam Speaker, like Santa Claus stuffing a stocking on Christmas eve, President Clinton and the Democrat leadership stuffed the crime bill with pork.

The result: a crime bill with over $9 billion in social welfare spending. For example, $270 million for social workers, guidance counselors, administrators, et cetera, to design social programs; $630 million for arts, crafts, and music activities; $5 million for youth anticrime councils to, and I am not kidding, sit around and talk about crime.

Some estimates are that for every police officer this bill funds, it also funds two new social workers. That is not crime fighting. That is more Washington, DC, politics as usual.

Our message to the President and the congressional leadership is simple. Let us stop dilly-dallying, cut the pork, put real teeth in this bill by really cracking down on criminal thugs, and let us pass a crime bill that protects American families instead of creating jobs for Government bureaucrats.

ROUND-THE-CLOCK NEGOTIATIONS AND BAKED BEANS CAN RESOLVE THE BASEBALL STRIKE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Madam Speaker, baseball is treated like a game, but baseball is a business, and in business there are strikes. In baseball there is a strike, and it is job action just like any other strike, pure and simple, and there is only one key method to really resolving this strike, and that is face to face, round-the-clock, continuous negotiations with an objective third-party mediator. I recommend that.

I further recommend that the mediator put them in a small room, shut the doors and the windows, turn off the air conditioner, and give them a big meal of baked beans, fried cheese—think about it—hard boiled eggs, chocolate kisses, and in about 8 hours they will be pleading and shouting, "Play ball."

It is time for them to sit down, Madam Speaker, and I think that recommendation should be heard by all the interested people in America that follow baseball.

YOUNG AND HEALTHY NEED HEALTH CARE REFORM, TOO

(Ms. SHEPHERD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SHEPHERD. Madam Speaker, $1 million. That is what one young family in my district owes for the care of their daughter. Ken and his wife were young and healthy and figured they had no need for health insurance. One of their two children was born with a problem with her heart and one of her hands. The cost of caring for this child has put this young family $1 million in debt.

Fortunately, the State of Utah is helping them pay this bill. What that means of course is that we are all paying the bill. The freedom to not purchase insurance is a free ride at the taxpayers expense that our Nation can no longer afford.

GUESS WHOSE BILL?

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Madam Speaker, we are now getting to the 11th hour on the crime bill, and there is lots of talk of compromise and other things in the air, and that is good as long as the President's four immutable principles stay strong, but one thing we have talked about is the prevention programs, and all of a sudden many from the other side, many from the other party, have done an about-face. We know that there were more prevention programs in the bill that passed the House in April which 65 Republicans voted for than there are today, and let me give my colleagues some of the programs that have come in for criticism and play a little game show: Guess Whose Bill?

Olympic youth centers, 125 million for, quote, sporting and recreational equipment, meals, first aid, nutrition guidance; July 1994 Republican Senate crime proposal.

Child centered activities, 400 million for supervised sports programs, work force preparation, horror of horrors, tutoring and mentoring programs which may involve social workers; July 1994, Republican Senate crime proposal.

Juvenile drug trafficking, boys and girls clubs, all in the Republican Senate proposal that now so many on this side seek to oppose.

HONORING ALFREDO CRISTIANI, EL SALVADOR'S FORMER PRESIDENT

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Madam Speaker, I rise to honor El Salvador's former President, Alfredo Cristiani.

As an active participant in the democratic efforts of many Latin American nations, I had the unique opportunity to meet and forge a great friendship with one important political figure, Mr. Alfredo Cristiani.

As we witnessed, El Salvador's 12-year civil war left the country in shambles. However, it was the strong leadership and guidance coupled with the courage demonstrated by Mr. Cristiani that rescued the country. The political, economic, and social progress that has taken place in El Salvador over the last 5 years is tremendous. Mr. Cristiani instituted land reform, electoral reform, and fostered free-market enterprise. But, it was the remarkable reconciliation between military and political rivals through the Mexico Peace Accords that brought harmony to El Salvador. Even in the midst of threats on his life, Mr. Cristiani helped to bring peace to a war-torn country.

Mr. Cristiani ended his term of office on June 1, 1994, with a peaceful transition of power. Although he will be missed, he will not be forgotten. His achievements are a part of history. Please do not let this man's endeavors to restore democracy to El Salvador go unnoticed. Join me and Representative LEE HAMILTON in cosponsoring legislation commemorating Alfredo Cristiani and honoring his role in rebuilding El Salvador.

PLAY BALL

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute.)

Mr. WILLIAMS. Major league ball players, big league owners, play ball.

MEXICO RAID

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Madam Speaker, last year when this House voted on NAFTA, we were told trade would bring democracy in Mexico's one-party State. So, we are all watching very closely the Presidential elections that are to occur in Mexico this Sunday, August 21. Quite frankly, the news leading up to the election does not bode well for a fair and peaceful outcome. The Catholic News Service reported recently:

> Mexican Jesuits say a raid by heavily armed men on a recent house run by the order near the Pacific resort of Acapulco may have been in retaliation for the order's efforts to train poll watchers for the upcoming August 21 elections. On July 15, "six heavily armed men" broke into the Jesuits' De Colores retreat house in the town of Guerrero state, at around 8 a.m., cutting electrical lines and ransacking the premises. The assailants have been reported to be Guerrero State and Judicial Police agents.

Madam Speaker, free trade cannot benefit ordinary people without free elections. How this Congress could approve free trade without guarantees of free elections is beyond me.

□ 1020

WILLIAM H. NATCHER BRIDGE

(Mr. LEWIS of Kentucky asked and was given permission to address the House for 1 minute.)

Mr. LEWIS of Kentucky. Madam Speaker, currently under construction in my home State is a four-lane bridge spanning the Ohio River from Daviess County into Rockport, IN. At home, we think of this span as the "William H. Natcher Bridge." But here in Washington we have never formally honored Congressman Natcher in this way.

So today I am proud to introduce legislation naming this project in honor of my predecessor, Congressman Bill Natcher. Joining me on this legislation is the entire Kentucky delegation.

This, of course, is a fitting tribute to a man who for over 40 years gave his heart and soul to the people of the Second District through his service in this Chamber. It will be a visible reminder of one of our district's best friends.

But in a larger sense, Madam Speaker, William Natcher's greatest monument is not made out of concrete. It is in the thousands of lives he touched and his example of integrity and character. These things stand as his memorial in every community in the Second District, big and small.

I urge all of my colleagues to join with me in this tribute.

AMERICANS TERRORIZED BY CRIME LOOK TOWARD HOUSE VOTE ON CRIME BILL

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Madam Speaker, the stability of the institution of Government in this country has always been taken for granted. While other nations have seen their hopes of government changed and confidence lost, this country has continued generation to generation. But now indeed in hundreds of American cities the relevance of this system of government is in question.

Children sleep on the floor to be safe from gunfire, citizens dare not venture out into the streets, businesses close and leave cities without vital services. Americans are held hostage in a reign of terror on her own streets.

This House will soon vote on whether or not this Government, whether or not this system still provides security for ordinary Americans in their homes and in their places of business.

Some have called this a fight between the two political parties or simply a question of a special interest against a larger public interest. Indeed it is more than that. The question is, can this Government, can this country still provide basic security for our people?

CLINTON'S BARNEY BILL

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Madam Speaker, I yield to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Madam Speaker, the President never bothered to bring a crime bill to Congress when this issue was still being debated.

Yet once crime became America's primary concern, suddenly, like an archeologist, President Clinton went digging to find something he could call his own.

And just like archeologists, the White House unearthed a dinosaur of a crime bill.

It was a huge, lumbering monstrosity weighted down with unneeded spending

but with a crime-fighting brain about the size of a walnut.

Not only did the Clinton administration unearth a dinosaur of a crime bill, but the dinosaur they got was Barney.

It was not even a ferocious dinosaur of a crime bill. No, it was a big warm, fuzzy, purple one—as soft on crime as the logic that billions of dollars for arts and crafts, self-esteem, dance, and midnight basketball programs deter murders, rapists, and robbers.

Americans want a crime bill that will make criminals extinct, not taxpayers. The Clinton administration should bury this bill where they found it and start over.

INTRODUCTION OF THE WELFARE TO SELF-SUFFICIENCY ACT OF 1994

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Madam Speaker, today I rise to inform my colleagues that I am introducing legislation that will give Americans a hand up instead of a hand out. The Welfare to Self-Sufficiency Act of 1994 will end the quagmire that faces those now on welfare. No longer will men and women be trapped by a welfare system that does not reward work, promote the family, or instill personal responsibility. The legislation I have introduced will fortify these three fundamental values. It will move people from dependence to independence, from a welfare check to a paycheck, and from a sense of hopelessness to one of opportunity.

Madam Speaker, this legislation will give people the opportunity to enter into individual contracts with the State not a one-size-fits-all plan. It encourages AFDC families to work by allowing them to keep more of their earned income and encourages saving by raising resource limits. States will have the option to implement wage supplementation programs in which the value of the AFDC grant and food stamp benefits is added to the minimum wage of the worker.

This legislation will strengthen child support enforcement by referring collection of certain delinquent child support evaders to the IRS. Additional savings will occur by reforming and controlling the rate of growth in Federal payments for the administration of AFDC, the food stamp program, and Medicaid. Finally, illegal aliens will not be eligible for welfare benefits, except for emergency medical care.

Madam Speaker, I agree with the President it is time to "end welfare as we know it." It is time to break this cycle and pass welfare reform legislation that will give every American an opportunity to become self-sufficient.

SPECIAL INTERESTS THREATEN RIPOFF OF INVENTORS UNDER GATT PROVISIONS

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Madam Speaker, seeing that we are discussing crime, I thought it would be appropriate for me to come to the floor and discuss the coming GATT Treaty and the ripoff of American inventors that the current GATT implementing legislation represents.

Little do the American people know and little do the Members of this House know that buried deep in the GATT implementation legislation is language not required by GATT but put in by special interests that will dramatically reduce the amount of time that our inventors are protected. If this passes, hundreds of millions of dollars that now go from Japanese corporations to pay royalties to American inventors will stay in the pockets of those big multinational Japanese corporations. It is one of the biggest ripoffs in American history.

I am a free-trader. I supported NAFTA. But I ask my colleagues, please look at the provisions of the GATT implementing legislation and let us not allow this ripoff of American inventors to take place.

FIXING THE CRIME BILL IN CONFERENCE

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Madam Speaker, questions have been asked, why are so many Members of the House opposed to the crime bill, which has sometimes been called the President's crime bill? It is not the President's crime bill; it is the conference committee's crime bill, and there are good reasons to be opposed to it on both sides of the aisle.

The important point is that there are opportunities to fix what is wrong, and that is the process that is going on now.

The bill we voted on last week had inadequate funding for building prisons, it had inadequate funding for having more policemen to put them on the beat, and it had weakened the sexual predator provision. It had various pork barrel projects, the most celebrated of which was the $10 million that was stuck in there surreptitiously for some kind of a project in Chairman BROOK's district, at Lamar University.

We estimated that the bill would have released as many as 10,000 convicted drug felons and put them back on the streets. It did not include the victims restitution provisions of the Senate-passed bill. It did not include the strengthened death penalty procedures to end the endless appeals process. It did not include tough penalties for violent gang offenses, mostly juvenile offenses. It has $9 billion in it for social programs. There was much that was wrong in the bill, and it can be fixed.

APPOINTMENT OF CONFEREES ON H.R. 4624, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1995

Mr. STOKES. Madam Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4624) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1995, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Ms. DELAURO). Is there objection to the request of the gentleman from Ohio? The Chair hears none and, without objection, appoints the following conferees: Messrs. STOKES, MOLLOHAN, and CHAPMAN, Ms. KAPTUR, and Messrs. TORRES, THORNTON, OBEY, LEWIS of California, DELAY, GALLO, and MCDADE.

There was no objection.

EMERGENCY SPENDING CONTROL ACT OF 1994

Mr. MOAKLEY. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 513

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4906) to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed one hour divided and controlled by the chairman and ranking minority member of the Committee on Rules. After general debate the bill shall be considered for amendment under the five-minute rule and shall be considered as read. No amendment shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent,

and shall not be subject to amendment. All points of order against the amendments printed in the report are waived. If more than one of the amendments printed in the report is adopted, only the last to be adopted shall be considered as finally adopted and reported to the House. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendment as may have been finally adopted. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1030

The SPEAKER pro tempore (Ms. DELAURO). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida [Mr. GOSS], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Madam Speaker, House Resolution 513 provides for the consideration of H.R. 4906, the Emergency Spending Control Act of 1994. The resolution waives all points of order against consideration of the bill and allows up to 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Rules.

After general debate the bill will be considered as read, and no amendments will be in order except the four amendments in the nature of substitutes printed in House Report 103-690. The amendments will be considered in the following order under a king-of-the-hill procedure: First, the amendment by Representative SAM JOHNSON or a designee; second, the amendment by Representative CASTLE or a designee; third, the amendment by Representative STENHOLM, Representative KASICH, or Representative PENNY or a designee; and fourth, the amendment by Representative SPRATT or a designee. Should more than one amendment be adopted, only the last amendment adopted would be reported to the House.

Each amendment is debatable for 30 minutes, equally divided and controlled by the proponent and an opponent. The amendments are not subject to further amendment, and all points of order against the amendments are waived.

Finally, the resolution provides for one motion to recommit, with or without instructions.

Madam Speaker, the Emergency Spending Control Act of 1994 is designed to improve the budget process and control emergency spending.

This Government is now operating under a 5-year budget plan passed last year by this Congress with the President's leadership. As a result of that plan, the deficit is plummeting even faster than expected.

As a result of that plan, jobs are being created faster than before. Unemployment is lower than before. Consumer confidence is higher than before. Interest rates are still low. Inflation is extremely low. According to the Republican Chairman of the Federal Reserve, Mr. Greenspan, "the outlook for the U.S. economy is as bright as it has been in decades."

Madam Speaker, one of the features of the 5-year economic plan was a freeze through 1998 on discretionary spending. Discretionary spending funds most of the Government itself and most Government programs.

When Congress first imposed caps on discretionary spending in 1990, we realized that from time to time sudden, nonrecurring, catastrophic events take place which increase demands for Government services. These events are typically natural disasters like floods, hurricanes, earthquakes, droughts, and so forth. Such emergencies cannot usually be predicted with any certainty. Consequently they cannot be easily or accurately estimated and budgeted for in advance.

If the budget process were so rigid as to require cuts in other programs before Government could meet the needs of Americans left homeless by floods, hurricanes, or earthquakes, it would in effect force Congress to shift the suffering caused by the emergency in question from one group to another. Congress could debate for days or weeks about what programs to cut while thousands of Americans suffered from homelessness, disease, and lost income brought about by the emergency.

So, the Budget Enforcement Act allows Congress and the President to provide emergency assistance to those in need without fighting a bruising political battle over what programs to cut and whom to inflict suffering on instead. Basically, if the Congress and the President can agree that an emergency exists for which additional spending is required quickly, then that spending will not count against the spending limits.

Unfortunately, at times additional items, which were arguably not emergency items, have found their way into emergency bills. It is this problem H.R. 4906 is designed to cure.

The bill would amend the Budget Act to provide that, during consideration of any bill containing emergency spending, any Member could offer an amendment to strike out any provision which is not designated as an emergency.

And, Madam Speaker, H.R. 4906 would make it easier for the American people to determine who supported these additional, nonemergency items in the emergency bills by facilitating recorded votes on amendments to strike them out. Under the bill, a recorded vote would be ordered on amendments striking out nonemergency riders if demanded by a Member and supported by only nine other Members. That is a total of only 10 Members to get a vote, instead of the current 25 in the Committee of the Whole or 44 in the House.

Finally, the bill ensures that any nonemergency provisions in enacted emergency legislation will in fact count against the applicable allocations of spending under the Budget Act. Madam Speaker, I urge all Members to support the bill.

I also urge Members to support the rule. It makes in order all the amendments which Members asked the Rules Committee to make in order. The rule provides for a king-of-the-hill procedure so all the substitutes can be considered and debated thoroughly. It does not restrict the motion to recommit in any way. It is a fair rule that will expedite this important legislation, and it deserves our support.

Madam Speaker, I reserve the balance of my time.

Mr. GOSS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I thank the distinguished chairman, the gentleman from Massachusetts [Mr. MOAKLEY] for yielding me this time.

Madam Speaker, because deficit growing emergency spending is a real problem that needs to be addressed and because all Members who sought to offer amendments have been allowed to offer them on the floor, I am not going to call for a vote in opposition to the rule that we have before us. But that is not to say it is a good rule or that it has not got some problems with it.

I think it is sort of appropriate we are here today on the leading edge of a weather event which has caused serious problems to our south down in the area which I represent and other areas of Florida and Georgia and the Carolinas, and once again, we have gone a long distance of time without providing for these acts of God or these unforeseen disasters that come upon us.

Weather-related disasters are predictable in the sense we know they are going to happen. It is just we do not know the date. It seems to me we ought to be a little bit smarter about getting ready for the fact we know we are going to have these kinds of problems. That is one of the things that the Government can do, is to try and buy relief for people in need, for our citizens in need in this country, and we need to find a way to do it better.

I would point out as we start this that we had assurances, if not promises, from the Democrat leadership, I believe it was a little over a year ago when we were debating the Mississippi flood problem, that we would come to grips with this problem. Well, we have not come to grips with the problem, and today we have a very modest Band-

Aid patch which really does not do anything different than what we are really doing now, and the real purpose of why we are here today is to vent on the A to Z issue rather than accomplish a really solid proposal that will lay some funds aside for these predictable problems that we are going to have helping out Americans in need as a result of natural disasters and other emergency spending needs that this body and the other body and the President and the communities deem truly worthy of relief from the Federal Government.

□ 1040

Going back to the rule, first the rule waives all points of order against the bill. That is a red flag for most Members now, especially after we have discussed the crime bill at such length and seen the kinds of minefields that can be in there when we protect things and we are not sure what we are protecting, sometimes there are some nasty little surprises. And I think we have gone through that process.

One more time, we have got a rule that waives all points of order against the bill.

While we at least took the sensible step of waiving all points of order against the amendments as well, and the reason I say that is so that they are treated fairly, if we are going to protect one part of the process, then we may as well protect it all. I think that is justifiable as long as we know what is there. In this case we generally do know what is there. So it is not quite as upsetting as not knowing what is there.

I must comment once again that this is a dangerous trend, however, and one we on the minority side would like to get away from. We think Members should know what is in the bill and what is being protected and what is not.

The Committee on Rules now seems to be in the business of providing blanket waivers as sort of a normal way that we do stuff. I do not think that is a good idea. We are going to continue to resist that. I will admit there are times when there are items that need protection. I am not saying that we should not use judgment and wisdom. I am just saying, providing blanket protection all the time for everything that might be hidden in one of these reports is not a good way to do business.

It has actually reached the point where we are not even told what provisions in this bill might need protection. I think we do know in this bill more than we do in others. I am not as concerned about this bill because this bill does not do a whole lot. But I do not like that uncertainty and I do not think Members want that uncertainty. I find it, frankly, a little bit ironic that as we are about to consider a bill that seeks to use points of order to control future spending, and that is what this does, we are demonstrating why such a measure is impotent because we are violating the very thing we are seeking to outlaw.

In addition, this rule calls for a king-of-the-hill procedure. We have had much debate on that. It is a complex machination that in this case, as in every case, stacks the deck against the adoption of any of the amendments offered. What generally happens is this, we go back to where we started, and we tilt the deck so where we started is the choice that will normally come up. This is because even if an overwhelming majority of Members vote in favor of a substitute, it would only take a bare 218 votes to restore the language in the base bill which will be considered as the final amendment. So we go through a long process of maybe debating for half an hour on each side, or whatever the time allowance is, worthy amendments. And we do two or three, and we have votes on each one. Then the last amendment we always put back in as shall we go back to square one?

What that does is it allows everybody to say, gee, I voted for one of those great amendments but at the end, I also voted for the bill because that was the best I could get. So it is sort of a charade. We are giving cover to Members to say they voted for something that they thought their people wanted back in their district. But when it came really to the end, the last vote they had to vote for is the one that the majority party wanted in the first place, the party position, and that is the one they vote for to be members of the party and adhere to the discipline in their party position.

So we end up not with a merit but we end up with sort of a partisan approach to the debate. We have advocated in the minority for an alternate approach to this. Instead of it being the going back to square one when we go through the amendment process, that instead of that, that we allow the amendment which gets the most votes to win. I think any American would say that makes sense.

The proposition that the most people vote for is the one that should come up as the winner. That is not the case when you are king of the hill, unfortunately. It could happen that way, but it usually does not.

In committee, we have offered a motion to allow the amendment that garnered the most votes to carry the day. We do that on the Committee on Rules. And we think that is a more democratic way to go and a more common sense way to go but, unfortunately, it gets rejected. And I would point out it gets rejected in the Committee on Rules. And one of the reasons, there are usually party line votes. I would point out the majority has nine positions in the Committee on Rules and the minority has four. So it takes a mighty effort to overcome a 9 to 4 tilt.

Finally, as we shall see during the general debate, this Emergency Spending Control Act of 1994, as it is called, does not provide for greater control over emergency spending than is currently provided for under the standing rules of the House. What we are doing today does not provide for greater control over emergency spending than is currently provided for under the standing rules of the House. In other words, we already can do in this House what it is we are trying to legislate today. So we are going to have this wonderful, long debate about are we worried about emergency spending while those folks in Carolina are having so much trouble, those folks down in northern Florida are picking stuff up off their streets and wondering where their house rests, and those folks in Georgia are digging out from another flood. There is going to be the appearance that we are really serious about laying funds out to help these people in situations like that.

The truth of the matter is, under the rules of the House what this little bit of legislation does today could actually come to pass. So it is not going to add a whole lot to their relief. I am afraid that this just is another empty part to that A-to-Z buyoff we have talked about so much. Members will recall that A to Z was the program where we could have some time set aside to have real opportunities to debate spending cuts here. Members would have the opportunity to offer individual cuts they felt worthwhile in order to achieve an even further plummeting of the deficit and a closer balancing of the budget here. And we were going to go through that process and let those proposals stand on their merit.

The majority leadership has felt that would be a poor idea and they have looked for other ways to deal with the problem, and this is one of the solutions that they have come up with.

I use the term "solution" lightly because this does not accomplish, as I say, anything we cannot already do. But we will have a fun debate about it.

Frankly, I think we would do better if we were debating A to Z or other substantive matters because the American public is asking us to come to some kind of a reasonable conclusion on the crime matter and the health reform matter and all of those issues which are absorbing us. And here we are, on a Wednesday, during time that many had thought we would be in our recess, talking about something that is really not going to accomplish anything. One wonders why.

The distinguished chairman has mentioned that economic times are relatively good, relative to where they have been. I agree they are relatively good. It is a precarious situation, and I hope they stay relatively good. The outlook is that they will become relatively not quite so good. I think we

had an indication of that as interest rates climbed up half a point yesterday. I think that anybody who studies the numbers realizes that a plummeting deficit is a very temporary downturn in what appears to be a very serious uprise in the deficit that is scheduled in the years after 1996, a significant rise in the deficit. So we do have to come to grips with this deficit question.

I mentioned at the beginning of my remarks that we had a promise from the Democratic leadership that we would have a task force that would deal with this subject of emergency relief spending. I understand there is such a task force. I do not believe that it has delivered any kind of a product so far. Surely, had it delivered a product, we would be having a request for time for Members of that task force to speak today. I have no such requests for time. I may get them. But I do not have any yet. I think that we have one or two speakers who want to address the subject, but not a report.

The final thing that really concerns me very much about this, when we have these disasters, it appears that it is too much of a temptation to let a must-pass relief bill go through without adding a whole bunch of what we will call "Christmas tree items." There has been outrageous abuse on that, as we have seen in the past. That is a process that we just seem not to have been able to bring under control. And even though this legislation talks a little bit about that, I do not think it does as firm a job as we need to do.

I guess it is like having a leaky roof and wanting to sell your house and then you paint the wall to cover up the leak stains before any new customers come in. It is not any good to keep painting the wall. You have to fix the hole in the roof, and this legislation is not going to fix the hole in the roof.

The final part of it is that, yes, we are going to continue to have a need for emergency spending. And sadly enough we are going to have emergencies, and we will have victims of emergencies in our country and it is going to be appropriate for us at the Federal level to help out. We are going to have to find a way to shift resources to do that. But we just cannot keep adding up immense amounts of debt on the burden and say that every time we have an emergency, a storm or a fire or something of that event, a flood, that we just simply have to step back and say, well, we will just have to add it to the deficit.

□ 1050

Frankly, Madam Speaker, that is what we do now too much. Madam Speaker, I have outlined some of the problems with the rule and the bill. I hope we have generated a little interest among our colleagues and we will get some more requests for time.

Madam Speaker, for the RECORD I include this chart depicting open versus restrictive rules:

OPEN VERSUS RESTRICTIVE RULES 95TH–103D CONG.

Congress (years)	Total rules granted [1]	Open rules		Restrictive rules	
		Number	Percent [2]	Number	Percent [3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	91	25	27	66	73

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong., through Aug. 12, 1994.

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58, Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993).
H. Res. 59, Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993).
H. Res. 103, Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993).
H. Res. 106, Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993).
H. Res. 119, Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (d–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993).
H. Res. 132, Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental Appropriations	37 (D–8; R–29)	1 (not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993).
H. Res. 133, Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1-D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993).
H. Res. 138, Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993).
H. Res. 147, Mar. 31, 1993	C	H.R. 1430: Increase Public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993).
H. Res. 149 Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993).
H. Res. 164, May 4, 1993	O	H.R. 820: Nate Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993).
H. Res. 171, May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993).
H. Res. 172, May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173 May 18, 1993	MC	S.J. Res. 45: United States forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (May 20, 1993)
H. Res. 183, May 25, 1993	O	H.R. 2244: 2d supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186, May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194 (May 27, 1993).
H. Res. 192, June 9, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193, June 10, 1993	O	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195, June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176.. (June 15, 1993).
H. Res. 197, June 15, 1993	MO	H.R. 2333: State Department. H.R. 2404: Foreign aid	53 (D–20; R–33)	27 (D–12; R–15)	A: 294–129. (June 16, 1993).
H. Res. 199, June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200, June 16, 1993	MC	H.R. 2295: Foreign operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201, June 17, 1993	O	H.R. 2403: Treasury-postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203, June 22, 1993	MO	H.R. 2445: Energy and Water appropriations	NA	NA	A: Voice Vote. (June 23, 1993).
H. Res. 206, June 23, 1993	O	H.R. 2150: Coast Guard authorization	NA	NA	A: 401–0. (July 30, 1993).
H. Res. 217, July 14, 1993	MO	H.R. 2010: National Service Trust Act	NA	NA	A: 261–164. (July 21, 1993).
H. Res. 220, July 21, 1993	MC	H.R. 2667: Disaster assistance supplemental	14 (D–8; R–6)	2 (D–2; R–0)	PQ: 245–178. F: 205–216. (July 22, 1993).
H. Res. 226, July 23, 1993	MC	H.R. 2667: Disaster assistance supplemental	15 (D–8; R–7)	2 (D–2; R–0)	A: 224–205. (July 27, 1993).
H. Res. 229, July 28, 1993	MO	H.R. 2330: Intelligence Authority Act, fiscal year 1994	NA	NA	A: Voice Vote. (Aug. 3, 1993).
H. Res. 230, July 28, 1993	O	H.R. 1964: Maritime Administration authority	NA	NA	A: Voice Vote. (July 29, 1993).
H. Res. 246, Aug. 6, 1993	MO	H.R. 2401: National Defense authority	149 (D–109; R–40)		A: 246–172. (Sept. 8, 1993).
H. Res. 248, Sept. 9, 1993	MO	H.R. 2401: National defense authorization			PQ: 237–169. A: 234–169. (Sept. 13, 1993).
H. Res. 250, Sept. 13, 1993	MC	H.R. 1340: RTC Completion Act	12 (D–3; R–9)	1 (D–1; R–0)	A: 213–191–1. (Sept. 14, 1993).
H. Res. 254, Sept. 22, 1993	MO	H.R. 2401: National Defense authorization		91 (D–67; R–24)	A: 241–182. (Sept. 28, 1993).
H. Res. 262, Sept. 28, 1993	O	H.R. 1845: National Biological Survey Act	NA	NA	A: 238–188 (10/06/93).
H. Res. 264, Sept. 28, 1993	MC	H.R. 2351: Arts, humanities, museums	7 (D–0; R–7)	3 (D–0; R–3)	PQ: 240–185. A: 225–195. (Oct. 14, 1993).
H. Res. 265, Sept. 29, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	A: 239–150. (Oct. 15, 1993).
H. Res. 269, Oct. 6, 1993	MO	H.R. 2739: Aviation infrastructure investment	N/A	N/A	A: Voice Vote. (Oct. 7, 1993).
H. Res. 273, Oct. 12, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	PQ: 235–187. F: 149–254. (Oct. 14, 1993).
H. Res. 274, Oct. 12, 1993	MC	H.R. 1804: Goals 2000 Educate America Act	15 (D–7; R–7; I–1)	10 (D–7; R–3)	A: Voice Vote. (Oct. 13, 1993).
H. Res. 282, Oct. 20, 1993	C	H.J. Res. 281: Continuing appropriations through Oct. 28, 1993	N/A	N/A	A: Voice Vote. (Oct. 21, 1993).
H. Res. 286, Oct. 27, 1993	O	H.R. 334: Lumbee Recognition Act	N/A	N/A	A: Voice Vote. (Oct. 28, 1993).
H. Res. 287, Oct. 27, 1993	C	H.J. Res. 283: Continuing appropriations resolution	1 (D–0; R–0)	0	A: 252–170. (Oct. 28, 1993).
H. Res. 289, Oct. 28, 1993	O	H.R. 2151: Maritime Security Act of 1993	N/A	N/A	A: Voice Vote. (Nov. 3, 1993).
H. Res. 293, Nov. 4, 1993	MC	H. Con. Res. 170: Troop withdrawal Somalia	N/A	N/A	A: 390–8. (Nov. 8, 1993).
H. Res. 299, Nov. 8, 1993	MO	H.R. 1036: Employee Retirement Act–1993	2 (D–1; R–1)	N/A	A: Voice Vote. (Nov. 9, 1993).
H. Res. 302, Nov. 9, 1993	MC	H.R. 1025: Brady handgun bill	17 (D–6; R–11)	4 (D–1; R–3)	A: 238–182. (Nov. 10, 1993).
H. Res. 303, Nov. 9, 1993	O	H.R. 322: Mineral exploration	N/A	N/A	A: Voice Vote. (Nov. 16, 1993).
H. Res. 304, Nov. 9, 1993	C	H.J. Res. 288: Further CR, FY 1994	N/A	N/A	
H. Res. 312, Nov. 17, 1993	MC	H.R. 3425: EPA Cabinet Status	27 (D–8; R–19)	9 (D–1; R–8)	F: 191–227. (Feb. 2, 1994).
H. Res. 313, Nov. 17, 1993	MC	H.R. 796: Freedom Access to Clinics	15 (D–9; R–6)	4 (D–1; R–3)	A: 233–192. (Nov. 18, 1993).
H. Res. 314, Nov. 17, 1993	MC	H.R. 3351: Alt Methods Young Offenders	21 (D–7; R–14)	6 (D–3; R–3)	A: 238–179. (Nov. 19, 1993).
H. Res. 316, Nov. 19, 1993	C	H.R. 51: D.C. statehood bill	1 (D–1; R–0)	N/A	A: 252–172. (Nov. 20, 1993).
H. Res. 319, Nov. 20, 1993	MC	H.R. 3: Campaign Finance Reform	35 (D–6; R–29)	1 (D–0; R–1)	A: 220–207. (Nov. 21, 1993).

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.—Continued

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 320, Nov. 20, 1993	MC	H.R. 3400: Reinventing Government	34 (D–15; R–19)	3 (D–3; R–0)	A: 247–183. (Nov. 22, 1993).
H. Res. 336, Feb. 2, 1994	MC	H.R. 3759: Emergency Supplemental Appropriations	14 (D–8; R–5; I–1)	5 (D–3; R–2)	PQ: 244–168. A: 342–65. (Feb. 3, 1994).
H. Res. 352, Feb. 8, 1994	MC	H.R. 811: Independent Counsel Act	27 (D–8; R–19)	10 (D–4; R–6)	PQ: 249–174. A: 242–174. (Feb. 9, 1994).
H. Res. 357, Feb. 9, 1994	MC	H.R. 3345: Federal Workforce Restructuring	3 (D–2; R–1)	2 (D–2; R–0)	A: VV (Feb. 10, 1994).
H. Res. 366, Feb. 23, 1994	MO	H.R. 6: Improving America's Schools	NA	NA	A: VV (Feb. 24, 1994).
H. Res. 384, Mar. 9, 1994	MC	H. Con. Res. 218: Budget Resolution FY 1995–99	14 (D–5; R–9)	5 (D–3; R–2)	A: 245–171 (Mar. 10, 1994).
H. Res. 401, Apr. 12, 1994	MO	H.R. 4092: Violent Crime Control	180 (D–98; R–82)	68 (D–47; R–21)	A: 244–176 (Apr. 13, 1994).
H. Res. 410, Apr. 21, 1994	MO	H.R. 3221: Iraqi Claims Act	N/A	N/A	A: Voice Vote (Apr. 28, 1994).
H. Res. 414, Apr. 28, 1994	O	H.R. 3254: NSF Auth. Act	N/A	N/A	A: Voice Vote (May 3, 1994).
H. Res. 416, May 4, 1994	C	H.R. 4296: Assault Weapons Ban Act	7 (D–5; R–2)	0 (D–0; R–0)	A: 220–209 (May 5, 1994).
H. Res. 420, May 5, 1994	O	H.R. 2442: EDA Reauthorization	N/A	N/A	A: Voice Vote (May 10, 1994).
H. Res. 422, May 11, 1994	MO	H.R. 518: California Desert Protection	N/A	N/A	PQ: 245–172 A: 248–165 (May 17, 1994).
H. Res. 423, May 11, 1994	O	H.R. 2473: Montana Wilderness Act	N/A	N/A	A: Voice Vote (May 12, 1994).
H. Res. 428, May 17, 1994	MO	H.R. 2108: Black Lung Benefits Act	4 (D–1; R–3)	N/A	A: VV (May 19, 1994).
H. Res. 429, May 17, 1994	MO	H.R. 4301: Defense Auth., FY 1995	173 (D–115; R–58)		A: 369–49 (May 18, 1994).
H. Res. 431, May 20, 1994	MO	H.R. 4301: Defense Auth., FY 1995		100 (D–80; R–20)	A: Voice Vote (May 23, 1994).
H. Res. 440, May 24, 1994	MC	H.R. 4385: Natl Hiway System Designation	16 (D–10; R–6)	5 (D–5; R–0)	A: Voice Vote (May 25, 1994).
H. Res. 443, May 25, 1994	MC	H.R. 4426: For. Ops. Approps, FY 1995	39 (D–11; R–28)	8 (D–3; R–5)	PQ: 233–191 A: 244–181 (May 25, 1994).
H. Res. 444, May 25, 1994	MC	H.R. 4454: Leg Branch Approp, FY 1995	43 (D–10; R–33)	12 (D–8; R–4)	A: 249–177 (May 26, 1994).
H. Res. 447, June 8, 1994	O	H.R. 4539: Treasury/Postal Approps 1995	N/A	N/A	A: 236–177 (June 9, 1994).
H. Res. 467, June 28, 1994	MC	H.R. 4600: Expedited Rescissions Act	N/A	N/A	PQ: 240–185 A: Voice Vote (July 14, 1994).
H. Res. 468, June 28, 1994	MO	H.R. 4299: Intelligence Auth., FY 1995	N/A	N/A	A: Voice Vote (July 19, 1994).
H. Res. 474, July 12, 1994	MO	H.R. 3937: Export Admin. Act of 1994	N/A	N/A	A: Voice Vote (July 14, 1994).
H. Res. 475, July 12, 1994	O	H.R. 1188: Anti. Redlining in Ins	N/A	N/A	A: Voice Vote (July 20, 1994).
H. Res. 482, July 20, 1994	O	H.R. 3838: Housing & Comm. Dev. Act	N/A	N/A	A: Voice Vote (July 21, 1994).
H. Res. 483, July 20, 1994	O	H.R. 3870: Environ. Tech. Act of 1994	N/A	N/A	A: Voice Vote (July 26, 1994).
H. Res. 484, July 20, 1994	MC	H.R. 4604: Budget Control Act of 1994	3 (D–2; R–1)	3 (D–2; R–1)	PQ: 245–180 A: Voice Vote (July 21, 1994).
H. Res. 491, July 27, 1994	O	H.R. 2448: Radon Disclosure Act	N/A	N/A	A: Voice Vote (July 28, 1994).
H. Res. 492, July 27, 1994	O	S. 208: NPS Concession Policy	N/A	N/A	A: Voice Vote (July 28, 1994).
H. Res. 494, July 28, 1994	MC	H.R. 4801: SBA Reauth & Amdmts. Act	10 (D–5; R–5)	6 (D–4; R–2)	PQ: 215–169 A: 221–161 (July 29, 1994).
H. Res. 500, Aug. 1, 1994	MO	H.R. 4003: Maritime Admin. Reauth.	N/A	N/A	A: 336–77 (Aug. 2, 1994).
H. Res. 501, Aug. 1, 1994	O	S. 1357: Little Traverse Bay Bands	N/A	N/A	A: Voice Vote (Aug. 3, 1994).
H. Res. 502, Aug. 1, 1994	O	H.R. 1066: Pokagon Band of Potawatomi	N/A	N/A	A: Voice Vote (Aug. 3, 1994).
H. Res. 507, Aug. 4, 1994	O	H.R. 4217: Federal Crop Insurance	N/A	N/A	A: Voice Vote (Aug. 5, 1994).
H. Res. 509, Aug. 5, 1994	MC	H.J. Res. 373/H.R. 4590: MFN China Policy	N/A	N/A	A: Voice Vote (Aug. 9, 1994).
H. Res. 513, Aug. 9, 1994	MC	H.R. 4906: Emergency Spending Control Act	N/A	N/A	
H. Res. 512, Aug. 9, 1994	MC	H.R. 4907: Full Budget Disclosure Act	N/A	N/A	A: 255–178 (Aug. 11, 1994).
H. Res. 514, Aug. 9, 1994	MO	H.R. 4822: Cong. Accountability	33 (D–16; R–17)	16 (D–10; R–6)	PQ: 247–185 A: Voice Vote (Aug. 10, 1994).
H. Res. 515, Aug. 10, 1994	O	H.R. 4908: Hydrogen Etc. Research Act	N/A	N/A	
H. Res. 516, Aug. 10, 1994	MO	H.R. 3433: Presidio Management	12 (D–2; R–10)	N/A	

Note.—Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

Madam Speaker, I yield such time as he may consume to the distinguished gentleman from Glens Falls, NY [Mr. SOLOMON], the ranking member of the Committee on Rules.

Mr. SOLOMON. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, it seems we have a lot of time to consume in Washington this week when we were supposed to be back in our districts speaking with our constituents about issues like health care. We have before us now what we call another one of those king-of-the-hill rules. It gives us what I call a double Spratt on the windshield of life, with all due respect to my good friend. Not only is the Spratt bill the base text for amendment purposes, it is also positioned as the last of four substitutes to be considered here today.

Under the king-of-the-hill process devised by the Democrats, the last substitute adopted is the one reported back to the House as finally adopted, even though an earlier substitute may have been adopted by a larger vote.

Madam Speaker, let us just picture the University of Notre Dame playing Slippery Rock Teachers College. They go through three-quarters of the football game and Notre Dame is leading 60 to nothing. It gets into the last 10 seconds of the fourth quarter, and lo and behold, because a wind storm comes up and there is a punt, Notre Dame gets the punt and they down the ball on their own 2-yard line. There is one last play to go, and Notre Dame starts the play but the center centers the ball over the heads of the backfield.

It goes out of the end zone, Madam Speaker. That is a two-pointer—a safety—for Slippery Rock Teachers College. The game ends, and lo and behold, the score is 60 to 2, but Notre Dame loses. That is what king-of-the-hill is all about.

Mr. MOAKLEY. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to my friend, the gentleman from Massachusetts.

Mr. MOAKLEY. Madam Speaker, the gentleman from New York may know something about football, but that is a terrible analogy in this case.

Mr. SOLOMON. I do not think it is a terrible analogy at all. What it means is, the last team to score wins. That is what happens under king-of-the-hill.

Mr. MOAKLEY. If the gentleman would yield further, that Slippery Rock-Notre Dame thing, Madam Speaker, that is like a substitute against the base bill. If the substitute wins, so be it. Now that substitute has to go against another substitute, so it is not the same game. There are different votes on every one of those measures, so the king-of-the-hill does not pit every bill against the base text, it is usually the substitute prior to it. The gentleman knows that. Therefore, I wish the gentleman would cancel that Slippery Rock game.

Mr. SOLOMON. Madam Speaker, maybe it was Boston College.

Mr. SPRATT. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from South Carolina.

Mr. SPRATT. Madam Speaker, just last week Slippery Rock won. Just last week this very process produced a victory for the particular bill that the gentleman voted for, notwithstanding this process.

Mr. SOLOMON. Once in a while we underdogs do win.

Mr. WALKER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania, the deputy chief whip.

Mr. WALKER. Madam Speaker, what struck me about the explanation we just got is, what has happened, the gentleman described a game between Slippery Rock and Notre Dame. Then what they do is, they have a process by which Boston College, that is not even in the game, would win. They all of a sudden come back with somebody that was not even considered a part of the game and they win.

Mr. SOLOMON. The gentleman is absolutely right.

Mr. WALKER. It is absolutely ludicrous, the gentleman is right.

Mr. MOAKLEY. If the gentleman will yield further, Madam Speaker, as one of the sports writers on that side of the aisle said, I have heard some pretty good analogies, but I have not heard them today yet.

Madam Speaker, everybody knows that the king-of-the-hill is not the same vote over again. It is not A against Z, it is A against B and B against C and so forth, so they are votes against different substitutes. It may very well be that the last substitute that wins would be the product that we would go with.

For example, Madam Speaker, the most favored nation issue with China,

one bill that the gentleman is very interested in, the most favored position was given to the gentlewoman from California [Ms. PELOSI].

However, Hamilton won, so this is the same situation we have here. It might be a little favored position, but that does not really make all the difference in the world. If one has a good amendment or a good substitute, a good amendment in the House, vote that way, and you will vote that Notre Dame thing all the way through the football schedule, instead of just playing Slippery Rock.

Mr. WALKER. If the gentleman will continue to yield, that is a good explanation. Now I understand what it is. What it is, Madam Speaker, it is Notre Dame playing Slippery Rock gets to start with a 20-point advantage, and then if Slippery Rock happens to score 18 points in the game, they still lose because Notre Dame started off with a 20-point advantage under the rules. Suspiciously, that is the favored position they are getting.

Mr. MOAKLEY. If the gentleman will yield one more time, Knute Rockne may be spinning in his grave with the explanation the gentlemen are making here today.

Mr. SOLOMON. Madam Speaker, I do not want the gentleman to feel bad, but does he know who told me that story back in 1951? It was somebody named Harry Agannis. Does the gentleman remember him, the Golden Greek, All-American? He played for the Camp Lejeune football team, and I recall him giving me this analogy of Notre Dame and Slippery Rock, only it was Boston College, or Boston University, that he played for.

Mr. MOAKLEY. If the gentleman will yield further, Boston College. The gentleman is not going to tell me that Harry Agannis was talking about king-of-the-hill back in 1951, is he?

Mr. SOLOMON. Madam Speaker, he was a pretty forward-looking guy.

Madam Speaker, let us get back to seriousness here, for just a minute. As I started off saying, not only was the Spratt bill the base text for amendment purposes, it was also positioned as the last of four substitutes to be considered.

Madam Speaker, here we have the bill itself, and then we ordinarily, under the normal rules of the House, would have the opportunity to debate the bill and then offer amendments to it, or offer substitutes to it. But should we happen to win, should we happen to pass one of those substitutes, then we would take the Spratt bill, put it way over here to the right, and then it becomes a final substitute. It might pass by much fewer votes than the other substitutes did, but it is the one that becomes the law. That is what is wrong about king-of-the-hill.

Madam Speaker, we Republicans often propose what I would call a true king-of-the-hill process. My friend, the gentleman from Florida [Mr. GOSS] alluded to it a few minutes ago. The strongest substitute should be the winner, just as the true king-of-the-hill game was played when we were kids, the substitute which gets the most votes should be the winner.

Madam Speaker, can the Members imagine the ridicule we would have gotten as kids if we had proposed that the rules of the game be changed to award the honors to the last kid up on the hill, instead of the one who can overpower all the others? Here we go, back to Notre Dame-Slippery Rock, again. Yet around here, nobody blinks any more when the Committee on Rules brings these rules to the floor that allow for a weaker amendment to be the winner. We are so used to this undemocratic game of Democrat dock-stacking that we merely go on our way thinking that this is just fine and dandy. It is not just fine and dandy, Madam speaker.

I think in today's game of king-of-the-hill that there should be no dispute over the winner, since all three of the other substitutes are far superior, in my opinion, to the Spratt bill and to the Spratt substitute, which is going to come up for votes later.

Madam Speaker, the first superior substitute to be considered will be offered by the gentleman from Texas [Mr. SAM JOHNSON]. He proposes that emergency spending bills which exceed their allocations be financed by reducing the spending caps for the next fiscal year by the amount in excess. That makes a lot of sense.

The second superior amendment to be considered will be offered by the gentleman from Delaware [Mr. CASTLE], the former Governor, someone who has had a lot of experience in budgets. His amendment would establish a reserve fund from which emergency spending bills must be financed. Again, this is planning for emergencies that will be coming up in the future.

Madam Speaker, let us budget for these matters and pay for them, rather than just assume that they must be budget-busters. That seems to be the norm around here, bust the budget. That is why we have a $4.5 trillion debt.

Finally, Madam Speaker, the third superior amendment to be considered will be offered by that dynamic trio of the gentleman from Ohio [Mr. KASICH] the gentleman from Texas [Mr. STENHOLM], and the gentleman from Minnesota [Mr. PENNY]. They are truly people who try to bring some fiscal responsibility to this body. Their substitute amendment would establish a point of order, now get this, establish a point of order against any bill or any joint resolution designated as an emergency spending measure if it contains any nonemergency items.

Madam Speaker, we all know how a certain Member in the other body always likes to stick all kinds of things into emergency bills that have nothing to do with emergencies whatsoever. Madam Speaker, we need a tough enforcement mechanism to ensure that extraneous pork is not piggybacked onto urgently needed disaster assistance supplemental appropriation bills.

The Spratt bill and substitute, on the other hand, simply says that we will operate under existing procedures when it comes to nonemergency items that are stuck into emergency bills.

□ 1100

The Spratt proposal allows for a motion to strike any such provision and prohibits any nonemergency items that exceed a committee's budget allocation. Well, good morning, Madam Speaker.

Madam Speaker, those are the rules that we have now. So all we would be doing is just reaffirming the rules of the House that we have now. But we would still have this terrible, terrible fiscal mess that we are in today.

Under the House rules, appropriation bills are already considered in the Committee of the Whole under an open amendment process. Under the Budget Act, a point of order can already be made against measures that exceed a committee's 602(a) or 602(b) allocations. Those are the rules of the House today. The only thing different in the Spratt bill is a provision that allows—listen to this carefully—9 Members instead of 25 to demand a record vote on striking nonemergency items. But as my colleagues are aware, we can easily get 25 Members to call for a vote on anything now by making a point of order that a quorum is not present.

Madam Speaker, we all know the Spratt bill is one of several that was promised to a group of what I call deficit chicken hawks, not deficit hawks. They are called deficit chicken hawks in return for their not signing a discharge petition on real spending cuts, the so-called A to Z plan. We are going to paper the walls of this House with piddly budget process amendments, but they are not going anywhere in the other body, and we all know it.

I ask the gentleman from Pennsylvania [Mr. WALKER], how many legislative days are left between now and the time we adjourn on October 6? Would the gentleman say about 18?

Mr. WALKER. Twenty.

Mr. SOLOMON. Eighteen or twenty. That tells us where this bill is going. There is no window of opportunity for this bill to be considered in the other body and everybody knows it. Do not be fooled.

I will again point out that we could have been better off considering this and the other measures as part of a comprehensive congressional reform bill, and we know which one that is, H.R. 3801. H.R. 3801 already has various budget process reforms in it, but we

will never get a chance to vote on them and certainly will never get a chance to enact them into law. Instead, we are wasting the time of this House and the Committee on Rules with little dribs and drabs of what I call budgetary birdseed that would not even fill a bird feeder.

Madam Speaker, when will we get our priorities straight around here and take up the kind of bold, meaningful and sweeping congressional reform that the people overwhelmingly support and that all Members went back home and told constituents they would vote for?

Madam Speaker, this vote today is on an Emergency Spending Control Act that does nothing to control spending. It is another one of those feel-good votes that will leave Members wondering in the morning what it was they really accomplished.

I would urge my colleagues to support one or more of the alternatives being offered here today if we really want to make this exercise meaningful. I am not going to ask for a recorded vote, but I am going to go on record as opposing this rule. This king-of-the-hill process creates a Notre Dame-Slippery Rock situation which lets the losers win.

Mr. MOAKLEY. Madam Speaker, I yield such time as he may consume to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Madam Speaker, I thank the distinguished chairman, the gentleman from Massachusetts, for yielding me the time.

Madam Speaker, let me respond to what my good friend has just laid out as the scenario for consideration of the bills before us. There is a single legislative measure before us, but in effect we have four bills before us. The origin of this is a bill called Common Cents. It is not A to Z, it is H.R. 4414 which contains a number of budget process reforms. The basic reform here proposed was we take emergencies one at a time, that an emergency spending bill, according to H.R. 4434, would only contain emergency spending related to one single emergency.

When I took up this matter several weeks ago to try to break down parts of this and bring budget reform measures to the floor, I looked into this particular provision and what we found was that over the last 5 years, from 1991 through 1994, both years inclusive, we had funded 150 emergencies if we include Desert Storm. If this particular provision in H.R. 4434, the Common Cents bill, had been in effect, we would have been required to enact 150 separate laws to provide for emergency funding whereas only 15 had to be enacted to provide for these 150 emergencies. There were nine supplemental appropriation acts, five regular appropriation acts, and one continuing resolution. With those pieces of legislation, we covered all 150 emergencies.

Madam Speaker, I prepared a bill which said basically that Stenholm-Kasich says today. Namely, that emergency bills can only include emergency spending. If they include nonemergency spending, they cannot exceed the discretionary spending cap. But basically the object was to keep emergency spending bills limited to emergencies, although they could include multiple emergencies. I was prepared to file that bill and I had shared it with my colleagues, the gentleman from Texas [Mr. STENHOLM], the gentleman from Minnesota [Mr. PENNY], and the gentleman from Ohio [Mr. KASICH] when the Committee on Appropriations convinced me that there at least is a argument, a strong argument to be made for the existing procedure because there is a need for flexibility. They gave me two very current, contemporary examples.

For example, Rwandan aid. The foreign appropriations bill that is moving through Congress right now includes Rwandan aid, $350 million. It was a useful vehicle for loading that emergency spending item on and it is completely germane to the subject of the bill.

The second example. Aid for Georgia flood relief.

The Labor-HHS Appropriations bill was amended in the other body to include aid for Georgia flood relief, and I am sure the Georgians are glad that that vehicle was available because we are near the end of the fiscal year and I am sure FEMA has probably drawn down substantially on its available obligatable balances. So that vehicle was used, which is a nonemergency spending bill, to include emergency spending which is desperately needed in Georgia. The Committee on Appropriations said this sort of flexibility on occasion more often than not is a very, very desirable convenience to have. We tie our hands, we make our process very inflexible when we need it most responding to emergencies and disasters if we strictly and religiously limit emergency spending bills or nonemergency bills so that the two cannot be mixed.

Consequently, I filed H.R. 4906 to allow that position to be argued on the floor. What we have today is an array of all the logical positions on the spectrum concerning emergency spending. First of all, that is that particular position. It is basically current law, but it provides and underscores and emphasizes that nonemergency items should not be included if they are truly extraneous, if they are simply being piggybacked, and it does so by allowing an expedited, easy procedure for a motion to strike when nonemergency items are included in emergency spending bills that come to the floor.

Second, the Committee on Rules has made in order the Johnson amendment. The gentleman from Texas [Mr. SAM JOHNSON] would have us when we appropriate emergency spending in 1 year, in the next fiscal year look back, take anything in excess of the caps for that year and take it out of that year's discretionary spending. He has a look-back provision.

The Castle amendment has a look-forward. The Castle amendment, which is a third alternative, has a look-forward provision. It says, let us determine the average over a certain period of time, 5 fiscal years, which we have spent upon emergency and disaster projects. Let us average that out and let us reserve that amount as a likely contingency every year. He would have us put away into a reserve account and appropriate out of that reserve account when and if emergencies occur.

Stenholm-Penny-Kasich is still another alternative. It provides that emergency spending bills shall be related exclusively to emergencies. But unlike the original version which they were supporting here under the Common Cents bill, they agree that there could be multiple emergencies include in a single bill.

Madam Speaker, we have before us today 4 clear choices. The reason I filed H.R. 4906 was to complete the spectrum, to allow the Committee on Appropriations to come here and make the argument they made to me that this flexibility is needed and anyone who has ever faced a disaster and found FEMA with no money in its pocket, no expendable balances on its books, knows that we need flexibility in the face of an emergency. That argument will be made in the well of the House today because H.R. 4906 is the base bill, but other arguments will be made.

The procedure that we have laid out is completely logical, completely fair for the consideration of each one of these. With 4 alternatives before us, I do not know a better procedure that the king-of-the-hill procedures for taking each one of them in its own term.

Madam Speaker, I think what we have here is a fair procedure and one that allows for full consideration of the whole spectrum of ideas of how we should budget for emergency spending.

Mr. GOSS. Madam Speaker, I yield such time as he may consume to the distinguished gentleman from greater San Dimas, CA [Mr. DREIER], a member of the Committee on Rules.

□ 1110

Mr. DREIER. Madam Speaker, I thank my friend from Sanibel for yielding the time.

Madam Speaker, I was listening to this fascinating play by play of the slippery rock in the Notre Dame game in which Boston College got involved, and I was struck with the fact that we have once again been discussing this issue of king-of-the-hill on a rule. I ask a very simple question, rhetorically on this convoluted king-of-hill process which has been standard operating procedure around here, and that is, Why is

it that one bill has to have a favored position?

As the distinguished chairman of the Committee on Rules said last week as we debated the MFN issue on China, clearly the Pelosi position did have a favored position. But the correct measure, the Hamilton measure, which pursued human rights through more trade and exposure to Western values prevailed.

But it prevailed obviously because it was the right thing, overcoming the fact that it was in a less than fair favorable and equal position to the Pelosi proposal. So that is the reason we have said consistently on our side that as we look at the king-of-the-hill structure what we should have is a provision which simply says that the measure which receives the highest number of votes is the one that carries, rather than the last standing measure, and unfortunately the present situation creates a position where the last standing measure could have received many fewer votes than the measures that had been carried before. So I think it is the only fair way for us to proceed, and that is why I think we should stand firmly on that issue.

As we look at this legislation itself, I am going to urge a "no" vote on the previous question. The reason I say that, Madam Speaker, is that as we look at this measure, it is a very integral part of congressional reform. H.R. 3801, in fact, includes provisions which deal with this, and it seems to me that we have continued along the line with our divide and conquer strategy which has emanated from the majority leadership. So I am going to urge a "no" vote on the previous question, and I hope very much we can make in order H.R. 3801, which is the congressional reform package that was promised last year and several times this year, and then proceed with the kind of changes in the budget structure which the American people want and we can include in the whole issue of congressional reform, which continues to be a top priority.

Again I thank my friend for yielding the time.

Mr. GOSS. Madam Speaker, I yield myself such time as I may consume. I would like to simply quote from a distinguished Member of this body who is unable to be with us in this debate, but was here for the early part of it, but had to go to other duties. His observation to me was this:

> This appears to be the rule to give the appearance of modifying our rules so that we can live under the rules we can live under now if only we would enforce the rules that we adopted as rules at the beginning of this Congress.

I think that is actually what we are doing. I do not think anybody in America understands that, and I doubt many Members of this body understand that. But I actually feel no matter how far one travels from home, under the king-of-the-hill process it is stacked so you always return home, whether it is a short distance or a long distance. Today we have three amounts, so it is a fairly long distance. But the prediction is we will try to get home, because that is the favored position.

Madam Speaker, I yield back the balance of our time.

Mr. MOAKLEY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I urge all Members to support this rule so the House can consider this meritorious legislation.

Members from both sides of the aisle have expressed frustration about nonemergency items finding their way into emergency bills. When that happens, Members can often face a rather grim choice: They can vote against the whole measure, including the funding for the real emergency, or they can vote for the emergency and for whatever nonemergency items go with it.

This bill will guarantee Members another option, an opportunity to offer amendments to strike out individual nonemergency items in the bill and make it easier to get recorded votes on those amendments. That will be an improvement over the status quo, and I urge Members to support it.

This rule is also a good one. It makes in order every substitute the Rules Committee was asked to make in order. It provides a king-of-the-hill so every substitute offered can be debated fully and voted upon. Had the Rules Committee not provided king-of-the-hill, the first substitute adopted would have been the last considered, and maybe some of the amendments would not even been offered and discussed.

I urge all Members to support the rule and the bill.

Madam Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Ms. DELAURO). Pursuant to House Resolution 513 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4906.

□ 1115

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4906) to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation, with Mr. MURTHA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Massachusetts [Mr. MOAKLEY] will be recognized for 30 minutes, and the gentleman from Florida [Mr. GOSS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am delighted to bring to the Committee H.R. 4906, the Emergency Spending Control Act of 1994. This legislation is designed to improve the budget process by providing Members a solution to a problem associated with the consideration of emergency spending bills.

This Government is now operating under a 5-year budget plan passed last year by this Congress with the President's leadership. As a result of that plan, the deficit is plummeting even faster than expected. The economy is strong. Jobs are being created. According to the Republican chairman of the Federal Reserve, Mr. Greenspan, the outlook for the U.S. economy is as bright as it has been in decades.

One of the features of the 5-year economic plan was a freeze through 1998 on discretionary spending. Discretionary spending funds most of the government itself and most government programs.

When Congress first imposed rigid annual caps on discretionary spending in 1990, we realized that from time to time sudden, nonrecurring, catastrophic events take place which increase demands for government services.

These events are typically natural disasters like floods, hurricanes, and earthquakes. Such emergencies cannot usually be predicted with any certainty. Consequently they cannot be easily or accurately estimated and budgeted for in advance.

If the budget process were so rigid as to require cuts in other programs before Government could meet the needs of Americans left homeless by floods, hurricanes or earthquakes, it would in effect force Congress to shift the suffering caused by the emergency in question from one group to another. Congress could debate for days or weeks about what programs to cut while thousands of Americans tried to nurse their wounds, rebuild their lives, and recover their lost income brought about by the emergency.

So, the Budget Enforcement Act allows Congress and the President to provide emergency assistance to those in need without bruising political battles over what programs to cut and whom to inflict suffering on instead. Under the act, if the Congress and the President can agree that an emergency exists for which additional spending is required quickly, then that spending will not count against the spending limits.

Unfortunately, some additional items, which were arguably not emergency items, have at times found their

way into emergency bills. It is this problem H.R. 4906 is designed to cure.

The bill would amend the Budget Act to provide that, during consideration of any bill containing emergency spending, any Member could offer an amendment to strike out any provision which is not designated as an emergency.

And H.R. 4906 would make it easier for the American people to determine who supported these additional, nonemergency items in the emergency bills by facilitating recorded votes on the amendments to strike them out. Under the bill, a recorded vote would be ordered on amendments striking out nonemergency riders if demanded by a Member and supported by only nine other Members. That's a total of only 10 Members to get a record vote, instead of the usual 25 Members in the Committee of the Whole or 44 in the House.

Finally, the bill ensures that any nonemergency provisions in enacted emergency legislation will in fact count against the applicable allocations of spending the Budget Act.

Mr. Chairman, H.R. 4906 is a carefully crafted solution to the problem of nonemergency provisions appearing in emergency-spending legislation. I commend my colleague from South Carolina, Mr. SPRATT, for his ingenuity, diligence, and hard work in bringing this legislation before this body. It deserves our support. I urge all Members to vote for the bill.

Mr. Chairman, I reserve the balance of my time.

□ 1120

Mr. GOSS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the distinguished gentleman from Massachusetts [Mr. MOAKLEY] again referred to the 5-year plan. I am always worried about these 5-year plans. I am mindful in the Soviet Union they used to call these 5-year gosplan, the economic future plan, and I used to have to deny that they were any kin to me. They spell it differently.

Fortunately, this plan is no comparison to what they were doing in the Soviet Union. But what we are doing does need a little modification. That is what we are about here today, trying to get a handle on the emergency spending and to account for it properly and truthfully, and make sure that emergency spending is truly emergency spending. Frankly, what we have today is a new part to buy off the A-to-Z program, which we seem to be unable to get forward in its purest form on the floor. Many of us think we should do that. I think that would be something worthwhile doing if we are not going to spend time on more substantive matters, such as crime and health.

Like the so-called Budget Control Act we passed several weeks ago, this bill has no substance. So I do not think we need to waste too much time on it.

It does have two main provisions. The first allows Members to offer as a motion to strike nonemergency items in an emergency spending bill and, second, provides a point of order against any nonemergency items if they violate current 602(b) allocations. Good idea. We could already do it. But it is a good idea.

While it may come as a surprise to those Members who are largely unfamiliar with the open-rule process, the standing rules of the House already provide for both these measures. My friend from Massachusetts, the distinguished chairman of the Committee on Rules, confirmed this fact to me as we were marking up this legislation on last Tuesday.

Under an open rule, any Member can come to the floor and offer a motion to strike nonemergency funds in an emergency bill. In addition, under an open rule, one that does not contain a blanket waiver, that is an important point, one that is not protected by the Rules Committee, there is already a point of order against nonemergency provisions that violate the spending caps. So why waste time debating this measure? We have already accomplished what we set out to do if we just obey our own rules.

I for one am hopeful that the House will adopt one of the substitute amendments to be offered, and that is the possible area of progress today. Each of these would bring us closer to establishing some fiscal responsibility in the emergency spending process, which is what we should be doing rather than giving the appearance of changing our rules. Although each one of these amendments comes from a slightly different point of view, thus each one would be an improvement over the base bill, they go about the legislation in a different way.

To wit: The Johnson amendment would require that all emergency funds be subject to budget limits, and it includes a lookback measure which provides that if an emergency appropriation goes over the budget allocation for that year, then the discretionary spending limits for the next fiscal year shall be reduced by that amount.

Now, that is not exactly a brand-new idea. Most American families who operate on a budget understand if the roof falls in this year and they have to spend the money that they were going to use for a vacation to fix the roof, there is not going to be money to spend for the vacation. We do not want the roof to fall in, but occasionally that does happen. And when that does happen, as we just saw did happen in northern Florida and Carolina and Georgia, where this little storm is coming up the coast now, we have people in need. We set out to bail them out, and that means that there may not be money for vacations. That is sort of a moot point anyway because we seem to have cancelled vacations this summer.

But I think the analogy is clear for most Americans. If you spend it some place else on an emergency basis, you do not have it left to spend on what you thought you were going to spend it for.

The second amendment today is the Castle amendment, which would similarly require emergency spending to be subject to budget limits. It would require Congress to set aside adequate funds within current discretionary caps to pay for natural disasters and other emergencies. Again, not a brand-new idea, called a rainy day provision or a rainy day fund in most family budgeting exercises. A good idea to plan ahead.

Finally, the Penny-Kasich-Stenholm amendment would end the practice of loading up emergency bills with pork, such as bridges or train stations or some of the other things we have seen in the last year, by imposing the commonsense requirement that the emergency spending bills contain only emergency spending. Not exactly a new idea. Why not have emergency spending in emergency spending bills, and only emergency spending?

I think we all remember the acrimonious fight over the midwest flood bill last year, which was sparked when the House leadership told the Members we could not vote on an amendment to simply pay for the funds we were providing. That just did not work. We got in quite a fuss about it.

It took quite some time, and there was some question as to whether the relief would be provided on a timely basis. It was delivered on a timely basis, but only after a great strain here, which was not necessary.

I am sure the Los Angeles earthquake bill, which was loaded up with nonessential items in the other body, is still fresh in many Members' minds. We have an opportunity here to address some or all of the problems we encountered with these bills, but only if we reject, reject the base Spratt bill and adopt one of the substitutes. Now, we have to reject the base Spratt bill in every instance, at the beginning in general debate and that when we get through with the king-of-the-hill process, we come back to the Spratt bill to vote on, and we have to reject it at that time as well.

I think it is unfortunate that we are considering these measures before the National Disaster Task Force has reported its findings. It has been over a year since that task force has been working, and frankly we should have had a report back by now.

I urge my colleagues to support the substitute amendments that will improve this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. FROST. Mr. Chairman, I yield 6 minutes to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I thank the gentleman for yielding this time to me.

I rise to explain and urge support for the base bill, H.R. 4906, which is called the Emergency Spending Control Act. In a nutshell, this bill would make it more difficult to fold nonemergency spending into emergency spending bills. At present, when emergency spending bills come before the House, nonemergency spending items are often included. Some of these, I will have to admit, would not stand scrutiny in the normal process but they got folded into these bills and enacted because these bills are must-pass emergency bills.

This bill, H.R. 4906, would not make it impossible to include nonemergency items with emergency projects because there are occasions, as I explained, when that flexibility is needed. But it would make it more difficult to piggyback unwarranted, extraneous items into emergency spending bills. Let me cover in some detail the provisions of this base bill.

First of all, H.R. 4906 provides that when the House takes up an emergency spending bill that includes a nonemergency spending item, any Member may move to strike the nonemergency item and demand a recorded vote. If nine others support the request, a rollcall is ordered. That is a way of underscoring, I believe, that these should be exceptional procedures, inclusion of nonemergency items in emergency spending bills. In essence, the bill reduces the number needed to demand a vote from 25 to 10, but it is here to emphasize the principle.

Second, the bill requires that all nonemergency spending proposals, when included with emergency spending bills, have to fall below the discretionary spending cap provided under both 602(a) and 602(b) of the Budget Enforcement Act of 1990. This only reaffirms current law and practice, but I think it is worth emphasizing because in a "Dear Colleague" put out by the Penny-Kasich-Stenholm supporters, it indicates that when nonemergency spending is included in an emergency spending bill, it somehow becomes transmuted and becomes exempt from the discretionary spending caps. Indeed, their letter says this spending is also exempt from the discretionary spending caps which, when proposed in 1990, were a key instrument of deficit reduction. This exemption adds to the many temptations of these matters. That is an erroneous statement. All nonemergency spending included in an emergency spending bill is subject to the spending caps by law. But this bill, to make it clear to everybody, including Penny, Kasich, and Stenholm, makes the principle explicit.

Third, this bill would for the first time create a point of order when nonemergency items exceed the 602 (a) or (b) outlay allocations. Under current rules, a point of order can be made only when 602 (a) or (b) budget authority is exceeded.

□ 1130

Now I think, taken all together, these are reasonably rigorous conditions, but more flexible than procedures laid out in any of the alternatives, and I think, for example, flexibility is in order when we are dealing with disasters and emergencies.

The Castle substitute would mandate a budget reserve account, which would have to be taken out of the discretionary spending, carved out below the line, below the cap which is already a tight cap. It would have to be taken out of that $540-plus billion allocation, reducing it, according to Castle's best estimates, by over $5 billion, because that is the average we have spent on emergencies over the last 5 years. This $5 billion will be stored away in a budget reserve account, and then we would appropriate out of it when the case or requirement arose. If it was not needed, if we did not draw down the full account in any fiscal year, then it would revert to Treasury for deficit reduction at the end of the year. There would be no carryover of the unexpended balance, so next year we would have to whack another 5 billion, plus or minus, out of the discretionary spending allocation. But, on the other hand, if the reserve account were inadequate, the Castle amendment would repeal the dispensation for emergency spending that we now have in the Budget Enforcement Act of 1990, which allows it to be made over and above the discretionary spending allocation. At least this is my reading of it, and Castle leaves us to then figure out what happens if we have a deep recession or war and we need emergency spending. Then we either have to take it out of discretionary spending, which is already strained, pressed tight, or we have to somehow or another invent a statutory mechanism for exceeding the limit.

The Johnson substitute contains another provision which I think could create havoc in the House. This substitute would allow emergency spending in a given year, but it would force a reduction in the discretionary account for the next year in an amount equal to any emergency spending over the cap in the prior year, but because of the way it is drafted the Johnson substitute would force sequestration in the amount equal to the amount of emergency spending. In other words, if Congress appropriated $5 billion in emergency spending, the Johnson substitute would require a $5 billion reduction in the spending cap for the following year.

Johnson would require, first of all, the $5 billion reduction in the spending cap for the following fiscal year, but, as drafted, it would also force a $5 billion sequestration in the year the emergency money is spent. So, that means that the $5 billion in emergency spending could really require a $10 billion cut in discretionary spending. This happens because the Johnson substitute repeals section 251(b)(2)(D) of Gramm-Rudman which exempts emergency spending from sequestration. This may be an unintended consequence, but, as I read the substitute, it is a consequence nonetheless.

Finally, Mr. Chairman, Stenholm-Penny-Kasich is the least onerous of the three substitutes, but it, too, could have regrettable results because it would prevent us from ever, ever taking up emergency spending as part of a nonemergency spending bill. Does this matter? It matters. Just last week, when we put Rwandan aid in the foreign operation bill, a germane bill, a moving vehicle, and, in light of the dire humanitarian need, the best way to ensure timely approval, it mattered in the other body when we were able to add Georgia disaster relief.

So, this flexibility is needed, and that is why I think the base bill is a better choice or the best choice of the three, and I urge support for it.

Mr. GOSS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Iowa [Mr. NUSSLE] a member of the committee.

Mr. NUSSLE. Mr. Chairman, I thank the gentleman from Florida [Mr. GOSS] for yieiding this time to me.

Really what we have today with regard to emergencies is five issues. We want to prevent, we want to plan, we want to provide, we want to pay, and we want to eliminate pork, and that is the reason that the special task force was appointed by the leadership last year to deal with emergencies because we were not preventing disasters from happening when we knew we could mitigate problems. We were not planning ahead as a country recognizing that, hey, folks, earthquakes happen, hurricanes happen. We were not providing assistance to victims quickly enough. Everyone from an affected area can tell us that. We were not paying for our disasters, and we know now about all the pork barrell that was hidden in the bill.

The task force was established by the leadership, and the Republicans, I will tell my colleagues, are ready to come forward with a report. Their report will include the provisions that we discuss here today. But the House needs to explain today to the people of this country our position on whether or not we should plan, and whether or not we should pay, and whether or not we should have pork.

I say to my colleagues, "I understand that the gentleman says that there will be panic in the House, but imagine yourselves sitting around the kitchen table dealing with a flood, maybe the flood up to the rim of that kitchen

table, panicking, trying to figure out how to now pay your bills, how to deal with this disaster. We do not have a disaster pending right now, the likes of which we saw last year, although there are people in peril around our country. They want to know we are not going to panic, but we are going to plan, provide and pay."

Mr. Chairman, we need to explain to victims that have been shaken to death, or have been blown away, or flooded up to their hip boots, why we have no coordinated plan for prevention, why this country is in shock that disasters even happen. We do not plan ahead. We need to explain to victims why they are held hostage to politics, to CNN and to pork barrell spending, and of course politicians with wrinkled brows like to walk around fields that have been flooded and promise victims help when they know full well that their colleagues are going to have pork. We have to explain to them why in the world, why in the world that a fingerprint agency, or that a Union Station, or some kind of special project for some election-worried politician is more important than flood assistance, why that with no hearings, and no committee meetings, and no public disclose, how these bills just kind of slip through. People want to know that. They want to know how those decisions are made.

Under this rule, which has been called king of the hill, it has really stacked the deck. We cannot explain to that person who sits around their kitchen table and worries, but for that family that does sit around the kitchen table, and wants to be responsible and accountable, we need to plan, and we need to eliminate the pork. These bills here today do that. We should do more than just tell them, "Well, we may just vote on these bills." That is not good enough.

Mr. GOSS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, I thank the gentleman from Florida [Mr. GOSS], my colleague, for yielding this time to me, and I want to briefly revisit the discussion that took place under the rule because, although the substance of this particular bill is important, I think far more important is the underlying understanding of the public and its growing awareness of the concept of the so-called king-of-the-hill. It is important because we are going to face other very extreme and important measures in the near future; the health bill is the first one that comes to mind. I have been intimately involved in building health care, so I am very concerned about the kind of rule that it will come to the floor under.

In Sunday's New York Times, August 14 edition, there was an editorial about king-of-the-hill, and of course we know that it is a misnomer, it is not king-of-the-hill. It is whichever measure was voted on last that passes wins.

The Democratic leadership has complained mightily about what has happened to the discharge petition process. I can say that the reason the discharge petition process is now in its current state of a number of bills at the desk getting signatures to be discharged is because the Democratic leadership would not respond to the will of the House. I say, "You keep that lid on the kettle as it tries to boil over, and what you get is the result of the discharge petitions at the desk. I can tell you the king-of-the-hill is next."

□ 1140

The arguments that I heard in terms of support for the king-of-the-hill, if you were the average American listening to this debate, are absolutely absurd. It clearly is an enormous advantage for the Democrats, with the control they have in the House and on the Rules Committee, to place a bill which may not be the best bill in an advantaged position under the rule, and providing that whichever one passes last wins—not that it got the most support, but the one that was voted on last passes.

That was exactly the point of the New York Times editorial, although it refers generally to the health care debate. But the last paragraph of that article is a general statement about the king-of-the-hill process, and it says: "Before the House can begin to create an acceptable bill"—any bill, including this one—"Members need the freedom to amend the bills that their leaders will put before them. If the leadership insists on imposing king-of-the-hill procedures, the outcome will be anything but lordly."

Let me tell you, you act as though you are in a conundrum and there is no other way to deal with this issue. There is clearly another way to deal with this issue, which is another problem that the leadership of this House has not fairly or fundamentally addressed, and that is what we call in the world I used to be in, the academic world, plagiarism. If you want to find out which bill should be the underlying bill, take the bill that was introduced first dealing with the concept.

Interestingly enough, the Democrats have argued that this underlying bill, with the king-of-the-hill structure from the Rules Committee, is H.R. 4906. This bill was crafted in the Rules Committee.

The gentleman mentioned another bill, H.R. 4434, which is called the commonsense bill. Well, guess what? H.R. 3266, A-to-Z, came first, and this is what happened: What happens a lot of times around here is that if somebody has a good idea and they introduce it as a bill—for example, the A-to-Z bill, introduced as H.R. 3266—the first bill that goes in gets H.R. 1, and the second bill gets H.R. 2, so at least in this congressional session, H.R. 3266 was introduced before any of the other bills that were discussed.

What happens is that the Democrat leadership sees a good idea coming along and they are afraid that it may gain momentum, so they introduce their own bill in an attempt to circumvent, cut off, deny that earlier original idea.

I think we need some kind of an understanding that the House needs to honor intellectual property rights, just as we are doing in these international treaties, General Agreements on Tariffs and Trade, and others, so that if somebody gets an idea first, you ought not play games in the Rules Committee and come up with a weakened version, a modified version, and give it a preferential position in the discussion, as they have done.

If you are looking for a way out of the conundrum you have built for yourself in terms of how to deal with these issues, why not show a little respect for intellectual honesty and say the first bill introduced is the underlying bill? All other bills coming later, those that try to modify, would be considered later. If you want to hang onto king-of-the-hill, at least be intellectually honest about it and get the numbers of the bills that were introduced first as the underlying bills.

Mr. FROST. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I have the dubious distinction of cochairing a task force on emergencies with the gentleman from Missouri [Mr. EMERSON]. He and I will be able to tell the Members, after months of deliberation, that this is an extraordinary subject and although many of my colleagues and those listening will view this topic as dry as dust—in fact, it deals in very real terms with human tragedies and disasters that come to the United States that must be dealt with—I am afraid that some of the suggestions that are being made today are being made in a vacuum. Some of the amendments that will be offered on the floor today do not take into consideration our past experience. I think we as legislators have a responsibility, when we deliberate serious topics like this, to consider our past experience before embarking on what appears to be a very simple answer.

When it comes to dealing with disasters in the United States, I can tell the Members that it is a very complicated situation. Let me give a couple of examples. One of my colleagues—I believe it is the gentleman from Delaware [Mr. CASTLE]—has suggested that we should set aside some type of an emergency reserve account, a rainy day fund. To most people who try to put a little savings in the bank to take

care of unforeseen circumstances, it is a perfectly reasonable thing to do, and I frankly think it is a reasonable thing to do. But how much money should we put into this account? If we use past experiences as a guide, if we use an average, we might say that we spent about an average of $3 to $5 billion a year on disasters in the United States. But I would say, from the testimony before our task force, that the potential for future liabilities resulting from disasters is way beyond that.

In fact, we have had testimony before us to suggest that a major earthquake in San Francisco could result in a liability of some $60 billion, and $88 billion in Los Angeles. If Hurricane Andrew had struck Miami, we would be dealing with a price tag of about $50 billion. We have been very lucky in this country. We have had disasters, and people have suffered, but the potential for losses is even greater.

The potential for disasters cannot be overlooked when we talk about these so-called rainy day funds and get very honest and serious about how far they will go.

There is another suggestion from my colleague, the gentleman from Texas [Mr. SAM JOHNSON] that we should be reducing the spending in next year's budget cycle by whatever we spent for disasters in the previous year. On its face, it sounds like a perfectly reasonable suggestion, but there are two very serious problems here.

In the first instance, if we accept his approach, we would have to cut out in next year's spending about $12 billion if we are going to take out what was spent this year on disasters. Half of that money will come from the Department of Defense. I wonder if the gentleman from Texas knows that. About $6 billion under the gentleman's bill would have to be cut from next year's defense appropriation in order to conform with his amendment.

Let me also suggest to the gentleman that the problem goes far beyond that. We have a situation here where creating this reserve account and trying to guess what is going to occur in the future is a very difficult thing to do. The gentleman from Texas may recall when he considers the implications of his amendment that we went through Desert Storm and Desert Shield several years ago. The Bush administration declared it an emergency. We then appropriated over $42 billion for Desert Storm and Desert Shield. Eventually, we were paid back by our allies, but the gentleman from Texas with his amendment would have required us in the next fiscal year to cut that much out of spending even though we knew we were going to get the money paid back to us. So on the surface what the gentleman says sounds very reasonable, but our human experience and our experience here in the Congress suggests that it is a little more complicated.

I urge my colleagues—who, when told that there is a bill on budget reform, say, "I'm for it; what is it?"—to stop and take a look at it. I think frankly the gentleman from Texas has a good idea, but in practical application it has some very serious flaws and problems with it. Perhaps we can work on improving it. But until then, I hope that my colleagues will read this very carefully and understand that we are dealing not with a very simple issue here but a very complicated one.

Mr. GOSS. Mr. Chairman, I yield 5 minutes to the very distinguished gentleman from Ohio [Mr. KASICH], our chief budgeteer.

Mr. KASICH. Mr. Chairman, I appreciate the gentleman's yielding time.

Mr. Chairman, I would first of all tell the Members that this bill that we have today, the Penny-Kasich-Stenholm bill, is our third effort to try to bring some significant budget reforms to the House of Representatives.

I do appreciate what the gentleman from Illinois had to say about the difficulty of trying to plan for emergencies and providing a separate fund, and I think it probably is a difficult process. That is why I believe that we ought to keep these emergency bills clean, as a starter, and that is essentially what we are trying to do today in the proposal that the gentleman from Texas [Mr. STENHOLM], the gentleman from Minnesota [Mr. PENNY], and I are offering.

□ 1150

Let me just show you that in the last emergency bill that passed this House, as that bill left the House of Representatives to provide money for the earthquake in Los Angeles plus a number of other earthquakes, and, by the way, I would tell you our bill is slightly modified, because we do provide that more than one emergency can be in an emergency bill. What we want to say though is the only money that should be in an emergency bill is money for the emergency. Any nonemergency money should not be attached to an emergency bill.

Why? For a number of different reasons, one of which is you get these nonemergency items on this fast moving emergency bill, you do not have the scrutiny you ought to have, and then we wake up on Monday morning and in the paper are stories like I am about to tell you.

The emergency bill that provided money for the earthquake in California, after it came back from the Senate, it added $1.4 million to fight potato fungus. It added $2.3 million for FDA pay raises. It had $10 million for a new Amtrak station in New York. It had $40 million for the space shuttle. It had $20 million for a fingerprint lab. It had $500,000 for U.S. Trade Rep travel. It also contained some other items like $5.2 million for the Bureau of Public Debt.

What we are saying is these programs, whether they are good or bad, ought to be done in the normal appropriation process. They should not be included on the fast track with emergencies.

I think the public clearly wants this. I hope that the House clearly wants that the only thing we are going to say is when we have an emergency, we will provide money for that emergency, and we will attach no other riders to that bill. That is what we are asking for.

Now, people can say, for example, in the Spratt amendment, which we have to defeat under this king-of-the-hill rule, well, you can come to the House floor and you can try to eliminate these programs if you do not like them. But let me explain to you, to the Members of this House, the difficulty that we have.

As you can see, the potato fungus and the FDA and the Amtrak and the Space Shuttle and the fingerprint lab and the U.S. Trade Representative were all added in the Senate. So what happens is these get added in the Senate. We end up in a conference committee, the bill comes back to the House of Representatives, and the only way for us to fight any of these additions is to kill the conference report, which would mean that we would have to come to the House floor and we would have to vote against aid to earthquake victims in California in order to strip out the potato fungus funding, if we felt it was not necessary.

That is a choice that no one wants to be in. I can tell you that even the efforts made by my courageous colleague, the gentleman from Iowa [Mr. NUSSLE], and my colleagues, the gentleman from Texas [Mr. STENHOLM] and the gentleman from Minnesota [Mr. PENNY], in an effort to try to pay for the last earthquake, many of our colleagues were upset because it appeared as though we were trying to slow down aid to the earthquake victims, which clearly no one in this House was interested in doing. But there was no way to fight this, coming back from a conference committee, other than to defeat earthquake aid. That is not a choice anybody wanted to make.

How do we avoid this? How do we avoid loading these bills up with items clearly not related to the emergency?

The way in which we do it is we say we are going to have a clean emergency. If there is an earthquake in California, let us meet day and night and get the money provided. Let us not load it up with a bunch of other things. If we need these other provisions, let us put it in a separate supplemental bill, put it on the regular track, and then approve it separately.

I think this is a very big step in restoring public confidence in the credibility of the spending patterns of this body and the U.S. Senate.

So what I would argue is that you all need to come to the House floor, if you

are concerned about riders, which I know your constituents are, you should vote for the Kasich-Penny-Stenholm amendment. You should defeat the Spratt amendment, which is nothing other than current law. If you want to go against the status quo, if you want to suggest that emergencies only ought to contain emergency funding, that we ought not put potato fungus or FDA pay raises in an emergency bill, vote for Penny-Kasich-Stenholm. Reject Spratt. And that way we can make a significant difference in public credibility when it comes to our spending patterns in this body.

Mr. MOAKLEY. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. OBEY], the chairman of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I have very seldom in the history of the House seen a more misleading presentation than I just witnessed in this well, and I will explain in a moment why it is misleading. But first I want to put in context what it is we are being asked to do today in this seance.

Let me start by saying that I think everybody in this House recognizes that there has been a terrible deficit problem facing this country. We never had a deficit larger than $74 billion until Congress passed the Reagan budget proposals in 1982, which took us to deficits of almost $300 billion. We have been trying to get out from under ever since.

But I think it is safe to say that anyone who analyzes the budget understands that the root of the fiscal problems facing the United States cannot be found in the appropriation portion of the budget. Because whether you look at appropriated funds in real dollar terms, or as a share of the budget, or as a portion of the economy, you will see that they have declined—in contrast to entitlements, which is the problem in creating the deficits that we deal with today.

A decade ago discretionary spending, which is what we appropriate, equalled 11 percent of gross domestic product. It will be 8 percent this year. It will be 6.5 percent by the end of the decade.

Under the 5-year budget agreement we are living under, we are under a 5-year freeze in nominal dollars. That means that we will be, in real dollar terms, shrinking what we spend in the appropriations process by 10 percent over the next 5 years. That is going to require some draconian reductions.

The House this year in the appropriation bills which we passed cut 395 programs below last year's level. And I am not talking about cutting the rate of increase; I am talking about cutting actual spending below the amount that was spent last year. Three hundred and ninety-five programs. Thirty-six Federal programs were eliminated altogether. Those bills were $10.8 billion below the 1993 budget, $5 billion below the President, and $3.9 billion below this year's budget resolution.

Now I want to get to the specific amendments at hand. We are told that to deal with this problem we ought to pass the Johnson amendment, for instance. The Johnson amendment claims that what it does is that if we have to appropriate $10 billion in emergency supplementals, it claims that we will then in the following fiscal year have to cut a similar amount out of the next fiscal year's appropriated amounts.

That, however, is not what the Johnson amendment does. Because the Johnson amendment has a drafting error, as everybody knows. That drafting error means it requires you to double cut. It requires you to take a $11 billion cut this year, and another $11 billion cut next year if that amendment passes. So it requires you to cut $2 out of the budget for every dollar that you spend in an emergency supplemental. That may make sense to somebody on this floor; it does not make sense to me.

Second, the Castle amendment has a grain of sense to it. I, frankly, of the three amendments, would prefer a version of the Castle amendment to any of the three before us today.

But the Castle amendment is also flawed. The Castle amendment says we ought to have a rainy day fund. I agree with that. We do have one this year of about $800 million. I think it ought to be larger. If I have anything to say about it next year, it is going to be larger.

But the problem with the Castle amendment is that it says OK, we are going to have a rainy day fund, and if we have emergencies, we are going to fund them out of that fund. But there is no limit to the amount that has to be put into that fund.

In other words, if you have a nuclear war, you can still not make an exception. You still have to reduce funding to accommodate for the emergency spending. So what starts out as a reasonable idea becomes ludicrous on its face, because you make no exceptions. You put no limits above which we will recognize it is a genuine emergency, which has to be funded as such.

The Stenholm amendment is merely inconvenient, because the Stenholm amendment is meant to do something which is good. The Stenholm amendment is meant to avoid some of the riders that we sometimes see attached around here. But because of the way it is drafted, it goes way too far.

What it says, for instance, is we cannot put an emergency item in a regular appropriation bill, even if there are no other riders.

□ 1200

We just got done doing that, because we felt that the fastest way to deal with the Rwanda disaster problem was to put it in the foreign assistance bill which was moving through here at that time.

What harm was there in that? We simply solved the problem in the most expeditious manner possible.

Now I want to get to the comments of the gentleman from Ohio [Mr. KASICH].

The gentleman from Ohio [Mr. KASICH] has pointed to a number of additional items that were added in emergency bills and would lead Members to believe that that meant that the deficit went up because of that. The fact is that what he did not tell Members is that every single one of them was offset by a rescission.

If Members take a look at what CBO says, this will spell out that between 1991 and 1994, including the time period mentioned by the gentleman, that we provided $700 million more in deficit reducing offsets than were provided by add-ons of a nonemergency nature. So even if we argue with an individual item, and I certainly do, do not be deceived by the prior speech. Do not believe that we have not offset those funds; we have. We have, in fact, cut the deficit by an extra $700 million below the amount that we would have been required in order to offset fully all of the items cited by the gentleman.

I do not mind it when anybody tries to make a point in legislative debate. I do mind when in the process they do not let facts get in the way of their making a point. Facts ought to govern, not ideology and not political claims.

The fact is that in the supplemental that the gentleman was talking about last year, in the 1994 supplemental, we offset every single dollar that he had on that chart and then some. And I think that good faith requires that that be made quite clear on this House floor.

In summary what I would simply say is that I think the Castle amendment offers us the possibility of eventually working out a rational compromise, because I do believe in the principle of having a rainy day fund. The question ought to become, what is a reasonable size and at what point do we recognize we have a legitimate emergency on our hands?

I do not believe it is rational for this House to say that even in time of a nuclear war, we are going to require offsets. How far do Members think we would have gotten in World War II, if we had had to operate under those budget items? I do not think we would have won the war that way, my colleagues. So it seems to me that if we want to pursue these ideas, fine, but pursue them in a constructive, rational, and disciplined way.

What is going on here today is these are three free votes. Members get a chance to vote three times in a "let's pretend" manner, to pretend they are cutting the deficit. We all know these

bills are not going anywhere. I agree with the gentleman on that side of the aisle who said this is a colossal waste of time. I think it is an outrageous waste of the House time. I really believe we ought to get down to the serious business of designing that a rainy day fund really ought to look like.

Mr. GOSS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, first of all, no one ever argued that these were not paid for in some way. They should not be included on the fast track with an emergency bill and not undergoing the general scrutiny like the rest of the appropriation bills.

No. 2, I resent the fact that the Senate adds potato fungus and I have to kill the whole earthquake in order to strip it out.

No. 3, CBO came out and they studied supplemental appropriations in 1980's, the way in which we paid for them.

Do Members know what CBO said? Over half of the rescinded funds were unlikely to have been spent if they had remained available and were scheduled to lapse in the near future. In other words, these rescissions are a sham. They are a sham. This money would not have been spent, and now they are trying to claim they are paying for it. The simple fact of the matter is that if we had not loaded it up, we would have had lower deficits in this country.

The bottom line is, do not attach, do not attach these programs to emergencies. Do not let the Congress of the United States attach riders to bills like earthquake assistance. That is really the bottom line.

Mr. MOAKLEY. Mr. Chairman, I yield 30 seconds to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I point out the $1.4 million item the gentleman is talking about was not added by the Senate. It was in the President's budget. It was not an add on. I do not mind if the gentleman wants to make the fact, but I wish it had something to do with the truth.

Mr. MOAKLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, while it is in fact true that the potato fungus, I am not against fighting potato fungus, was added, was in the President's budget, it was added in the Senate when the emergency bill went.

Mr. OBEY. Mr. Chairman, at the request of the President. It was in the budget.

Mr. KASICH. Mr. Chairman, if the gentleman will continue to yield, I said that this was put in in the Senate. That is exactly right. The gentleman is not correct. That is what I said.

Mr. OBEY. Mr. Chairman, the gentleman is wrong.

Mr. STENHOLM. Mr. Chairman, I am pleased to come to the floor to debate proposals to reform the process by which we consider emergency spending. There clearly is widespread concern about the current process of enacting emergency appropriations bills. Today, the House will have an opportunity to consider several proposals to improve this process.

The Budget Enforcement Act of 1990 established a "safety valve" to allow Congress and the President to meet unexpected needs. When we passed the Budget Enforcement Act in 1990, few of us anticipated that we would utilize the emergency provision 16 times to spend $90 billion within 4 years. Excluding the funds for Desert Storm that were ultimately offset by foreign contributions, we have added over $30 billion to the national debt through emergency spending legislation. In addition, as the Washington Post noted in an editorial earlier this week, "emergency bills have been vehicles to which (appropriators) have often been able to add other projects that might have failed to withstand scrutiny on their own."

We will have the opportunity to vote on two thoughtful proposals that would end the practice of adding emergency spending bills to the deficit. I personally support both of these amendments because I do not believe that we should add more than $6 billion to the deficit each year for unexpected emergency spending. It seems to me that if we are going to pass several bills spending billions of dollars in disaster relief each year, we should set up a procedure to provide funding for disaster assistance through the regular budget process instead of relying on an unrestricted, ad hoc process.

Representative SAM JOHNSON will offer an amendment based on legislation he and I have introduced which will effectively require Congress and the President to offset increased spending for emergency spending through spending cuts in the next year. This will give Congress and the President time to come up with offsetting spending cuts through the regular process instead of being forced to find offsets in the relatively short window in which emergency spending bills are considered.

Representative MIKE CASTLE will offer an amendment replacing the current process of exempting emergency spending from spending restraints with a reserve fund for the regular funding of disaster assistance. This proposal will force Congress to plan for emergencies when we put together the budget resolution each year instead of pretending that the need for disaster assistance can't be anticipated and included in the regular budget.

Since emergency spending is exempt from budget constraints, there is a temptation to spend money in emergency appropriations bills with less review than normally occurs. Requiring that Congress pay for emergency spending bills instead of adding the costs to the deficit will force us to be more responsible in appropriating disaster relief. We will be less likely to pass emergency appropriations for items that may not truly deserve the emergency designation and will subject expenditures for emergency relief to greater scrutiny.

Both of these bills will be criticized for not providing Congress with the flexibility to deal with large, unexpected emergencies that cannot be funded within regular budget constraints. The criticism ignores the fact that if a crisis occurs, requiring that we spend beyond the discretionary spending caps, we could enact legislation increasing the caps. Disaster relief should be provided outside budget rules and added to the deficit only as a last resort, instead of as an automatic matter of course.

If we take our votes on the Johnson and Castle amendments and the House is not willing to take the step of requiring that we pay for emergency spending bills, we should at least stop these bills from becoming a vehicle for unrelated items to piggyback on. At the Rules Committee last week, there was widespread agreement that there is a problem with unrelated extraneous items being slipped into emergency appropriations bills. None of us like to read on Monday morning about pork-barrel items that were included in emergency appropriations bills after they were signed into law. Public cynicism about Government is increased by reports of stories of questionable spending items that sailed through Congress as part of an emergency spending bill. We need to deal with this problem for the sake of the institution.

The base bill reaffirms the ability which Members of the House currently have to strike nonemergency items from the bill. However, the base bill suffers from four fundamental flaws.

First, the provisions of the bill can be waived by the Rules Committee. Current House rules allow a motion to strike items from appropriations bills, but supplemental appropriations bills often are considered under rules that strictly limit amendments. For example, the rule for consideration of the supplemental appropriations bill for Midwest flood relief did not allow any amendments. The base bill would still allow the Rules Committee to report a rule preventing members from offering amendments to strike nonemergency items from emergency appropriations bills.

Second, the base bill creates the presumption that nonemergency items should be included in emergency appropriations bills. Since emergency appropriations bills usually are considered

rapidly, members rarely have the time to review the merits of individual nonemergency items. The result will be to allow spending to continue to flow to nonemergency items through emergency appropriations bills with little or no review.

Third, the base bill does not apply to extraneous legislative, nonspending items that are slipped into emergency appropriations bills. Although this abuse is not as common, there have been several substantive policy changes made through emergency supplemental appropriations bills.

Finally, and perhaps most importantly, the base bill lets the other body off the hook because it does not apply to conference reports. The base bill does not address the issue of extraneous items added to emergency bills in the other body at all. Since the only opportunity the House has to vote on these items is as part of a conference report, the base bill before us today would have no effect on extraneous spending items added to emergency spending bills by members of the other body.

In contrast, the Kasich-Stenholm-Penny substitute would significantly clean up emergency appropriations bills. Our amendment would prohibit extraneous items from being included in emergency appropriations bills and conference reports. We would prevent the other body from embarrassing us by adding extraneous items to emergency spending conference reports.

Mr. Chairman, if we are serious about cleaning up the emergency spending process, we must pass the Kasich-Stenholm-Penny amendment and defeat the Spratt substitute.

□ 1210

Mr. GOSS. Mr. Chairman, I am happy to yield 3 minutes to the distinguished gentleman from Delaware [Mr. CASTLE].

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. HEFNER) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message from the President of the United States.

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

EMERGENCY SPENDING CONTROL ACT OF 1994

The Committee resumed its sitting.

Mr. CASTLE. Mr. Chairman, I thank the gentleman for yielding time to me, and I appreciate the opportunity to address this issue. I also appreciate the opportunity to have the President deliver a message at the point I speak.

Mr. Chairman, some people say this is a waste of time, and perhaps in terms of legislative accomplishments it will be, but my view is we are focusing today on a problem which has plagued the Congress of the United States probably since its founding, but certainly since the last 10 or 12 years, since these appropriation bill pieces of legislation have come before us, and we have spent money without much discipline and, frankly, not being within the budget caps that have been set by the various Congresses.

Mr. Chairman, if nothing else, we are starting a debate which hopefully will culminate in some form of legislation which will help address this particular problem. I have an amendment, and I will be speaking to the amendment and answering some of the questions which have been asked about that amendment later today.

Mr. Chairman, I would just like to state that there are basically, as I see it, two approaches to reform emergency spending which are going to come before the House today, the Spratt bill and the Penny-Kasich-Stenholm amendments, which, by the way, I think are basically improvements, and seek to prevent nonemergency projects from being added to emergency spending bills.

Mr. Chairman, the Castle amendment and the Johnson amendment seek to address a larger problem of not only making sure that we limit what we appropriate, but paying for disaster assistance within our budget limits. As the gentleman from Wisconsin [Mr. OBEY] has already said today, that will be basically crating rainy day funds. I think the House should tackle the real problem of emergency spending and adopt the Johnson or Castle amendments.

The Penny-Kasich-Stenholm amendment is clearly superior to the Spratt bill because it would allow a point of order against nonemergency spending in emergency spending bills. The Spratt bill would only allow a motion to strike which could be blocked by the Committee on Rules.

However, the only real way to improve the emergency spending process is to require Congress to pay for disaster assistance within our budget limits. Only the Johnson and Castle amendments would achieve this critical reform.

Mr. Chairman, the amendment which I have proposed, the Castle amendment, would insert some much needed planning into the emergency spending process by setting up a budget reserve account to hold funds for natural disasters. These funds would be included in the annual spending limits. This is the only responsible way to pay for emergencies.

Mr. Chairman, I would just point out in response to what the gentleman from Wisconsin [Mr. OBEY] stated, and I will be talking about this more at a later time, if indeed we had an emergency of a nuclear holocaust or something else, a wartime emergency that was an indication for more than this, and we could not do it without other cuts within the budget, we could certainly go back and waive all requirements and appropriate at that point in a different sense.

Mr. Chairman, the bottom line is that the ordinary domestic emergencies that we anticipate from year to year to happen in the United States of America should be done within the budget caps, should be appropriated each year, should be under a disciplined process, should be addressed in terms of what those expenditures are going to be, and it will help with our budget-balancing process. I think for that reason this is a good debate, and one which will ultimately be fruitful.

Mr. MOAKLEY. Mr. Chairman, I reserve the balance of my time.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I come to the floor here today because I know there are a lot of sincere people here on the floor who want to change the rules to tighten up the spending on emergency spending. It certainly needs to be tightened up, but as I sat here this morning and listened to the debate, I began to think about what happens on the floor almost each and every day.

That is, the Committee on Rules, when they send legislation to the floor, decides to waive all points of order, decides to waive certain rules, and so, as I listened to the serious debate and the well-intentions of all of the Members who are involved in it, I scratch my head and wonder, why are we doing this? If the Committee on Rules is going to continue to waive points of order, waive certain rules on each day, then none of this makes any difference whatsoever.

Mr. Chairman, I say to the Members, as important as this debate is, as important as the amendments are, the amendments of the gentleman from Texas [Mr. SAM JOHNSON], the gentleman from Delaware [Mr. CASTLE], the gentleman from Texas [Mr. STENHOLM], and the gentleman from Ohio [Mr. KASICH], they are good, but until we do something about reforming the Committee on Rules where we will actually abide by the rules of the House, all of this is nothing more than a waste of time.

Mr. GOSS. Mr. Chairman, I would like to advise the chairman and the gentleman from Massachusetts [Mr. MOAKLEY], the distinguished chairman

of the Committee on Rules, that we have no further requests for time, and after a few remarks, I am going to yield back the balance of my time, on the understanding that the gentleman from Massachusetts only has 2½ minutes remaining, and one speaker.

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have had a lot of things said in this debate. I think what this really boils down to is that the U.S. Congress, the House of Representatives, has not yet come up with a way to find real funds for emergencies, and, as well, not to spend those funds once we do find them on nonemergencies.

That is the task we have set out to do. We do not have a place to go to get emergency funds now. We generally load them up on the deficit, or create some kind of a might-work pay system, revenue system.

Mr. Chairman, that is not satisfactory. We have set aside a task for ourselves, at the pledge of the leadership, of the majority, to deal with this issue. We just do not have a satisfactory result yet.

Then regarding loading up stuff, Mr. Chairman, the nonemergencies on the emergency vehicles that go through, we have not solved that problem, either. What is sad about that is, today we have victims, we have new victims. While I am standing here, there are victims in South Carolina, there are victims in Georgia, there are victims in Florida, and perhaps elsewhere, as this storm Beryl goes through and we still have not solved this problem.

I will make a prediction, Mr. Chairman, that we will not have solved it before the next storm, catastrophe, natural disaster, happens. That does not take a lot of courage to make that prediction. It does take some sadness. We just are not getting on with this job.

Mr. Chairman, the distinguished chairman of the Committee on Appropriations said "We can always add something to an appropriation bill." That, really, frankly, makes about as much sense as having your house on fire and waiting for a passing firetruck to go by and say "I have a fire here. Would you come in and put it out," rather than providing for a fire department that can respond to a fire when your house is on fire.

□ 1220

I do not think just because we might happen to have appropriation bills waiting in the wings is a good way to say, "Boy, we've solved the problems of emergency spending." Equally I think it is true that sometimes we can do harm to an appropriations bill by adding something to it. Some would argue that we add a sweetener or some would argue that we add something sour to it. The Rwanda issue was relatively easy compared to some. I can think of some appropriations for foreign ops appropriation that would be a lot harder.

Mr. Chairman, I do not think that is a good way to do it. I think we are trying to identify emergency spending for what it is, provide a fund for it, and provide that that is not abused for nonemergency spending. That is a real simple proposition and we really have not solved that issue today.

I suspect the answer to that lies in the joint reform proposals embodied in H.R. 3801 which we are not hearing, which we should be hearing, which have been split, divided and scattered as far as I can see, and I think that is a shame and all those people who have worked so hard on reform of Congress basically are very disappointed about that. I do feel that we do have a possibility of rescuing something from this debate today if we can pass one of the substitute amendments. But if we end up with the base Spratt bill, we have really done nothing except go around like a big circus and use this time, where we could get right back to square one to do just what we can do as the rules permit us to do now if we have the courage to use the rules properly.

Mr. Chairman, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Chairman, I yield the balance of my time for closing general debate to the gentleman from Alabama [Mr. BEVILL], the chairman of the Subcommittee on Energy and Water Development of the Committee on Appropriations.

Mr. BEVILL. Mr. Chairman, I would like to point out that we are trying, it seems to me for the sake of offering amendments, to make something complicated out of something that is very simple. The procedure is set up, it works, and as the old saying goes, if it works, why should we be trying to fix it?

If there is any nonemergency money in an emergency bill, we have got the right, any Member on either side of the aisle, any Member of this House, has the right to stand up and ask that it be stricken. That is all we have got to do. Get a vote on it. How can be beat that?

On the minority side, Members also have the right to make the motion to instruct the conferees, so they are protected in every way right now.

Why do we want to adopt these amendments that are going to change the allocations for this year and that are also going to affect the next year?

What these amendments are going to do is knock out projects in my bill. For example, they would knock out many of the flood control projects in this country and these projects are actually an investment and time has proven that the benefits of the projects are six times what the cost of the investment is. We are not even talking about the lives it saves. We are talking about property damage. History has proven that. I am just using that as an example.

You want to make it complicated. You want to change the allocation for this year, and it does not make any sense. I say that we do not need to fix something that is working, we have got all the remedies we need. Just with my bill, you can see the impact that it would have.

Mr. Chairman, I know that is not what the intentions are, but for many projects throughout the country that are necessary, that are already underfunded, this is going to be a means of cutting them even more. We have got a 5-year plan on the books that is working, and it is actually reducing the deficit. Alan Greenspan, the Chairman of the Federal Reserve Board, says that our economy is in the best condition it has been in in decades, and I am quoting exactly what he said.

So why are we trying to do this, because all we are really going to do is knock out some projects that are very important to this Nation and important to the people. I urge everyone to support the base bill, H.R. 4906, and oppose these amendments and support the gentleman from South Carolina [Mr. SPRATT].

The CHAIRMAN pro tempore (Mr. RAHALL). All time for general debate has expired.

Pursuant to the rule, the bill is considered as read for amendment under the 5-minute rule.

The text of H.R. 4906 is as follows:

H.R. 4906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Spending Control Act of 1994".

SEC. 2. PURPOSE.

The purpose of this Act is to restrict the inclusion of nonemergency spending proposals in emergency spending bills.

SEC. 3. TREATMENT OF EMERGENCY SPENDING.

(a) MOTION TO STRIKE.—Title VI of the Congressional Budget Act of 1974 is amended by redesignating section 607 as section 608 and by adding after section 606 the following new section:

"SEC. 607. TREATMENT OF EMERGENCY SPENDING.

"Whenever the House of Representatives considers a bill or joint resolution containing an emergency designation for purposes of section 251(b)(2)(D)(i) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, any Member of the House may move to strike any appropriation in that bill or joint resolution or any provision providing direct spending in that bill or joint resolution that is not so designated as an emergency, and a recorded vote shall be considered as ordered if demanded by any Member and supported by 9 other Members of the House.".

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Improvement Control Act of 1974 is amended by striking the item relating to section 607 and by inserting after the item relating to section 606 the following new items:

"Sec. 607. Treatment of emergency spending.
"Sec. 608. Effective date.".

(c) LIMITATION ON NON-EMERGENCY SPENDING IN EMERGENCY LEGISLATION.—If any bill or joint resolution contains an emergency designation for purposes of section 251(b)(2)(D)(i) or section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 and it also contains an appropriation or any provision providing direct spending for any matter, event, or occurrence that is not so designated as an emergency, then that non-emergency appropriation or other provision providing direct spending must fall within the most recently applicable allocations under sections 602 (a) and (b) of the Congressional Budget Act of 1974.

The CHAIRMAN pro tempore. No amendment shall be in order except the amendments printed in House Report 103-690 which may be offered only by the Member designated in the report, shall be considered as read, and shall not be subject to amendment.

Debate on each amendment will be equally divided and controlled by the proponent and an opponent of the amendment.

If more than one of the amendments printed in the report is adopted, only the last to be adopted shall be considered as finally adopted and reported to the House.

It is now in order to consider amendment No. 1 printed in House Report 103-690.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SAM JOHNSON OF TEXAS

Mr. SAM JOHNSON of Texas. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the Nature of a Substitute offered by Mr. SAM JOHNSON of Texas: Strike all after the enacting clause and insert the following:

SECTION 1. TREATMENT OF EMERGENCIES.

(a) REPEAL OF EMERGENCY RULE.—Section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(b) SPECIAL LOOK-BACK TREATMENT FOR EMERGENCY APPROPRIATIONS.—Section 251(a)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting "(A)" before "If" and by adding at the end the following new subparagraph:

"(B) If—

"(i) an appropriation that the President designates as emergency requirements and the Congress so designates in statute is enacted for the fiscal year in progress and that causes a breach within a category for that year (after taking into account any sequestration of amounts within that category); and

"(ii) that bill is approved upon final passage by each House of Congress by at least three-fifths of those voting; then the discretionary spending limits for the next fiscal year shall be reduced by the amount or amounts of that breach.".

The CHAIRMAN pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SAM JOHNSON] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Texas [Mr. SAM JOHNSON].

MODIFICATION TO AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SAM JOHNSON OF TEXAS

Mr. SAM JOHNSON of Texas. Mr. Chairman, pursuant to an agreement with the gentleman from South Carolina [Mr. DERRICK] and the gentleman from South Carolina [Mr. SPRATT], I ask unanimous consent that my amendment in the nature of a substitute number 1 made in order under the rule be modified to state that which is at the desk now and be considered in lieu of the amendment printed in the RECORD.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. SAM JOHNSON of Texas, as modified: Strike all after the enacting clause and insert the following:

SECTION 1. TREATMENT OF EMERGENCIES.

(a) ELIMINATION OF CAP ADJUSTMENT FOR EMERGENCY APPROPRIATIONS.—Section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(b) SPECIAL LOOK-BACK TREATMENT FOR EMERGENCY APPROPRIATIONS.—Section 251(a)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting "(A)" before "If" and by adding at the end the following new subparagraph:

"(B) If an appropriation that the President designates as emergency requirements and the Congress so designates in statute is enacted for the fiscal year in progress and that causes a breach within a category for that year (after taking into account any sequestration of amounts within that category), the discretionary spending limits for the next fiscal year shall be reduced by the amount or amounts of that breach.".

Mr. SAM JOHNSON of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. OBEY. Mr. Chairman, reserving the right to object, would the gentleman explain it?

Mr. SAM JOHNSON of Texas. Mr. Chairman, if the gentleman will yield, certainly.

Mr. Chairman, in filing the amendment, the wrong copy was inadvertently given to the Committee on Rules and the modification would simply delete subsection ii. It is the provision that requires a three-fifths vote.

Mr. OBEY. That is the only change? The gentleman is eliminating the three-fifths voting?

Mr. SAM JOHNSON of Texas. That is correct.

Mr. OBEY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas that his amendment be modified?

There was no objection.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. SAM JOHNSON of Texas. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I have to leave the floor to go to a meeting, but I just wanted to state my very, very strong support for the gentleman's amendment, and I urge every Member to vote for it.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I thank the gentleman from New York [Mr. SOLOMON].

Mr. Chairman, I rise today to ask Members to cast a tough vote. A vote that will put accountability, respectability, and responsibility back into Congress. For too long we have routinely voted to add billions of dollars to the $4.5 trillion public debt. We must stop the upward debt spiral.

That is why I am asking Members to vote to put emergency spending on budget. For some Members this will be a tough vote. Although tough, it is necessary because this vote is directly tied to the future of this country.

Members should realize that this is the only chance to vote for real reform because we all know that after November the momentum to drastically change how we address emergency supplementals will disappear.

While I agree with Mr. KASICH and Mr. SPRATT that Congress should have the authority to strike nonemergency spending from emergency bills, I believe they only solve half the problem.

Mr. KASICH has stated that approximately $150 million of nonemergency spending was in the California earthquake bill and under his bill this would have been struck. I applaud and support this effort. But what about the $10 billion that is left?

It is great to go home and tell our constituents that we saved them $150 million this year or that we eliminated the pork, but we must also tell them that we are still going to add $10 billion onto the national debt.

My colleague, the gentleman from Delaware [Mr. CASTLE] also has an amendment to reform emergency funding. The Castle plan, if I understand it, states that if there is an emergency and it exceeds the trust fund the money would then be added to the debt. So we still have not paid for it.

The Johnson amendment solves these problems while reaching the very worthwhile goal sought by my colleagues.

My bill amends section 251(c)(2) of OBRA 1993 to allow the lookback provision to be applied to emergency

supplementals. This provision states that any breach in the discretionary caps during the current fiscal year would be paid for by reducing the caps in the next fiscal year. Simple enough. If we pass a $2 billion emergency this year, we reduce the discretionary caps in the next fiscal year by the amount of the breach.

What else will this accomplish?

Having listened to past debates I know that Members want to pay for emergencies but not at the expense of disrupting and jeopardizing programs that have been appropriated in the current fiscal year. This bill would allow projects to continue in that year with no disruption.

Members also argue that past attempts to pay for emergencies was hastily put together and the impacts were not known. This amendment gives Members the time, while they are drafting next year's budget, to thoroughly discuss, propose, and draft rescissions that will pay for the emergency.

It also ends the argument by some that debating how emergency supplementals will be paid for delays aid from reaching those devastated in the disaster. Congress, under this amendment can now quickly pass the bill and send money and aid to those in need.

And by requiring Members to find cuts in next year's budget is quite a deterrent from adding nonemergency items or pork to the bill, and the most important point for voting for the Johnson amendment is that it keeps money from being added to the debt. I know that all Members would agree that we must stop any increases to our debt.

Mr. Chairman, we all recognize the necessity of providing funds to those whose lives have been affected by a natural disaster but is it fair for Congress to then endanger the future of these same people and their children by increasing their share of the debt? I think the answer is no.

I believe if the Congress and the President declare an emergency, it is our responsibility to pay for these bills. It is not the responsibility of future generations. Help Congress help itself, vote for the Johnson substitute.

□ 1230

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. RAHALL). Does the gentleman from South Carolina [Mr. SPRATT] rise in opposition to the amendment?

Mr. SPRATT. I rise in opposition, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from South Carolina [Mr. SPRATT] is recognized for 15 minutes in opposition to the amendment.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY], chairman of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding me the time.

I would ask the gentleman from Texas this question: In the unanimous consent request he just made, he removed the first two lines of (ii) but left remaining the requirement that discretionary spending limits for the next fiscal year shall be reduced by the amount or amounts of that breach. The gentleman left the language in, did he not?

Mr. SAM JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Texas.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I am not sure where the gentleman is looking.

Mr. OBEY. The item just knocked out, if the gentleman will take a look at the report of the bill.

Mr. SAM JOHNSON of Texas. I am looking at it.

Mr. OBEY. The gentleman struck the last two sentences on the first page, as I understand it?

Mr. SAM JOHNSON of Texas. The gentleman is correct.

Mr. OBEY. And retained the first two sentences on page 2?

Mr. SAM JOHNSON of Texas. The gentleman is correct.

Mr. OBEY. I thank the gentleman. That is what I was afraid of.

The problem with it, Mr. Chairman, is that that means that the amendment does not do what the gentleman just described. The gentleman indicates that the intent of this amendment is to take whatever is spent on an emergency in a current fiscal year, that happens to be $11 billion this year, and to then deduct it from the next fiscal year's appropriations in the same amount, $11 billion. However, because on page 1 in section (a) the gentleman also repeals the emergency rule under which emergency funding is provided, the effect of the gentleman's amendment is to take $11 billion out of the budget for this fiscal year, and to take it out again for the next fiscal year. So in other words, the gentleman has a double hit. I do not know if the gentleman intends it or not, but we cannot legislate on the basis of intent around here. We have to legislate on the basis of what is called for in black and white.

In fact, the gentleman is requiring us to cut out $2, one dollar in the current fiscal year and another dollar in the next fiscal year for every dollar that is requested to be expended because of an emergency from something like a natural disaster. I submit there is absolutely no rational reason to do that. I submit that in addition to the budget effect which this amendment would have, it would have a disastrous economic effect on the country because if we have an earthquake or a major flood which is going to depress the economy of the country and to cost jobs and cost economic growth, what we are going to do is in fact double the hit on the economy by the amendment offered by the gentleman.

I think the gentleman tried to correct one defect in his language when he removed that language that he asked to be removed, but he did not correct the problem. I cannot believe that this House is going to in effect say that if the country is unlucky enough to experience a major economic disaster in the form of a flood or an earthquake that the Congress has a compulsion to double the negative economic effect by passing the Johnson amendment.

So I would urge Members to vote against it and to look for a more rational way to deal with national emergencies.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from the great State of Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I am pleased to rise in support of the amendment being offered by my friend and colleague, Representative SAM JOHNSON.

As we all know, the Budget Enforcement Act of 1990 established a safety valve to allow Congress and the President to meet unexpected needs. By declaring something an emergency Congress and the President can provide for spending to be placed automatically outside of the budgetary caps. In real terms, this means adding debt directly to our enormous shortfall which already exists.

When we passed the Budget Enforcement Act in 1990, few of us anticipated that we would utilize the emergency provision 16 times to spend $90 billion within 4 years. Excluding the funds for Desert Storm that were ultimately offset by foreign contributions, we have added over $30 billion to the national debt through emergency spending legislation. In addition, as the Washington Post noted in an editorial earlier this week, "emergency bills have been vehicles to which (appropriators) have often been able to add other projects that might have failed to withstand scrutiny on their own."

The amendment which Representative JOHNSON offers is the most direct way I know to state clearly and indisputably that our deficit can no longer withstand that sort of attack. The Johnson procedures would allow Members to carefully discuss a sensible plan to pay for our natural emergencies, placing the spending in the context of the entire next fiscal year's budget. There is a legitimate criticism about a hasty process of paying for emergencies. This amendment avoids that pitfall.

I do not believe that we should add more than $6 billion to the deficit each year for unexpected emergency spending. It seems to me that if we are going

to pass several bills spending billions of dollars in disaster relief each year, we should set up a procedure to provide funding for disaster assistance through the regular budget process instead of relying on an unrestricted, ad hoc process.

The bill which Representative SAM JOHNSON and I have introduced would effectively require Congress and the President to offset increased spending for emergency spending through spending cuts in the next year. This will give Congress and the President time to come up with offsetting spending cuts through the regular process instead of being forced to find offsets in the relatively short window in which emergency spending bills are considered.

I commend my colleague from bringing this amendment to the floor and I encourage support of the amendment.

I did not read into the legislation that we were taking two for one. I am of the assumption that the unanimous-consent request that my colleague made in which he stated his intention in fact will do that which it did, and if not I would anticipate we would have an additional unanimous-consent request to make certain that it does that. If that is too complicated, then I do not understand the rationale.

But clearly, my support of this amendment goes back to some of the votes that we have taken in the past of suggesting that when we do have disasters that we should pay for them, that the deficit should not go up as a result of declared emergencies, unless the Congress on a specific vote makes such determination as we talked about before in regard to various ideas on how this should proceed.

I do not believe that we should add more than $6 billion to the deficit each year for unexpected emergency spending. It seems to me that if we are going to pass several bills, spending billions of dollars on disaster relief each year, we should set up a procedure to provide funding for disaster assistance through the regular budget process instead of relying on unrestricted ad hoc processes.

The bill which the gentleman from Texas [Mr. SAM JOHNSON] and I have introduced would effectively require Congress to offset increased spending for emergency spending through spending cuts in the next year. I do not understand why that is not very clear. I do not understand why under a unanimous-consent request if there is some language that needs to be clarified so we are debating the intent of the amendment that it could not be done.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I am happy to yield to my friend, the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I think this is an incredible way to legislate. We have already seen the author of the amendment ask to make one change in the amendment because it is imperfect. Now it is being suggested we should consider another. It seems to me it is mighty dangerous to be passing a moving target. I would kind of like to know when I come to the floor what it is we are going to be voting on.

It seems to me if no more thought has gone into this amendment than the though that has produced two mistakes in the base amendment, we ought not to pass it, and move on to something that is more rational.

Mr. STENHOLM. Mr. Chairman, the response of my colleague is a commonsense response. Again, I am here speaking on behalf of an amendment that I believe does that which we are all saying that it does.

□ 1240

If it does not, then the gentleman has every reason to oppose the amendment, to vote it down, this amendment should not pass because of the legitimate opinions of the gentleman from Wisconsin that he is expressing.

I have read the same language. I understand the intent. I do not read it as you read it. I could be wrong.

Mr. OBEY. Could I read the language that does what I claim it does?

Mr. STENHOLM. Certainly.

Mr. OBEY. "Section 1, repeal of emergency rule, section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed." That means that you have got to have sequestration in the current year, if you have any emergency.

Then if you take a look at the language in the last two sentences of the bill, which says, "The discretionary spending limit for the next fiscal year shall be reduced by the amount or amounts of that breach," that says that you have to also make the same reduction in the next fiscal year. It seems to me it is written in plain English, and it is very clear.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I would like to say at the outset I have the highest regard for my colleague, the gentleman from Texas [Mr. SAM JOHNSON]. Although I disagree with his amendment, he is a very valuable Member of the House.

I am afraid this amendment today should be defeated for the reasons that have been stated and others that I will enumerate at this moment.

First, put this in context: As chairman of the Disaster Task Force, you cannot view any of these amendments in the context of previous disasters. We have on average spent about $3 billion a year on disasters: the flood in my part of the country, a hurricane in Florida, an earthquake in California.

But on the Disaster Task Force, we have been told that the so-called big one could occur at any moment in California, and certainly a Hurricane Andrew, had it gone a few miles north and hit Miami, would have cost $50 billion in 1 year, so whatever we are about to do should be put in the context of a reality that the cost of disasters could go up dramatically in any given year. There is no flexibility in Mr. Johnson's amendment.

Let me tell you four reasons why we should vote against the Johnson amendment: The gentleman from Texas [Mr. SAM JOHNSON] quite wisely says we should pay for our disasters, but as has been stated on the floor, he wants to pay for them twice, once in the year when the disaster occurs by cutting spending, then in the following year pay for it again. Well, that frankly is unnecessary and could be counterproductive.

Second, the gentleman from Texas fails to take into account that the good Lord does not pay any attention to our fiscal year deadlines. If a disaster occurs in the United States in August or September and our fiscal year ends on September 30, we somehow have to come up with the disaster funds in the remaining 2 months of that fiscal year to pay for it. That is unrealistic. We found that in last year's Midwest flood.

So the gentleman, by sticking to the strict definition spending cuts only in the year disaster occurs, really looks beyond the fact that the disaster may be so late in the fiscal year that we cannot cut enough spending to pay for it.

The third point I raised in my earlier comments, the gentleman fails to take into account that in fiscal year 1991 President Bush declared an emergency to pay for Desert Storm and Desert Shield. President Bush was right when he said we are going to take care of the men and women in our Armed Forces serving in the Persian Gulf, and we are going to pay for it on an emergency basis; we are not going to scrimp and cut when it comes to the safety of our kids. He was right. Forty-two billion dollars was spent on the Desert Storm emergency.

Under the amendment offered by the gentleman from Texas [Mr. SAM JOHNSON] we then would have had to cut the next year's appropriation bills by $42 billion to pay for it, except for one fact he left out in his thinking. Our allies came back and paid that $42 billion. Under the amendment offered by the gentleman from Texas [Mr. SAM JOHNSON] we would have still had to cut the next year's spending, and that cut would have taken place despite the contribution of our allies.

Finally, if you take the amount of disaster in 1 year and then spread that amount in cuts and spending the next year, almost half of those cuts come from the Department of Defense. I say to the gentleman from Texas [Mr. SAM JOHNSON], you are going to hear from

the gentleman from Pennsylvania [Mr. MURTHA] in a few moments the disastrous consequences on America's military strength if you make that sort of a cut in this day and age, and I would also add it would call for cuts, for example, next year of $1.6 billion in veterans' hospitals and another $314 million in agriculture programs.

I urge my colleagues, look at the Johnson amendment, consider the flaws in it, defeat it.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Chairman, I am from California. I support this legislation very strongly, and I do so because my constituents are terribly concerned about the future of this country economically, as am I.

Our national debt, not the deficit, but the debt, which is what really counts, is $4.5 trillion. That is $18,000 for every man, woman, and child in the United States. It is $72,000 for your average family of four. This is a problem.

The gentleman from Texas [Mr. SAM JOHNSON] is advocating a policy which will impose more fiscal restraint than we have. All we hear about, "That is a lot of talk." The fact of the matter is we have been vastly increasing our spending over whatever the increase in revenues is. That continues to go on today. It has gone on for years.

Mr. Chairman, I would like to strongly support the Johnson amendment, and let me just say disasters are somewhat foreseeable. We now know that we are going to have every year "X" amount of dollars we can count on. For that reason, I say put it on budget, build it onto the budget, and bring down the spending.

I urge support of the Johnson amendment.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I would just like to put this in perspective to what this really does.

I chair the Military Construction Subcommittee, which has been in decline for the past several years. We have not been able to do the things that we want to do for quality of life, which has been one of the strong things that I have tried to do in my years as chairman of the Military Construction.

This year we were unable to do what we needed to do in family housing for our troops. We had some $54 million that we could not even touch in family housing that was direly needed for our troops.

Now, let me tell you what would happen if the Johnson substitute had been in effect this year: The 1995 discretionary cap would have to be reduced by $12 billion. Now, that means the military construction 602 allocation for 1995 would have been reduced by some $208 million, and a lot of people that deal in billions might not say that is a lot of money, but let me tell you this type of reduction that we would have had to have taken would have resulted in cuts in the Guard and Reserve projects of some $50 million, and these are very important and strategic family housing projects that I mentioned.

We would have had a further cut of some $70 million in family housing and child care centers, which goes to the very heart of quality of life for our people in the military. We would have had to cut $20 million, and that is just a few of the things we would have to cut.

There are some 70 Members of this body on both sides of the aisle who came to me during this last budget series and asked for projects in my military construction budget. I am assuming that they were very vital projects. They would have had to have been drastically cut at a time when we are building down in the military, and I serve on the Defense Subcommittee, and I feel sure the gentleman from Pennsylvania [Mr. MURTHA] will speak in depth about this.

This is no time, in my view, for us to be considering what I consider to be an irresponsible amendment.

I urge strongly that you vote against this amendment.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Mr. Chairman, I rise today in strong support of the amendment offered by our colleague, SAM JOHNSON, to the Emergency Spending Control Act.

What a novel idea, to actually require Congress to pay for any emergency supplemental bill we pass.

This amendment is a good idea for a couple of reasons. First, it will make Congress be more selective when drafting emergency spending bills. I suspect Congress would be less likely to include completely unrelated, nonemergency pork spending in emergency bills when next year's appropriations would be lower by that amount.

Also, it is simply good public policy to begin paying for the bills we pass. With the budget deficit over $200 billion and national debt over $4½ trillion, we simply cannot afford to continue putting off our bills onto our children and grandchildren.

It is time we realize that the fiscal crisis is the biggest emergency facing this country.

Unless we get our financial house in order, we literally won't be able to afford the next hurricane, the next flood, or the next earthquake.

The Johnson amendment is the best way to ensure that Congress will pay for these emergencies now, and will be able to continue paying for them in the future. I urge all of my colleagues to support this important amendment.

□ 1250

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CARR].

Mr. CARR of Michigan. Mr. Chairman, I rise in strong opposition to the gentleman's amendment. I am sure this was not the gentleman's intention, but I am afraid his amendment is mean spirited. It has the ironic effect of punishing the American people for their humanity and generous nature. The willingness of Americans and by extension, the Congress, to provide for others in their time of need is one of the most admirable traits of this Nation. But, providing emergency relief to citizens whose lives in many instances have been devasted by natural disasters should not mean, Mr. Chairman, that in the process we gut important road, transit, and aviation improvement programs that are also important to the American people in their everyday lives.

Mr. Chairman, in the supplemental enacted earlier this year in response to the earthquake in southern California, the Congress provided swift and decisive relief to repair the crushed interstate highways, collapsed bridges, and other devastated arterials caused by the earthquake. Under the terms of the amendment offered by the gentleman from Texas [Mr. SAM JOHNSON], the Transportation Subcommittee would be required to produce savings in ongoing programs in the fiscal year 1995 transportation appropriations bill to offset the approximately $325 million cost of providing that much needed emergency transportation relief. In other words, we would have to rob Peter to pay Paul. And I might add that the savings would have to be made in both budget authority and outlays.

Mr. Chairman, the negative impact of the Johnson amendment is very real. Let my give just one example of what we would have to do to achieve savings of this magnitude. If the reduction were applied entirely to the Federal program that finances the construction of our Nation's highways, we would have to reduce the program by nearly $2 billion below the $17.2 billion provided in the 1995 transportation appropriations bill.

Mr. Chairman, in order to stay within our restrictive budget allocation, the 1995 transportation appropriations bill already funds the primary Federal highway construction program at less than last year's level. Let me repeat that: We have already cut spending on the Nation's premier transportation funding program below the 1994 level and we have been criticized by some Members of Congress and the administration for doing so. And that is without the Johnson amendment. With the Johnson amendment, we would have to slash Federal aid for highways by nearly 14 percent below the current level. Every State with critical needs for

highway construction and repairs would have to pay a severe price under the gentleman's amendment.

I am sure some are thinking, "All they would have to do is stop earmarking funds for highway demonstration projects and everything would be fine." But, Mr. Chairman, a careful examination of the facts proves this statement to be false. Even if the 1995 transportation appropriations bill as passed by the House contained not $1 for specially earmarked highway projects, the Johnson amendment would force deep cuts in other transportation programs. Once again, if the remaining outlay savings needed were taken from the formula highway program, Federal spending on roads and highways would still have to be reduced by more than $1.5 billion. The other alternatives are even less attractive. It is unlikely that we could achieve savings of this magnitude in other programs within affecting important safety functions in the Federal Aviation Administration or the Coast Guard.

I am sure the gentleman's amendment is well intended, but I think you can see the disastrous effects it would have on transportation funding in this country. I strongly urge defeat of the amendment.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of legislation to reform and control emergency spending. I also strongly support the Johnson and Castle amendments.

I believe that this measure is a critical component in the range of budget process reforms which the House has considered this month. Every year, we go through an elaborate procedure to pass a budget resolution setting discretionary spending limits, allocating those limits among the 13 appropriations subcommittees, and living within these limits.

We then go out and bust the budget almost every year, through the process of supplemental emergency spending bills. There is widespread support for passage of these emergency spending bills. After all, who could oppose humanitarian assistance for Americans whose lives have been devastated by unforeseen natural disasters like earthquakes, hurricanes, and floods.

The problem is while each such disaster is unforeseen, the fact that disasters occur each year is not only foreseeable, it is almost a certainty. Therefore, prudent budgeting would take the likelihood of natural disasters into account and provide a mechanism to pay for them—within our budget.

I believe the Castle and Johnson amendments both accomplish this, and I will support both of them. In fact, I believe we should combine the two into one bill. The Castle amendment would eliminate the waiver of emergency spending from the discretionary spending caps. In order to accommodate this change, the Castle amendment also establishes an emergency budget reserve funds. It would be expected that each year we would appropriate funds into this reserve account, in order to meet emergency spending. The concept of a contingency or emergency reserve fund is a basic budgeting concept that virtually every State and local government in this country uses.

However, a legitimate issue is raised under the Castle amendment. What happens if actual emergencies exceed the amounts funded into the reserve fund? Under Castle, we could either offset this excess with rescissions of other spending, or could vote to raise the caps.

The Johnson amendment would resolve this issue by allowing a third option of paying for this excess spending by reducing the discretionary spending cap in the subsequent year. This mechanism provides a safety valve to fund emergency spending levels that exceed the spending cap in the current year. That is why I believe that the Castle and Johnson provisions would work so well combined as one amendment.

Finally, I would like to address the Kasich-Stenholm-Penny amendment. This amendment, as well as the Spratt bill, focuses the issue more narrowly than the Castle or Johnson amendments—dealing only with the scope of individual items within each spending bill.

I believe that both the Castle and the Johnson amendments deal with the problem of emergency spending in a more comprehensive manner than either Kasich or Spratt. However, if the issue is simply limiting the consideration of emergency spending bills to true emergencies, I believe that the Kasich-Stenholm-Penny amendment is preferable to the Spratt bill.

Finally, in any event, I believe all four of these proposals are preferable to doing nothing. Therefore, I urge my colleagues do pass this legislation, to take at least some action on the problem of emergency spending.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Chairman, let me talk about the practical impact of what the gentleman from Texas [Mr. SAM JOHNSON] is trying to do.

I remember when Secretary Weinberger used to come before the Committee on Appropriations and tell us about supply-side economics. He said despite increased spending in defense and decreasing taxes, we would decrease the deficit. I said to him that it would not work.

Mr. Chairman, during that period of time, during that 12 years of Reagan and Bush, we increased the deficit by $3 trillion, from $900 billion to almost $4 trillion. So these easy quick fixes don't always work and can have really negative consequences.

Mr. Chairman, we have done our share when it comes to cutting discretionary spending, particularly defense discretionary spending. Defense money used to be 27 percent of the budget in fiscal year 1984, and it is now down to 19 percent of the budget 10 years later. Further cuts in discretionary spending will not solve the deficit problem, but will greatly exacerbate the problem for defense because defense will take one-half of the total discretionary cut.

For instance, if you were to reduce the defense budget by $5.7 billion, which is half of the 1994 emergency disaster appropriation, there would be a 2.4-percent across-the-board reduction for defense assuming you applied it uniformly. This would eliminate the entire pay raise for the troops.

Now, why did I pick the pay raise? Because the Pentagon did not allow for that in their budget because they said that was not something that needed to be done. Well, I disagree with that. I think a pay raise is absolutely imperative for the welfare and morale of our troops and we included it in our recent bill.

Our troops right now are deployed more often than they have been in years. They are worn out, frustrated. I just visited Guantanamo, and a number of them are going to get out because they spend too much time away from home.

So the first thing that would go is the pay raise for the troops.

Next, the readiness enhancement voted by the House would be totally eliminated.

What I did in the budget that we sent over to the other body was decrease some of the long-term programs and increase the amount of readiness. For instance, there is a $12 billion backlog in defense for real property maintenance. There is a $2 billion backlog for depot maintenance. Both of these are absolutely essential to the readiness and quality of life of our troops.

Under this Johnson amendment we would also have to cut the medical care for 205,000 personnel if the reduction was applied across the board.

Now, why do I mention the medical program? I will tell you why. For 7 years I personally have taken an interest in trying to improve the medical quality of life, the medical care for the military. In the military, one of the first things they cut when they start to cut the budget is the medical personnel available to active-duty dependents. That is a mistake because it reduces the quality of life.

Recently I went to Camp Lejeune, where they were waiting 5 hours to see a doctor. That is a practical impact of what we are doing in making these kinds of cuts.

So there is no way that I can support this kind of a cut, because it has such a dramatic impact on our national security.

Now, I could not agree more that they should come to the Congress to ask for supplemental money for operations such as Rwanda. But I doubt very much that this Congress would turn down the President on money for Rwanda. I certainly know we would not turn down money for hurricane Hugo, the flood disaster that happened down there. I know he would not turn down the money, Congress would not turn down the money for Los Angeles where the earthquake occurred. Nor should he.

The premise of the Johnson amendment is that the emergency money has to come out of the overall spending. That would be disastrous to defense, and I strongly urge the Members to defeat the Johnson amendment.

□ 1300

Mr. SPRATT. Mr. Chairman, do I have 1 minute remaining?

The CHAIRMAN. The gentleman from South Carolina has 1 minute remaining.

Mr. SAM JOHNSON of Texas. Mr. Chairman, do I have the right to close?

The CHAIRMAN. The gentleman from South Carolina [Mr. SPRATT] has the right to close debate.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, as my colleagues know, I would hope that we could cut spending in other areas as much as we have already cut defense.

The CHAIRMAN. Will the gentleman from Texas [Mr. SAM JOHNSON] suspend?

The Chair is in error. The gentleman from Texas [Mr. SAM JOHNSON] has the right to close debate, and the Chair would now recognize the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. I was not going to look that gift horse in the mouth. I thought I was the next up.

Mr. Chairman, I yield myself the balance of my time.

Let me just basically summarize the problem, the flaw, in this bill and the reason we urge its defeat.

First of all, Mr. Chairman, this bill repeals those provisions of the Budget Enforcement Act of 1990, which exempted emergency spending from the discretionary spending cap. Second, the amendment offered by the gentleman from Texas [Mr. SAM JOHNSON] would create something he calls a look back requiring that in the later fiscal year all emergency spending above the discretionary spending cap in the prior fiscal year be offset by an equal reduction in discretionary spending in that second fiscal year. A look back.

However, Mr. Chairman, because emergency spending would no longer be exempt, due to this bill, from the emergency spending cap, emergency spending in excess of the cap in the first fiscal year would trigger sequestration, so we would have a cut in that year by virtue of sequestration.

Second, in the following fiscal year the Johnson look back provisions would mandate, dictate, that this same breach, this same excess, be cut again, reduced again, from discretionary spending, so what we have here, unintentionally, I am sure, but nevertheless it is the plain consequence of this bill, flawed in the drafting, is a double cut, a double dip, which certainly we do not wish to decree by passing this amendment.

So, I urge defeat of this amendment and the creation of a serious mistake.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, as I was saying, I believe that we have already taken too much money out of the defense budget, and it is terrible to me that we even talk about thinking about it. However it is important that we consider paying for our finances as we go along. We have to realize there are two emergencies facing this country, those that are caused by circumstances out of control and one the body has created itself, and that is the $4.5 trillion national debt. We do not have the power to stop unforeseen emergencies, and so we can only offer help to those in need. But we in Congress have the power to reduce our national debt, and so far we have ignored the task. Members have said the deficit is going down, but that is short term. We need to focus our sights on the long term, and by the President's own predictions the deficit and debt will rise in the outyears.

Mr. Chairman, over the past 4 years, $90 billion has been added to the debt through emergency supplementals. The President's proposed spending, $320 billion for new programs and figures, show that by 1998 $1.5 trillion will be added to the debt. This is not how a responsible Congress acts. We have got to reduce our expenditures, and change our spending habits, and show the American people that we are accountable for our actions and care about the future of this country. That is why Members ought to vote yes on this amendment and start us down the road toward fiscal responsibility.

In answer to some of the questions today, today's rules already preclude any point of order on spending over 602(b) limits, so, when we waive all points of order, which Rules does on every supplemental report, and conference report, then there is not any way for spending to be addressed except by the Johnson amendment.

Vote for the Johnson amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. FRANKS of Connecticut. Mr. Chairman, during this Congress we have approved two emergency spending bills, one in 1993 for the Midwest flooding and one earlier this year for the earthquake in Los Angeles. Even though these natural disasters did not take place in Connecticut, my constituents were willing to have the Federal Government provide needed relief to the victims. We can assume that Connecticut residents would receive disaster relief should a serious disaster ever occur in my State.

Unfortunately, Congress took advantage of this goodwill and added wasteful spending to the emergency spending bills. Fungus research and a program to pay for grooming expenses of Los Angeles youth would not have been approved if these programs had to stand on their own merits. That is why they were included in the emergency spending bills. Even more disgraceful, the rules of the House did not allow this waste to be deleted from the bill.

In addition, the two emergency spending bills approved during this Congress were never paid for. Congress chose to add the amount spent in these bills to the Federal deficit.

Today, I will support amendments to the emergency spending control Act to end the abuse of emergency spending bills. The amendments offered by Congressman SAM JOHNSON of Texas, Congressman CASTLE, and Congressmen KASICH, STENHOLM, and PENNY would all effectively address the abuses that have plagued previous emergency spending bills. Under these amendments, emergency spending would no longer be added to the deficit and nonemergency items would no longer be inserted in emergency bills. The Castle amendment would provide for unexpected emergencies by setting aside emergency funds in the annual budget process. The Kasich-Stenholm-Penny amendment would outright prohibit nonemergency spending in emergency spending bills.

If these three amendments fail, I will vote for the Spratt amendment, which allows any Member of the House to try to eliminate the wasteful nonemergency spending in an emergency spending bill. This amendment is not as strong as the other three amendments being offered. I feel that the nonemergency spending should not be in the bills in the first place. But the Spratt amendment is better than the current situation.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as modified, offered by the gentleman from Texas [Mr. SAM JOHNSON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SAM JOHNSON of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 258, not voting 21, as follows:

[Roll No. 400]

AYES—160

Allard	Ballenger	Bilirakis
Andrews (NJ)	Barca	Blute
Armey	Barrett (NE)	Boehlert
Bachus (AL)	Bartlett	Boehner
Baker (CA)	Barton	Bonilla
Baker (LA)	Bereuter	Bunning

Burton
Buyer
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cox
Crane
Crapo
Cunningham
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hoekstra
Hoke
Horn
Houghton
Huffington
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kyl
Lazio
Leach
Levy
Lewis (FL)
Lewis (KY)
Linder
Lucas
Machtley
Maloney
Manzullo
McCandless
McCollum
McCrery
McHugh
McInnis
McKeon
Meyers
Mica
Miller (FL)
Minge
Molinari
Moorhead
Nussle
Orton
Oxley
Pallone
Parker
Paxon
Penny
Peterson (MN)
Petri
Pombo
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Ridge
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schroeder
Schumer
Sensenbrenner
Shaw
Shays
Shuster
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Stearns
Stenholm
Stump
Swett
Talent
Tauzin
Taylor (NC)
Thomas (CA)
Upton
Walker
Weldon
Young (FL)
Zeliff
Zimmer

NOES—258

Abercrombie
Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Bateman
Beilenson
Bentley
Berman
Bevill
Bilbray
Bishop
Blackwell
Bliley
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Callahan
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Everett
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
Lambert
Lancaster
LaRocco
Laughlin
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Morella
Murphy
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Rahall
Rangel
Reed
Regula
Richardson
Roemer
Rogers
Romero-Barcelo (PR)
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—21

Andrews (TX)
Archer
Becerra
Dicks
Flake
Grams
Hunter
LaFalce
Lantos
McCurdy
McDade
McMillan
Mfume
Michel
Moran
Reynolds
Slattery
Spence
Sundquist
Thomas (WY)
Washington

□ 1324

The Clerk announced the following pair:

On this vote:

Mr. Grams for, with Mr. Becerra against.

Mr. VALENTINE and Mr. EVERETT changed their vote from "aye" to "no."

Mr. KLUG and Mr. TAYLOR of North Carolina changed their vote from "no" to "aye."

So the amendment in the nature of a substitute, as modified, was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. RAHALL). It is now in order to consider amendment No. 2 printed in House Report 103-690.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. CASTLE

Mr. CASTLE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. CASTLE: Strike all after the enacting clause and insert the following:

SECTION 1. ESTABLISHMENT OF BUDGET RESERVE ACCOUNT.

(a) ESTABLISHMENT.—A budget reserve account (hereinafter in this section referred to as the "account") shall be established for the purpose of setting aside adequate funding for natural disasters and national security emergencies.

(b) PRIOR APPROPRIATION REQUIRED.—The account shall consist of such sums as may be provided in advance in appropriation Acts for a particular fiscal year.

(c) RESTRICTION ON USE OF FUNDS.—(1) Notwithstanding any other provision of law, the amounts in the account shall not be available for other than emergency funding requirements for particular natural disasters or national security emergencies so designated by Acts of Congress.

(2) Funds in the account that are not obligated during the fiscal year for which they are appropriated may only be used for deficit reduction purposes.

SEC. 2. CONGRESSIONAL BUDGET PROCESS CHANGES.

(a) CONTENTS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) total new budget authority and total budget outlays for emergency funding requirements for natural disasters and national security emergencies to be included in a budget reserve account;".

(b) SECTION 602 ALLOCATIONS.—(1) Section 602 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

"(f) COMMITTEE SPENDING ALLOCATIONS AND SUBALLOCATIONS FOR BUDGET RESERVE ACCOUNT.—

"(1) ALLOCATIONS.—The joint explanatory statement accompanying a conference report on a budget resolution shall include allocations, consistent with the resolution recommended in the conference report, of the appropriate levels (for each fiscal year covered by that resolution) of total new budget authority and outlays to the Committee on Appropriations of each House for emergency funding requirements for natural disasters and national security emergencies to be included in a budget reserve account.

"(2) SUBALLOCATIONS.—As soon as practicable after a budget resolution is agreed to, the Committee on Appropriations of each House (after consulting with the Committee on Appropriations of the other House) shall suballocate each amount allocated to it for the budget year under paragraph (1) among its subcommittees. Each Committee on Appropriations shall promptly report to its House suballocations made or revised under this paragraph.".

(2) Section 602(c) of the Congressional Budget Act of 1974 is amended by inserting "or subsection (f)(1)" after "subsection (a)" and by inserting "or subsection (f)(2)" after "subsection (b)".

SEC. 3. REPEAL OF ADJUSTMENT FOR EMERGENCY APPROPRIATIONS.

Section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

SEC. 4. REPORTING.

Not later than November 30, 1996, and at annual intervals thereafter, the Director of the Office of Management and Budget shall submit a report to each House of Congress listing the amounts of money expended from the budget reserve account established under section 1 for the fiscal year ending during that calendar year for each natural disaster and national security emergency.

SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by it shall apply to fiscal year 1996 and subsequent fiscal years.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Delaware [Mr. CASTLE] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, last July floods in the Midwest drove thousands of people from their homes and wreaked millions of dollars worth of damage to property in many States. This disaster caused a controversial debate in the House.

The debate was not over whether our Government should provide aid to the victims of the flood. Virtually every Member of this body agreed that we had to respond immediately to that disaster. The debate was over whether we should try to pay for the cost of flood assistance or just add another $5 billion to the deficit.

As my colleague will recall, the House initially defeated the rule for the emergency appropriations bill because a majority of the Members of the House believed that we should offset the cost of the aid with cuts in other programs. There were accusations that Members did not care about the suffering of the flood victims because they wanted to do the responsible thing and pay for the aid within our budget limits.

The frustration of Members on both sides was understandable, but the real fault lies with the flood emergency spending process. The current process does not allow us to plan for the natural disasters which are almost sure to occur.

When a flood, earthquake, or hurricane does occur, we simply add the cost to the deficit and justify it by saying that we have to get the relief to the victims as soon as possible.

□ 1330

Mr. Chairman, the simple solution is that we must plan for emergencies. If we held some funds in reserve, we could respond to disasters promptly within our budget limits.

My amendment would require Congress to annually set aside funds in a budget reserve account to pay for emergencies. The funds in the reserve account would be within the annual discretionary spending limits. Many of us who have a background in State government know this as a rainy day fund.

The annual budget resolution would set a total amount to be set aside in the account. Congress and the administration could consult on what funds were needed in previous years and determine a realistic amount for the fund.

The average cost of domestic emergency spending bills since 1989 has been $5.2 billion. If that amount were set aside in fiscal year 1996, we would have a significant amount of money to deal with most emergencies within our annual spending limits. My amendment would give Congress the incentive to set an adequate amount of money aside, because it would eliminate Congress' authority to appropriate emergency funds in excess of the annual spending caps.

Mr. Chairman, what happens if a disaster exhausts the reserve account? There is always the chance that a disaster or a series of disasters could require more emergency funds than are available in the reserve account.

If such a serious situation occurred, there are a couple of steps Congress could take. First, we could make cuts in other programs to free up funds for additional disaster relief within the spending caps. This is often what we try to do under the current budget rules.

Mr. Chairman, the second remedy we could follow if a disaster exhausted the reserve account is that if a natural disaster was so severe or there was a national security emergency, like Operation Desert Storm, there would surely be agreement in Congress to pass legislation waiving the budget reserve account law to respond to a special situation.

However, the reserve account would allow us to respond to the vast majority of emergencies within our spending limits. We do not even attempt to do this under the current process.

In addition, Mr. Chairman, the funds in the reserve account could only be used for specific natural disasters and national security emergencies designated by acts of Congress. This will prevent funds for nonemergency projects from being paid for with funds from the reserve account. In addition, because emergency funds would be within the annual budget limits, Congress would be more careful in spending these funds.

Mr. Chairman, it should be stressed that the funds would be held in the reserve account until an emergency occurred, and then the Committee on Appropriations would allocate the funds to the appropriate Federal agencies to respond to the disaster. No executive agency would be given any additional discretionary funds.

Mr. Chairman, my amendment will also improve the monitoring of how emergency funds were spent. The Office of Management and Budget [OMB], would be required to report annually to Congress on how the funds from the account are allocated for each emergency.

If we are fortunate enough to escape some marginal disasters in a particular year, and there are funds left in the reserve account, they would be returned to the Treasury to reduce the deficit. I know Members will argue that the discretionary spending caps are already very tight, and we cannot afford to return $5 billion to $6 billion to the Treasury. I would argue that the deficit is still in excess of $200 billion and that any savings should go to reduce the deficit.

Mr. Chairman, the purpose of reforming the emergency spending process should be to save money that is not needed to respond to disasters. My amendment will accomplish that.

There is no perfect solution to the problem of emergency spending, Mr. Chairman. There is always the potential for a disaster or a war which would require special spending. However, we can make real progress if we set aside money for the most likely disasters. The budget reserve account would bring emergency spending within the annual budget process and enable us to plan for them in a fiscally responsible manner. Mr. Chairman, I urge my colleagues to support the Castle amendment to H.R. 4906.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from South Carolina [Mr. SPRATT] is recognized for 15 minutes.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Delaware [Mr. CASTLE], and if I have time at the end of my remarks, I would like to ask a question of him.

Mr. Chairman, we cannot create a rainy day fund by looking in a rearview mirror and saying that over 10 or 20 years we have needed an average of $3 billion to $5 billion, because the gentleman from Delaware, in his amendment, not only creates this fund, but ties our hands as to what we will do to deal with disasters of much greater magnitude.

We can speculate forever what might occur if there would be a hurricane that hits Miami, an earthquake, or some type of natural disaster, in California or in Hawaii, and we know that the cost of these could go far beyond $3 billion or $5 billion. The gentleman's approach, is really silent to that possibility.

That could raise a serious problems for us. What will we do when we have expended all the money in his reserve account? The gentleman, in his "Dear Colleague" letter, merely speculates that Congress will rise to the occasion, but the gentleman, with his amendment, ties our hands.

If the gentleman wants to go beyond it, we are talking not just about natural disasters, but about items of national security. When we went in

Desert Storm and Desert Shield, we needed quickly, under President Bush, $42 billion to protect the men and women in uniform. We did not have time to come and debate some sort of budget reform experiment. We had to move quickly, to protect the men and women in our armed services.

Mr. Chairman, I am sure the gentleman supported President Bush's decision to fund our military effort at the time, and I did, too. We did not want to shortchange them. Had we been living under the gentleman's approach, Mr. Chairman, restricted to a rainy day fund of $3 to $5 billion, we would have spent all that in a moment, and still had a responsibility to find some $35 billion to $40 billion very quickly. Mr. Chairman, the gentleman does not suggest how we would do that.

I would tell the Members that I think the gentleman from Delaware is on the right track. Our disaster task force would like to work with him and others to come up with this fund, but we have to create the flexibility to respond to real human needs, such as protecting our men and women in uniform. We cannot entangle our national security in a budget reform experiment.

I urge my colleagues to vote against the Castle amendment, to work with the gentleman from Delaware [Mr. CASTLE] and everyone on our task force to find an approach that is sensible, flexible, and really serves the needs of this country.

Mr. CASTLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to respond to what my good friend, the gentleman from Illinois [Mr. DURBIN] said. He makes a valid point. I appreciate the work he does on the disasters task force, if that is the correct name. I think we have to address this issue. I appreciate this debate in general because I think it is so important.

The gentleman does raise the issue of emergency spending. There is no way we can state, obviously, exactly what the emergencies are going to be. The States cannot do it, the local municipalities cannot do it, none of us can do it at this time.

I believe that the proposal which I have put before this Congress today comes as close to that as we possibly can; that is, a look back to determine what it has been over the last 5 years, averaging it out and trying to work it into next year's budget, for example.

The gentleman does raise a valid point. There could be situations which are going to go above whatever that emergency appropriation is going to be in any particular year. If so, there are a couple of things we can do.

One is, if it is within reason, if it is an extra half of a billion dollars or $100 million, or whatever reason may be, we could go back into the budget under the caps and try to fit it in, with reductions of other expenditures, depending on the circumstances, the year or whatever it may be.

Second, we could pass special legislation overriding the budget reserve account. In other words, it sets a higher standard, if you will, for this than we have presently, in which we simply appropriate emergency expenditures and automatically raise the caps by doing that. So I believe it does set a higher standard to do it in this way. I think we will find in most years, Mr. Chairman, we will not have that problem.

One other thing I would address. I think by putting this money in the budget itself that we do, indeed, address the issue that I do not think we have focused on very much here, and that is how we regulate the amount of money which is spent and how much money we should be spending, and doing more to help with flood insurance, earthquake insurance, and some of the other areas that would have private offsets to some of these disasters. I hope your committee would look at that as well.

□ 1340

I would hope your committee would look at that as well. I appreciate your comments, but I do think it is addressed.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I agree with the gentleman completely in his conclusion. But would we not face a practical problem if we had a national emergency, a security emergency, some problem in Korea or a Desert Storm situation where Congress would be forced to come in here and engage in a debate over whether we ought to cut the Veterans Administration, whether we ought to cut the FBI, where is the money coming from? Is it not more sensible to respond more quickly to a national security need and a national disaster?

I am afraid the gentleman's amendment will tie our hands and have Congress engaged in a debate when the American people want us to act quickly to protect men and women in uniform and to respond to an emergency.

Mr. CASTLE. Mr. Chairman, I agree with the gentleman. It is just a question of what the language actually does, because he is absolutely correct. I want us to be able to respond quickly as well. As I indicated, if it is a small amount of money, we could go back into the budget caps. If it is a large sum of money, a war in the Middle East, for example, which clearly does not fit into this rainy-day fund/budget reserve, if you will, we could in that situation pass special legislation overriding the budget reserve account legislation and we would actually add it to the budget in that particular way. But it would happen automatically. We would have to pass the legislation to do it.

Mr. Chairman, I believe it makes us focus more crisply on what we are doing. I think it is the best way we can handle it. It is not perfect. I am not sitting here saying that we have perfection. I have not been able to find that yet. If I had, we probably would all be in agreement and we would not have to worry about this. But I think it is the best thing we can do. It makes us focus on the emergencies we know we can handle and bring them within the budget.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, we have a specific example of why this is not a good amendment. Before 1990, we had a reserve fund for the small business disaster loan fund. In those years when there were less than a normal number of disasters, the reserve was built up, and the reserve was there then when we had more than a normal number of disasters. It was abolished in 1990 out at Andrews Air Force Base at that big deal out there.

Since that time, they have been trying to ask for an average of the amount that would be needed in the fund. They take the last 5 years, or I believe in this case it was 10 years, they dropped the high year and the low year and request an average. If the disasters for that year are less than the average, they are all funded. If they are above average in total, they are not going to be funded, if we have got an emergency. It is the ones that are above average, it is in those years we need the money faster, not slower.

Mr. Chairman, this does not solve anything. We have already tried it now in the last 4 years with the SBA disaster loan fund and it just does not work. This ought to be turned down.

Mr. CASTLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I am rising in support of the Castle amendment. I want to speak first of all to the question about speed and being able to get to these things quickly. If we think about the events that went on last summer when we did not have this kind of a fund and we were trying to deal with the problems that we had in Iowa, we spent several weeks trying to come up with some sort of a rule, first of all, that would even allow us to get to the floor on the question of disaster relief. So I think that speed becomes something of

a bogey in this when what we are to do is to get to something quickly. I do not think that that is really the issue.

Mr. Chairman, I think what we ought to talk about is what is the purpose or what is the purpose of the gentleman from Delaware in creating this bill in the first place? That is essentially fiscal responsibility, so that we instead of having to go the Federal budget without funding that has already been appropriated in advance, we are doing it on a happenstance, after-the-fact basis. It is just not good business. It is not the way that business prepares for itself. It is not the way that we ought to be preparing for ourselves in the United States Government.

It is common sense to plan ahead. It is common sense to create a contingency fund. Most importantly what will not happen is we will not have the kind of abuse, the kind of exploitation of the emergency supplemental that we have seen repeatedly over time after time after time where we used that as an excuse to generate some extra spending for particular districts.

I think that that is particularly why the Citizens Against Government Waste has written to endorse this bill. We say, "Why are they endorsing it?"

Because the base bill, according to them, is "meaningless, it lacks even the cosmetic changes to solve the problem of uncontrolled pork-barrel spending on emergency appropriations. It deserves strong bipartisan support."

It goes on, "Not only is its planning fiscally prudent but it also removes the incentive for Congress to use the events of human suffering and tragedy to add pork to congressional portfolios."

Finally, with respect to the concern that the gentleman from Illinois [Mr. DURBIN] has about Desert Storm funding, it would be part of the same debate, it would all take place at the same time, so that it could be dispatched at that time.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I rise in opposition to the Castle amendment. I do not want to cast aspersions on it, but it is actually worse than the Johnson amendment, because we are talking about specific numbers. We are not talking about a formula. This would directly affect the allocation for military construction as it would for defense spending.

Mr. Chairman, I am chairman of the Subcommittee on Military Construction and serve on the Defense Subcommittee. The gentleman from Pennsylvania [Mr. MURTHA] spoke very eloquently about what the Johnson amendment would do to defense.

We saw military construction last year, they asked for $1.6 billion that was asked to be cut from military construction. We talk about quality of life and we talk about things that we can do. But under this amendment, we would have to take drastic cuts in military construction. We had some 70 Members of this body, both Democrats and Republicans, that requested what I assumed to be legitimate projects in the military construction budget. The gentleman from Delaware [Mr. CASTLE] requested a project in his district. But under this amendment, we would not have been able to do these projects for Members. I am assuming that they were legitimate, needed projects.

Mr. Chairman, I think that this is very ill-advised and I would urge Members to take a very close look at it and how it affects especially what I am focusing on, our military establishment, our quality of life for our men and women who served in the Gulf, who serve us in these peacekeeping efforts, look very closely, because military spending is discretionary spending, and we are going to have to take the hit on half of whatever it is that goes into these amendments.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to commend the gentleman for his statement. We serve together on the Subcommittee on Defense of the Committee on Appropriations. This would have a dramatic impact at this point, especially when we have reduced defense spending by over $100 billion in the last 10 years. I commend the gentleman for his statement. He is absolutely correct.

Mr. HEFNER. Mr. Chairman, I would like to remind Members that would have a tendency to vote for this amendment, there are some 70 Members on both sides of the aisle that requested projects. Some 70 of them got projects. I assume they were legitimate. But we cannot have it both ways, fellows. We cannot have it both ways.

Mr. Chairman, I would urge people to take a very close look and vote against this amendment.

Mr. CASTLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman has made some very astute comments, and I think they deserve discussion and I think it is part of the discussion we have to have in general to come up with a solution to this

First, we are talking about on average now, without dictating obviously what the budget committees might do in the future, around $5 billion total that would have to go into a rainy day fund or budget reserve account that we are dealing with here. This would come out of funds that already exist.

In a budget of $1.5 trillion, we are dealing with about $500 billion or so that may relate to some of the discretionary spending. Clearly not all of this is military spending, although some of it is military spending. Each year we have a number of appropriations. Just last week we were debating the crime bill on which we are dealing with some $33 billion, for example, over a 6-year period, I believe, that would be spent to try to reduce crime.

We make decisions on a regular basis. Once we have made the decision to include this amount of money in our budget appropriations each year, I do not think we will have any trouble fitting it in, and I do not think for a minute it is all going to come out of the military. I for one am not wanting to reduce that any more than we have to as it is. And it has been reduced dramatically in recent years.

Curiously enough, if this proposal has been before us 4 or 5 years ago when we started to reduce the military budget, we could have resolved the problem by putting it in at that time based on some of those reductions. I think that has probably gone far enough at this point.

Mr. Chairman, I do believe we can go through that budget and find other areas where reductions could be made, where expenditures could be saved, in which we could fit in a budget reserve account, and then we would not have the problem of adding to the deficit each year and to the debt of the United States of America.

Mr. Chairman, that is all I am driving at, for this amendment and some of the other things I have talked about here, simply trying to make the budget process of this Congress work in such a way that we are attacking the problem with the deficit and we are attacking the problem of the debt of the United States of America.

□ 1350

I believe this is one step we are going to have to take.

So far I have not heard a better solution or suggestion. If there is one, then by God I am going to back that one as well.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, could the Chair advise how much time is remaining on each side?

The CHAIRMAN pro tempore (Mr. RAHALL). The gentleman from Delaware [Mr. CASTLE] has 2½ minutes remaining and the gentleman from South Carolina [Mr. SPRATT] has 7½ minutes remaining.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I rise in opposition to this amendment. There are a lot of concerns expressed here, but my concern is the speculative nature of this amendment. If Members like to gamble, then I think they would love the uncertainties associated with this amendment. First we have to guess at what number will turn up, what number to put in this jackpot, if

you will, and guess what natural disasters and national security emergencies are going to occur during the next year. Then everybody after that loses, just like in most gambling.

Money for this emergency jackpot, if you will, is taken from the 602(a) allocations, and that is reducing the total amount now available under previously negotiated, tight caps, tightly negotiated by the gentleman from Minnesota [Mr. SABO] and the Committee on the Budget. That takes money away from defense, make no mistake about it, and it takes it away from all discretionary spending.

For example, let us assume that this emergency jackpot amounts to $11,900,000,000 already spent for declared disasters this year. Just taking one category of funding, crime fighting, Mr. Chairman, the crime fighting fund category would lose a total of at least $347 million. That is significant. We are going through a process right now, the gentleman from Kentucky [Mr. ROGERS] and our fine subcommittee and this whole Chamber of trying to apply resources to this national emergency.

This reduction, under the Castle amendment, would undo the law enforcement enhancements appropriated in fiscal year 1995. The FBI, for example, is provided an increase over fiscal 1994 levels to restore agent strength back to the 1992 levels. This amendment would cut an estimated $60 million from the FBI and prevent the hiring of approximately 400 badly needed agents.

The Drug Enforcement Administration is provided an increase over fiscal 1994 levels to restore agent strength back to 1992 levels, and this amendment would cut an estimated $20 million from DEA and prevent the hiring of an anticipated 300 badly needed agents.

With regard to Border Patrol agents that we worked so hard to enhance, in order to beef up the southern border of the United States to keep out illegal aliens, this amendment would cut $40 million and drastically reduce the thousand agents that we are adding in this bill.

That is not all, Mr. Chairman. Under this proposal, any additional emergency money needed in excess of the jackpot fund, a fund we are going to guess at how much we are going to need, would have to be offset, another uncertainty, another gamble, further reducing crime fighting monies.

Finally, if there happens to be any jackpot money left over, it cannot be applied to crime fighting. It goes back to the treasury, Mr. Chairman.

Ladies and gentlemen, I consider this to be budgetary extremism, not intended to be—but still budgetary extremism. It is a kind of budgetary one-upsmanship, and we cannot just be stampeded into voting for budget proposals which are essentially gambles. The only real unknown here is how much are we all going to be losers, how much are we going to reduce crime fighting, national defense, and make no mistake about it, to significantly reduce all discretionary spending.

I hope this amendment is defeated.

Mr. CASTLE. Mr. Chairman, I believe I have 2½ minutes remaining and I have no other requests for time. I would like to reserve the right to close; I think I have that right.

The CHAIRMAN. The gentleman is correct, he has the right to close debate and reserves the balance of his time.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin [Mr. OBEY], chairman of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I urge Members to vote against this amendment, because while it claims to be a rainy day amendment, it provides no exception if you have a flood or a hurricane or a truly draconian disaster.

It is a good idea to have a rainy day fund. I do not have any objection to that. I am willing to work with Members in trying to strengthen that idea. But to say that there will be no exceptions, to say that regardless of the disaster incurred by this country, regardless of whether we are hit by a nuclear attack, regardless of whether or not we wind up having a war in Korea, or a Desert Storm, to say that regardless of any national security consideration we will not have an exception to this rule is, in my view, muddleheaded.

I would also suggest when the gentleman says do not worry, if it is a real emergency Congress can always pass more legislation to fix it up, I would suggest that demonstrates the fallacy of this amendment. We cannot put this country at risk. We cannot put ourselves in a position where we will have to count on being able to get through a Senate filibuster, for instance, and say well, do not worry about that, we will take care of it at the time. We ought to see ahead, we ought to recognize that there are some emergencies which are unknowable. We cannot expect that God himself must ask for a budget waiver. We have to be reasonable.

Members can be reasonable by rejecting this amendment, sitting down and working with the committee to try to work out what is truly a rainy day fund. But to suggest that somehow we ought to put an average number in this account does not take into account the fact that one year we have an $11 billion problem and the next year we have a zero billion dollar problem. It makes no sense. This country does not live on averages.

I urge Members to vote against the amendment.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Chairman, let me talk about what the Castle amendment would do to defense. The gentleman from Delaware [Mr. CASTLE] mentioned the fact he did not want to cut defense. I know he and I feel exactly the same way about that. However the reality is that his amendment would have a dramatic adverse impact on the national security of this country.

All of us would like to see a fund set aside for emergencies. But if we take an across-the-board cut for such a fund, it would amount to perhaps $5 to $6 billion out of defense. What are the things that would be cut? The first thing would be pay. Why do I pick out pay? The Pentagon this year did not send a pay raise down to us. The Congress had to insist on it and rightly so. It is something that the troops deserved. They are deployed away from home more often. They are away from their families, and it is something that certainly they deserve. The raise we included was not adequate, but at least it was a little bit to help out.

The second thing to be cut by this proposal would be medical care for the families and for the people in the service. I have taken a personal interest in trying to increase the quality of medical care for the people in the military.

The other thing that would be depleted, reduced, is the readiness of our American Forces. We right now have a backlog of real property maintenance, a backlog of $12 billion. We have a backlog of $2 billion in depot maintenance. These are the accounts for maintaining war-fighting facilities and equipment used by our military. They are the heart of readiness for the military. If we take another $5 to $6 billion across the board from the military, those are the programs that would have to be reduced in order to get the money to make the expenditures for day-to-day operations to keep the military going.

An extremely high percentage of our military budget is for personnel costs. So they have fewer places to get funds for reductions. Our readiness would be affected by this amendment. With this amendment the way it works we can say we are going to look someplace other than defense, but 50 percent of the discretionary money in the budget is for the military. So there is no place else to look.

We have to be realistic and practical about this. If we are going to offer an amendment like this, it is going to affect the military. We cannot afford any cuts in the military. We cannot afford any cuts in the military because it will affect readiness dramatically.

I urge Members to vote against this amendment.

□ 1400

Mr. CASTLE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I am just going to speak as plainly as I can to what we have heard today.

First of all, there are some very knowledgeable and erstwhile Members of this Congress who have taken the floor to oppose this amendment, something I do not particularly like, but something which I appreciate.

They have articulated their message, I think, extraordinarily well. Their argument basically is it would be very difficult to do this even though it might be a good idea simply because we would have to make reductions in areas that we do not want to make reductions in.

I think the problem is a little bit broader than this. The people at home are saying, "What is wrong with the Federal Government? Why cannot the Federal Government actually get its expenditures to the level that they are balancing the budget, that they are dealing with the problems which they have?"

In my view, there are many mechanisms by which we can do this. One which I serve on is the entitlement commission. It is meeting, and while that is not the money we are necessarily talking about here, if we reduce those entitlements, we may eventually free up other money to go into discretionary accounts.

Secondly is dealing with all discretionary accounts, not just the military budget, which is a substantial part of it, but all other accounts which are there. There is a substantial amount of money there. I am sure we can go in and do something about that, perhaps dealing with some of the areas of cost of living, some of the other things which are done in that particular circumstance.

Most States recognize their problems. They, too, had problems balancing their budgets. Most States have adopted rainy-day funds so they are able to take care of these problems.

I think when we talk about putting the country at risk, are we putting the country any less at risk every time we have some sort of emergency just adding onto the deficit for that year and ultimately adding onto our debt so our children and their children are going to be paying higher and higher debt, and as of yesterday, a higher interest perhaps on that debt?

That is huge problem in the United States of America today, one the average family or the average municipal government simply cannot carry.

We have to address this problem, and we have to address the amount of spending that comes into these emergency appropriations.

I believe this legislation addresses that. We are saying set aside a sum of money, be very careful about your spending on emergencies, if you have a small amount you have to go back in for, you can go back in and make adjustments and do something about that and, indeed, if you have a substantial problem, then we could pass legislation which would go beyond the budget restraints which are there. So we could address the problems of emergencies in the United States of America.

This is not calculus. It is relatively simplistic, a relatively simplistic solution, one which is extraordinarily workable.

Mr. Chairman for that reason, I would ask each and every one of us to think about what we campaigned on back home, think about how we are trying to balance the budget, be conservative in our spending, vote for this amendment.

Mr. DERRICK. Mr. Chairman, the fundamental problem with the Castle amendment is that it requires us to foresee and budget for the unforeseeable. If we could foresee emergencies, we could budget for them. If we knew a hurricane was going to strike Delaware and other States on the east coast next month an cause several billion dollars in damage, then we could indeed set aside the money to help the victims. But we do not know that. It may be a decade before we have such an event. It may be next week. Whenever it happens, we have no idea what it will cost. Under these circumstances it is difficult to budget accurately—the reason the emergency exception was included in the first place.

In the meantime, the money which the Castle amendment would require be set aside for catastrophes could address the ongoing needs of our citizens for education, national defense, environmental cleanup, and so forth. We have countless very real needs in this country which we can identify. We have roads that need repair. We have hungry children who need food. We have diseases afoot that cry out for more research dollars. We have many more children who need head Start than we have places for. There is no shortage of needs for scarce Federal resources.

We can take money away from these real, identifiable needs and set it aside on speculation that we will have a disaster somewhere worthy of Federal help. If we want to neglect the needs we know we have in an attempt to advance-fund needs we may never have, we can do that. But I do not think it makes sense.

In addition, Mr. Chairman, setting aside annually a pot of money to fund emergencies may actually lead to even more requests for Federal disaster money. We all understand that pots of money are very enticing. People want to get their hands on it. Since the amendment says the funds in the reserve account may be used only for emergencies, all one has to do to get into the pot of money is declare an emergency.

We all know what emergencies are as we use the term today. There are things like natural disasters, which strike without warning on a nonrecurring basis. But with a pot of money around, we will undoubtedly start to have emergencies. Will we be able to resist political pressures to enlarge the scope of what we call emergencies and spend the money? In other words, Mr. Chairman, is it not likely that by budgeting for emergencies we will ultimately have as many emergencies as we budget for until the money is gone, every year? It seems to me that is what we risk by making emergencies a line item in the budget, as the amendment proposes. At least now they are unusual occurrences and treated as such.

Mr. Chairman, I urge Members to oppose the Castle amendment. In the long run it could end up costing more money. It would definitely shortchange the needs we know we have to fund needs we do not know we have. That is not the best way to serve the citizens of this country. The base bill addresses the problem of nonemergency items in emergency bills. Support the base bill.

Mr. QUINN. Mr. Chairman, I rise today in strong support of the amendment offered by my friend and colleague, the former Governor of the State of Delaware, Mr. CASTLE.

I am a cosponsor of Representative CASTLE'S amendment, H.R. 4189, because I believe it is a sound approach to improve the way this body deals with national disasters.

For too long, several Members of this body have attached unnecessary, nonemergency spending to emergency funding bills, which provide crucial assistance to thousands of Americans in need every year.

Congress can not protect Americans from natural disasters such as earthquake and floods. However, the Castle Amendment will supply the tools necessary to aid those affected by such devastating events.

The Castle amendment will require the Federal Government to prepare for emergencies the same way that State and local governments do.

Congress would set aside funds in a budget reserve account every year so that it would be prepared for inevitable emergencies. This account would be on-budget and part of the annual appropriations process.

If these funds were not used during a particular year, they would be returned to the U.S. Treasury.

Simply put, the Castle amendment will force us to plan ahead.

I urge my colleagues to vote to restore accountability to budgeting for natural disasters.

Vote for the Castle amendment.

The CHAIRMAN pro tempore (Mr. RAHALL). The question is on the amendment in the nature of a substitute offered by the gentleman from Delaware [Mr. CASTLE].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. CASTLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 184, noes 235, not voting 20, as follows:

[Roll No. 401]

AYES—184

Allard	Bentley	Castle
Andrews (NJ)	Bilirakis	Clinger
Andrews (TX)	Bliley	Coble
Archer	Blute	Collins (GA)
Armey	Boehlert	Combest
Bachus (AL)	Boehner	Condit
Baker (CA)	Bonilla	Cooper
Baker (LA)	Bunning	Coppersmith
Ballenger	Burton	Cox
Barca	Buyer	Crane
Barrett (NE)	Callahan	Crapo
Bartlett	Calvert	Cunningham
Barton	Camp	Deal
Bateman	Canady	DeLay

Deutsch
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
English
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hoekstra
Hoke
Horn
Houghton
Huffington
Hutchinson
Hyde
Inglis
Inhofe
Inslee
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kreidler
Kyl
Lambert
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lewis (KY)
Linder
Lucas
Machtley
Manzullo
McCandless
McCollum
McCrery
McHugh
McInnis
McKeon
Meehan
Meyers
Mica
Miller (FL)
Minge
Molinari
Moorhead
Morella
Myers
Nussle
Orton
Oxley
Packard
Pallone
Parker
Paxon
Penny
Peterson (MN)
Petri
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quinn
Ramstad
Ravenel
Ridge
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schumer
Sensenbrenner
Shaw
Shays
Shepherd
Shuster
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Stearns
Stenholm
Stump
Swett
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Torkildsen
Upton
Valentine
Walker
Weldon
Wolf
Zeliff
Zimmer

NOES—235

Abercrombie
Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Bellenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
DeFazio
DeLauro
Dellums
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
Eshoo
Evans
Everett
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hobson
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
LaFalce
Lancaster
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Price (NC)
Quillen
Rahall
Rangel
Reed
Regula
Richardson
Roemer
Rogers
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Scott
Serrano
Sharp
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—20

Becerra
Chapman
Derrick
Flake
Grams
Hunter
Kaptur
Lantos
McCurdy
McDade
McMillan
Michel
Moran
Reynolds
Romero-Barcelo (PR)
Slattery
Spence
Sundquist
Thomas (WY)
Washington

□ 1423

The Clerk announced the following pairs:

On this vote:

Mr. Grams for, with Mr. Derrick against.
Mr. Spence for, with Mr. Becerra against.

Mr. YATES and Mr. MFUME changed their vote from "aye" to "no."

Messrs. LEWIS of Kentucky, PALLONE, DEUTSCH, and GILMAN changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. THOMAS of Wyoming. Mr. Chairman, earlier today I was en route to Washington from Wyoming, where we held our primary elections yesterday, and missed several rollcall votes. Had I been present, I would have voted "aye" on rollcall No. 400, the Johnson amendment, and I would have voted "aye" on rollcall No. 401, the Castle amendment.

The CHAIRMAN pro tempore (Mrs. LOWEY). It is now in order to consider amendment No. 3 reprinted in House Report 103-690.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KASICH

Mr. KASICH. Madam Chairman, pursuant to the rule, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. KASICH: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Spending Control Act of 1994".

SEC. 2. TREATMENT OF EMERGENCY SPENDING.

(a) EMERGENCY APPROPRIATIONS.—Section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: "However, OMB shall not adjust any discretionary spending limit under this clause for any statute that designates appropriations as emergency requirements if that statute contains an appropriation for any other matter, event, or occurrence, but that statute may contain rescissions of budget authority.".

(b) EMERGENCY LEGISLATION.—Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: "However, OMB shall not designate any such amounts of new budget authority, outlays, or receipts as emergency requirements in the report required under subsection (d) if that statute contains any other provisions that are not so designated, but that statute may contain provisions that reduce direct spending.".

(c) NEW POINT OF ORDER.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

"POINT OF ORDER REGARDING EMERGENCIES

"SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that amendment may reduce amounts for that emergency.".

(d) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 313 the following new item:

"Sec. 408. Point of order regarding emergencies.".

The CHAIRMAN pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. KASICH] will be recognized for 15 minutes, and a Member opposed to the amendment will be recognized for 15 minutes.

Does the gentleman from Wisconsin [Mr. OBEY] rise in opposition?

Mr. OBEY. Yes, Madam Chairman, I do.

The CHAIRMAN pro tempore. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. STENHOLM], a coauthor of the amendment.

Mr. STENHOLM. Madam Chairman, the Kasich-Stenholm-Penny substitute before us now would significantly clean up emergency appropriations bills by prohibiting extraneous items from

being included in emergency appropriations bills and conference reports.

This amendment is not as far reaching as the previous two substitutes that have been considered today. While I am disappointed that the proposals by the gentleman from Texas [Mr. SAM JOHNSON] and the gentleman from Delaware [Mr. CASTLE] to require that we pay for emergency spending through the regular budget process did not receive majority support today, I hope that the support that they received will underscore to the members of the Durbin-Emerson task force on emergencies the desire within this body to establish a process for funding emergency relief within normal budget rules.

Under the Kasich-Penny-Stenholm amendment, a point of order would be established against the consideration of any emergency appropriations bill or conference report that included extraneous items. As a backup enforcement, our amendment would prevent the Office of Management and Budget from adjusting the caps to reflect the spending in an emergency appropriations bill if the bill included extraneous items. This backup enforcement provision could not be waived.

By prohibiting extraneous items from being included in emergency spending conference reports, this amendment will prevent the other body from embarrassing us by slipping pork barrel spending into emergency appropriations bills. Anyone who is familiar with the appropriations understands where most of the embarrassing items have been slipped into emergency appropriations bills. The funds for the FBI fingerprint facility in West Virginia, $10 million for a new Amtrak station in New York, $1 million for employee-management at the Office of the Senate Legal Council—all of these questionable items were added to the California earthquake relief bill in the Senate. The Spratt substitute does not address the issue of extraneous items added to emergency bills in the other body at all. Since the only opportunity the House had to vote on these items was as part of a conference report, the provisions of the Spratt substitute would have had no effect on these and other extraneous spending items.

There are some who argue that we should not be concerned about the extraneous items included in emergency appropriations bills because they have been offset by spending cuts. Some of us, however, would have preferred that the $14 billion in offsets that have been included in emergency appropriations bills since 1990 be used to offset the $30 billion in emergency spending that we have added to the national debt over that period instead of being spent on extraneous items. In addition, the fact that these items are offset does not change the fundamental fact that we do not have the time to review the merits of unrelated items while emergency spending bills are rapidly making their way through Congress.

Some of the opponents of this amendment have criticized us for preventing Congress from including emergency funding in regular appropriations bills, as we did when included emergency spending for Rwandan aid in the foreign operations appropriation bill. Our amendment would not have prevented Congress from providing emergency assistance to Rwanda if that was the will of the majority. We simply would have required that the decision about whether or not Rwandan aid should have been declared emergency spending be subject to greater scrutiny by considering it on its own merits instead of including it in a larger general appropriations bills. In fact, that is what this amendment is about—providing greater scrutiny of emergency spending.

Madam Chairman, I urge Members to take another step in improving the image of Congress by voting for the real reforms of the emergency spending process in the Kasich-Penny-Stenholm substitute and voting against the Spratt substitute.

□ 1430

Mr. OBEY. Madam Chairman, I yield myself 5 minutes.

Madam Chairman, I would like to ask the sponsor of this amendment a question, if I could get the attention of the gentleman from Ohio [Mr. KASICH] and the gentleman from Texas [Mr. STENHOLM].

I would simply like to ask this question: Since I have become chairman of the Committee on Appropriations, can you name one single extraneous item that has been added to an emergency bill?

Mr. KASICH. Madam Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Ohio.

Mr. KASICH. Madam Chairman, I think the answer to that is that most of the extraneous items that have been added were in the Senate.

Mr. OBEY. Madam Chairman, reclaiming my time, has any item been added by the Senate or House to an emergency bill since I have been chairman? Any item that was not requested by the administration?

Mr. KASICH. The answer is yes.

Mr. OBEY. I suggest to the gentleman the answer is no. There is not a single amendment that was added to an emergency bill by either body that was not requested by the administration.

I would ask a second question: Was any harm done to the——

Mr. KASICH. If the gentleman is asking me a question, is the gentleman saying that because the President made a request and we added it in there, that somehow that does not count?

Mr. OBEY. I am simply asking, because the gentleman has focused his firepower on the past tendency of the other body to add items, what I am simply asking is can you name an item which was added as a matter of pork by a Senator rather than being an item which was requested by the administration, such as the flood relief for Alabama, the flood relief for Georgia, the flood relief for Florida?

Mr. KASICH. Let me say to the gentleman, I do not remember exactly the date when the gentleman took over the chairmanship, but I am prepared to demonstrate a number of items added to the Los Angeles earthquake bill.

Mr. OBEY. As the gentleman well knows, I was not chairman of the committee when the Los Angeles earthquake occurred.

I will reclaim my time, because I am trying to get a straight answer, and I am not getting a hard front answer. So I will move on.

Let me simply make two points: Since I have become chairman of this committee, to the best of my knowledge there has not been a single extraneous item added by either the House or the Senate to an emergency vehicle that was not requested by the administration.

I would make a second point. I would like to know what harm has been done to the Republic because our committee chose to respond to the Rwandan emergency in the fastest possible way, by putting it into the regular foreign aid appropriation bill, rather than taking the time on going through the House and the Senate with a separate bill, to which I would point out any number of items could have been added by the Senate?

I would ask what harm was done when in the middle of winter, when people were freezing, our committee decided last year to add the emergency appropriations for the low-income heating assistance program to the regular Labor-HEW appropriations bill, rather than doing a separate appropriation?

I would suggest none.

I would also ask what harm was done to the Republic when we were told that SBA was running out of funds and so to try to avoid a shutdown of those programs in States like California, Georgia, and Florida, we simply chose in the regular State-Justice appropriations bill to add that emergency item to the regular bill?

Again, I would submit no harm whatsoever.

I would make this point: The gentleman from Ohio [Mr. KASICH] and the gentleman from Texas [Mr. STENHOLM] would like to see these baubles which are usually added to emergency bills eliminated. So would I. As chairman of the Committee on Appropriations, no one is more enraged and no one is more embarrassed when a Member of the

other body decides to try to use one of our vehicles to add a twinkie for his own district. I do not appreciate that, and I am going to do my darnedest to keep them off.

But I would suggest that there is an added complication provided by this amendment which we ought not incur. I think it is perfectly legitimate for the sponsors of this amendment to say, "Look, if we are going to have an emergency, fine, let us deal with the emergency. Let us not use that as an excuse to add candy for somebody else."

But I would suggest that there is nothing wrong with, if we have the opportunity, having one of these emergency amendments attached to a regular appropriation bill.

The problem with this amendment is that in addition to going after the legitimate target, which these gentleman to after, they also preclude us from using the fastest possible route to meet an emergency when one arises by saying in effect that if we happen to add Rwandan aid to the foreign assistance bill, then every other item in that bill is subject to an independent action by the House.

Now, I do not see any reason to require that that be done. In that case, you would have the tail wagging the dog, and I do not think you would accomplish the purpose that the gentleman talk about.

So I would simply suggest if you want to keep extraneous items off, be my guest. I am happy to cooperate in devising such a procedure. I have only been chairman of this committee for a few months.

But I would point out that to say that we cannot meet an immediate human disaster, such as we have in Rwanda, by moving along the fastest possible track, as we did by attaching it to the foreign assistance bill, is I think a major mistake.

To suggest that we should have had to run through a separate appropriation bill in order to deal with the fact that SBA was running out of money and we needed to keep them in business to deal with the problems in Georgia, in Florida, and in California, is I think ill-advised, and I would urge you not to do it.

Mr. KASICH. Madam Chairman, I yield myself 4 minutes.

Let me say, first of all, the emergencies that we are referring to are emergencies that occurred before the present chairman took over. But let me also say that I have no doubt in my mind of what will happen when we get emergencies. In fact, if we have an emergency for aid for Rwanda, or for people who are having difficulty, we can pass an emergency bill or something like that in 24 hours. To argue that we do not have time to do that is false.

When the LA earthquake relief bill came, it was introduced as an emergency bill to do four things: One was to provide $7.8 billion for LA earthquake relief; $1.2 billion for DOD, which many Members objected to in this House; $436 million for Midwest flood relief, and $315 million for a 1989 earthquake. But the simple fact is these were the four emergency requests as introduced.

I am about to show you the list of items, the nonemergency items that were added to this bill.

All of these items right here were added to this bill. The $1.4 million to fight potato fungus; the $23 million for FDA pay raises; the $14.4 million for the National Park Service; the $12.4 million for the Bureau of Indian Affairs; $550,000 for the U.S. Trade Rep Travel Office; $13.1 million to copy White House electronic messages; $300,000 for the Council on Environmental Quality personnel; $698 million for pension and disability benefits; $103 million for readiness benefits; $56 million for NASA; $20 million for the fingerprint lab in West Virginia; $40 million for the space rehap module; $61 million for job training; $10 million for a study measuring employment; $1 million for the office; and $10 million for an Amtrak station in New York.

□ 1440

This was all added. Now, do I object to all of these items? The answer is no. I do not object to them. But they do not need to be put on the fast track in an emergency bill.

What I am asking the House to do today is to approve these items in an emergency bill and leave all these off. These ought to be done in the normal course of doing things when it comes to appropriations.

When we go home to our districts, our constituents say to us, "Why do they have to attach all of these riders to these bills?" The simple fact of the matter is, we do not have to, and we can strike a very strong blow for saying if we have an emergency that affects people in this country, let us not hold that bill up by squabbling about the nonemergency items that have been added.

Furthermore, if the items get added in the U.S. Senate, where a number of them were added, we get faced in the House with voting on a conference report. We have to reject the conference report to send money to people who are in trouble and be forced to accept all these items, many of which we may not agree with. That does not make sense.

The simple fact of the matter is that these emergency bills should not be loaded up. If we have an emergency, we should work day and night until we produce the money to help fix the emergency.

But to argue that we ought to add it up with all this, that is not what the people want.

Our efforts here in the Congress now are designed, the efforts of the gentleman from Minnesota [Mr. PENNY] and the gentleman from Texas [Mr. STENHOLM] and I are designed to restore a little credibility to the issue of spending in this House. And the first big blow that we can land to restore that credibility is to chop this list off and do it with a regular process, not having it carried by a vehicle that involves true difficulties and true problems that affect people that need to be considered on a very aggressive time schedule.

The bottom line is, if we do not want the riders, if we do not want the extra things considered, if we want it to be done in a thoughtful, normal route, we have got to vote for Penny-Kasich-Stenholm.

Once Members do that, once they vote for Penny-Kasich-Stenholm, we will then have to come to the floor and defeat Spratt which essentially says that we can come to the floor and do what we currently do.

The bottom line is, folks, come to the floor on a bipartisan basis, strike a blow for an elimination of riders to bill. Do what our constituents want. The bottom line is, keep it clean. Take care of people that have trouble and do not load up the bills with these kind of lists.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want to simply make two points or to make one point and ask one question.

As I indicated earlier, that chart refers to something that happened last year. I was not chairman last year. I want that clear.

Second, I have no objection to the gentleman going after that list. I do not think that list ought to be on that chart.

My question is this: Why in going after that list, why in going after the illegitimate add-ons that the gentleman sees in the process, why does he also insist in preventing us from meeting a lifesaving obligation, if we are faced with one, by adopting the fastest possible route and adding an amendment to the regular appropriation bill? What does adding a supplemental emergency to a regular appropriation bill have to do with that list?

Why does the gentleman have to mix the two? I would be happy to join him if he did not do the latter.

Mr. KASICH. Mr. Chairman, I yield myself 45 seconds.

The answer to that is simple. If we have a crisis in Rwanda, I am the first person on the floor working with anybody on the other side of aisle to take care of that crisis. We do not need to take care of that crisis by sticking it in an appropriations bill. There are too many problems. That is how we get that big, long list.

What I am saying is, let us hold everything. If we have a crisis in Rwanda or if we have a crisis with anything in

this country, hold the horses, stop the House and pass the emergency bill. That is the quickest way to do it. Then the gentleman from Minnesota [Mr. PENNY] and I have to come to the House floor and we are trying to take the extraneous items out and we get into debate. Are we trying to slow down earthquake aid? The simple fact of the matter is, we are not.

The bottom line is, the chairman has not bought a bill yet but there is a bill coming that is going to of that attached to it. What I will say to the gentleman is in order to prevent it, if the gentleman agrees we should not have these extraneous items, then let us just consider emergencies clean. The message here is, keep it clean. Do not load it up with riders.

Mr. OBEY. Mr. Chairman, I yield myself 30 seconds.

We have had two emergency supplementals. We have had the SBA emergency supplemental last week. We had the Rwandan supplemental. The gentleman may think that dealing with Rwanda in an independent bill would have been faster. I would suggest to the gentleman the way the Senate operates, we could have been slowed down for weeks. There were lives at stake. We moved on the vehicle that we knew could get through here the fastest. That happened to be the regular bill. That may not always be the case. But it certainly was in that instance.

We did not have to take the time to go through eight committees to get approval before the Members dealt with the problem.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, there are fundamental imperatives at stake on this issue today. Among them the need to be respectful of the people who pay the bills, the taxpayers. In this instance we are talking about borrowing money.

Obviously, at some point this money has to be repaid. But in the meantime, if we are to ask American taxpayers to shoulder a debt burden, to finance the very real needs of those faced with a natural disaster or some other emergency, we ought not disrespect the American taxpayers by then larding these bills up with unrelated items.

The earthquake measure referred to earlier started out at about $8 billion. By the time we were done it was $11.2 billion. We disrespect the American taxpayers by not restraining ourselves better in times of a real emergency.

I have no quarrel with the current chairman of the Committee on Appropriations. He has throughout his career objected to this kind of pork barrel spending. I trust that under his leadership we will not see this kind of activity on emergency spending measures. But a decent chairman though he is, he will not be the chairman forever. And consequently, we need to talk about the underlying policy on these emergency spending measures.

Furthermore, larding up these bills disrespects the majority of the membership in this institution. Those handful who serve on a conference committee or serve on the powerful Committee on Appropriations are in an advantageous position because they are the ones that take the pork home.

The list just recited by the gentleman from Ohio can be identified district by district and in most cases my colleagues will find it reflects projects that benefit Members who served on the conference committee. That behavior disrespects the entire membership here, by taking advantage of an emergency bill and our vote for that emergency situation in order to pork up the bill for their own home districts. It is not right. It is disrespectful.

And finally, we disrespect the victims of these natural disasters, because we demonstrate to them that even in the time of their greatest need,we cannot resist the temptation to lard up these bills with projects important to our home State that have nothing to do with the disaster and have nothing to do with an emergency situation.

We need to convey to the American public a far more serious process here in Congress, if we want Americans to once again respect the U.S. Congress. One small step in that direction is to clean up the process by which we handle real emergencies.

Let us keep it clean. Let us keep it simple. Let us do right by the membership. Let us do right by the taxpayers. Let us do right by those victims of these natural disasters. Vote for the Kasich-Penny-Stenholm substitute.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the distinguished gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, could I engage the gentleman from Ohio in a colloquy.

The list that the gentleman just displayed there on his chart of nonemergency items. There is a statement in the gentleman's "Dear Colleague" from him and the gentleman from Texas [Mr. STENHOLM] and the gentleman from Minnesota [Mr. PENNY] to the effect that this spending also is exempt from the discretionary spending caps imposed in 1990 as a key instrument of deficit reduction. This exemption adds to the many temptations of these measures.

□ 1450

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, that statement was inaccurate.

Mr. SPRATT. It is incorrect. I simply wanted it made clear that everything that was added has to come in under the 602 (a) and (b) allocated. It cannot come in as emergency spending and transmuted somehow.

Mr. KASICH. If the gentleman will continue to yield, that is correct. The point we would make, of course, is when we go to rescissions and expirations to try to pay for it, we question, as CBO did, whether the money is really there to be saved in order to pay for these programs. We sent about a dozen "Dear Colleagues," and I have to tell the gentleman that one got out and it is not accurate.

Mr. SPRATT. I appreciate the gentleman's clarification.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would also like to reiterate the message we are trying to convey today. That is to keep it clean.

I would suggest to the distinguished chairman of the Committee on Appropriations that in fact, under his watch, it may be true that we have not had an emergency spending bill that has been larded up with pork, but contrary to the historical trend in the House of Representatives, the distinguished chairman may not be chairman for life. We have to make sure that when we have the opportunity to clean up the process, we take that opportunity.

Last year, Mr. Chairman, I took the floor with many Members of flooded districts, and we suggested it was time to clean up the process then. We were told by many distinguished colleagues that now was not the time. This is last year. They said "Wait until next year. Wait until we are dry. Wait until we do not have a disaster. Then we can clean up the process."

Mr. Chairman, I would suggest to the Members today, what is wrong? Why can we not do it today? What are we worried about? We have eloquent, very credible statements here today that it will never happen again. Then what is wrong with putting proof into the rules, and to suggest to all of us that we should keep it clean, that we should not have all of these add-ons?

Somebody described it to me once very simply. They said "You know what these emergency spending bills are like? It is like putting a Christmas tree in the rotunda of the Capitol and letting every Member of Congress run past and hang on their little special ornament."

Heaven forbid anyone would vote against Christmas. Heaven forbid anyone would stand up here and say that we cannot get spending and money to victims, but if you try and attack those amounts, if you try and attack those special projects, then you are beaten down.

Mr. Chairman, I would suggest to the gentleman that it took a long time last year to get through flood relief. It took

a long time this year to get through earthquake relief. There is only one reason why it took that long time. There is only one reason, because we needed time in the conference committee to add on all these special projects.

It is time to keep it clean, and it is time to bring some honor back to the process of getting hard-earned tax dollars to the victims of this country.

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. SABO], the distinguished chairman of the Committee on the Budget.

Mr. SABO. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I frankly was not planning on speaking on this amendment, but I hear some of this rhetoric that goes on and I think the rhetoric does a disservice to the Congress and to the elected Representatives.

I think there are legitimate issues that are raised in the discussion on this amendment, on whether emergency appropriations should at times have nonemergency appropriations that are within the spending limits, or which are paid for by rescissions or, as the chairman of the Committee on Appropriations asked, whether we should be able to add emergency appropriations to a normal, ongoing appropriation bill that is about to be passed. That is a legitimate debate. I happen to personally think that we make a mistake when we tie our hands in the legislative process, so that I will vote against the amendment, but that is not why I speak.

Mr. Chairman, I hear speaker after speaker come up to this podium and talk about the Congress exercising any of its independent judgment as being larding and as pork. To me, that degrades this institution. The gentleman is right, the gentleman from Ohio [Mr. KASICH] has not used those comments. His debate has been legitimate.

We exercise judgment as the elected people representing our districts and the people of this country. There are times our judgment is different than the appointed people in an administration. Sometimes they are right, sometimes they are wrong. I would never claim that we are 100 percent right, but I have watched this body for over 16 years, and when we make our independent judgments, I think we are more often right than the administration is.

Somehow there is this theory that Members who serve here have no judgment, have no sense of public duty, but if you get appointed by the President, get confirmed by the Senate, become a Cabinet position, appoint other people to work under you, you have divine judgment. I have never observed that happening.

Mr. Chairman, we make judgments and administrations make judgments. Neither is larding or pork. It may be the case occasionally, but that happens historically, I expect, more often out of the administration and by political appointees and the executive than it does in Congress.

Let me suggest also, Mr. Chairman, that maybe the things that skew what happens and where money flows in this country is more heavily dependent on distribution formulas written into big bills at times than specific actions of either this Congress or the executive.

Mr. Chairman, I would plead with Members to not make their case with those inflammatory remarks, because they are not accurate. Mr. Chairman, I will oppose this amendment because I think it limits flexibility that is needed, but I rise to speak not because of that opposition, but because of rhetoric which I think degrades this elected institution.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Kasich-Penny-Stenholm amendment to H.R. 4906. As cochairman of the bipartisan Porkbusters Coalition, I have been a staunch opponent of extraneous spending provisions in emergency supplemental appropriations bills. In the past, some Members of Congress have consistently tucked unrelated nonemergency projects which would be unable to receive funding through the regular budget process into emergency spending proposals. Opponents of these projects are then left with the Hobson's choice, of voting against much needed aid to the victims of earthquakes, floods, or other natural disasters; or voting for adding the costs of nonemergency pork-barrel projects to the budget deficit. Not everyone will be able to handle the Senate.

As mentioned, we last experienced this phenomenon, earlier this year, during House consideration of the emergency supplemental for earthquake victims in Los Angeles, which was loaded with funding for unrelated projects far from the earthquake epicenter such as a new $10 million Amtrak station in New York, sugar cane mill projects in Hawaii, and a $20 million fingerprint lab in West Virginia. Nor are we repentant once it is done. Going after them is useless. I am the lead sponsor of legislation to rescind funding for just three: the most outlandish: the Amtrak station, sugar cane mills, and the fingerprint lab. However, despite the cosponsorship of 65 Members of Congress and the rhetorical support of many others, this bill will likely never make it to the House floor due to the opposition of a few powerful Members. We need to pass the Stenholm-Penny-Kasich amendment to give Members the ability to simply strike these unrelated projects on a point of order, and ensure that all future emergency spending measures are pork-free.

Mr. Chairman, I urge all members to vote for the Stenholm-Penny-Kasich amendment, and against the Spratt proposal.

Mr. OBEY. Mr. Chairman, I would ask how much time each side has remaining.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] has 1½ minutes remaining. The gentleman from Wisconsin [Mr. OBEY] has 3½ minutes remaining.

□ 1500

Mr. OBEY. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I do so to acknowledge that I concur with his remarks that there has been no instance that I can recall since he has been chairman that this is a problem.

Mr. Chairman, I have appreciated the fact that the gentleman and his statements have agreed with most of what our amendment is progressing to do today.

The only point I would make and would hope it would influence those who might vote with us is that this takes away the temptation in conferences from the other body absolutely so that the integrity of this institution will in fact be restored by supporting the Penny-Kasich-Stenholm amendment. It does not cast any disparagement whatsoever on the appropriators in the House.

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, a minute ago we received a lecture from a Member about the necessity to be respectful of the taxpayers. I take a back seat to no one and neither does my committee in our respect for taxpayers. That is why our committee recommended to this House 395 spending cuts so far this year. That is why we eliminated 36 programs entirely. That is why we knocked out $26 billion in outmoded spending to try to make room for higher priority spending and use some of the rest of it for deficit reduction. It is because of our respect for the taxpayers and the burden they bear that we have seen the appropriated portion of the budget decline from the 1960's when it was 13 percent of our total national income to 7.7 percent today and to 6.7 percent by the end of next year.

Mr. Chairman, we have also been told that we could get emergency aid to people who need it by simply producing an emergency bill, that we could do that just as fast as the process which we sometimes use now. I want to point out that in the case of Rwandan aid, people were dying. Frankly, I did not give a damn about procedural niceties in the House at that time. I cared about getting help to people as fast as

possible so we could save lives and save lots of them.

So the very night that the President asked us for emergency help, we gave it to him and we put it in the regular appropriation bill, the very night we were asked to do so. If we had tried to put in a special appropriation bill, we would have been hung up for a couple of weeks, and anybody who has an ounce of knowledge about what happens in the other body would understand that.

When Hurricane Andrew was passed, when we provided emergency assistance for that, we provided it by attaching that amendment to a vehicle which had already been sent over to the Senate. That came back to us in the fastest possible manner. We could have begun the long drone of the usual congressional process, but we decided that the emergency situation dictated otherwise. We got that help to people immediately. I am sorry that offends the procedural sensibilities of some Members around here, but frankly I think results are a whole lot more important than your feelings. That is why I oppose this amendment.

Mr. KASICH. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me say first of all I am not sure whether we think the Senate is good or we think the Senate is bad. If we think the Senate is bad, which is what the indications are, then this is designed to prevent them from doing bad things.

Secondly, there is nothing that prevents us from precipitously passing an emergency. The gentleman from Minnesota [Mr. PENNY], the gentleman from Texas [Mr. STENHOLM], and I will work day and night. Should we have a crisis when it comes to anything involving these United States or anything like this Congress and the President believes is an emergency, we should stop all business and we should pass that emergency. We will work and we will do it.

Mr. Chairman, what this bill does is it says to our constituents, we can go home this weekend and we can eliminate the riders. This is what our constituents are frustrated about. They are frustrated about this getting on the fast track and being tied in with an emergency and letting the emergency crisis be used as a vehicle to pass all of these items that have not undergone the normal process. People want the line item veto at home, and the reason they want the line item veto is they are sick and tired of the riders. The bottom line is we can take care of emergencies, we can take care of people's problems, and we can stop these bills from being added up.

Come to the floor and vote for responsible budgeting. Vote for Penny-Kasich-Stenholm.

Mr. DERRICK. Mr. Chairman, the Stenholm-Penny-Kasich amendment is our second-best choice today, in my judgment. If the problem is nonemergency items in emergency bills, at least that is the problem the amendment addresses.

It is one thing to create a point of order against consideration of emergency bills containing non-emergency items. At least that is an internal matter, and under the Constitution both Houses can waive or modify that rule in the ordinary course of business.

But the amendment goes too far when it tries to prevent Congress from including nonemergency items in emergency bills by prohibiting OMB from adjusting the caps if emergency bills include non-emergency items other than rescissions. I believe Congress should make the decision of how it should legislate, of what we include in our bills, and leave OMB and the executive branch out of it.

Congress needs to be flexible. Why can't a majority of the Members of both Houses be trusted to decide, collectively, what provisions they want to put into emergency bills? Under the pending amendment, even if every Member of this Congress voted to enact a nonemergency provision on an emergency bill, even something innocuous like congratulating the distinguished minority leader on the occasion of his receipt of the Presidential Medal of Freedom, that inclusion would have consequences. OMB could not adjust the caps. Any resulting spending breach would lead to a sequester. What sense does that make?

By contrast, the Spratt bill would simply write into the Budget Act a provision designed to guarantee Members an opportunity to offer amendments to strike out non-emergency provisions if they chose. A majority could get rid of the provisions. The Spratt bill would make it easier to get a recorded vote on the amendments. But it would not involve OMB in what is and ought to be a purely congressional prerogative.

Nor is there anything wrong with including a single emergency in another bill, such as emergency aid for Rwandan refugees, in a regular appropriation bill. Yet the amendment would prevent OMB from adjusting the cap if we did it that way. I submit that makes little sense, at least not when compared to the Spratt alternative.

Mr. Chairman, I urge the committee to reject the amendment. It is the second-best alternative before us, the best being the Spratt bill. We ought not settle for second best.

Ms. SHEPHERD. Mr. Chairman, the Congress must reform procedures for enacting emergency spending legislation. When natural disasters strike, when Americans watch as their homes are engulfed by flames, or stand on their rooftops as flood waters continue to rise, the Federal Government must provide immediate assistance. Regrettably, too often emergency or supplemental appropriations bills have either added to the deficit or been laden with extraneous, nonemergency spending. Though natural disasters by definition defy prediction, we can prepare for these emergencies and ensure that the only spending we approve goes to those in need.

The Congress should, as part of its annual budget resolution, establish an emergency, or rainy day spending account within all applicable spending caps. Virtually every State has established such a fund and it's time the Federal Government follow suit. This account should be used to pay for any crisis designated as an emergency by the President, in that fiscal year. Any remaining funds should be returned to the Treasury for deficit reduction. This process will ensure that any emergency checks are not signed with red ink, adding to the Federal deficit.

In addition, the Congress should enact legislation which prohibits the Office of Management and Budget [OMB], and the legislative branch from waiving any budget ceiling for emergency spending which contains nonemergency funding. When natural disasters are of such a magnitude as to exceed the funding in the reserve account, budgetary restrictions should not stand in the way of helping fellow Americans in need. This should not be an opportunity, however, for other extraneous riders to be attached, which have nothing whatsoever to do with the emergency at hand. As such, an automatic point of order should be upheld.

For far too long some have used the common good to hide blatant self interest and the legitimate to conceal the questionable. That practice must end. The American people deserve no less.

The CHAIRMAN pro tempore (Mr. RAHALL). The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. KASICH].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. KASICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 322, noes 99, not voting 18, as follows:

[Roll No. 402]

AYES—322

Ackerman	Buyer	Dooley
Allard	Byrne	Doolittle
Andrews (ME)	Callahan	Dornan
Andrews (NJ)	Calvert	Dreier
Andrews (TX)	Camp	Duncan
Archer	Canady	Dunn
Armey	Cantwell	Edwards (TX)
Bacchus (FL)	Cardin	Ehlers
Bachus (AL)	Carr	Emerson
Baesler	Castle	English
Baker (CA)	Chapman	Eshoo
Baker (LA)	Clayton	Everett
Ballenger	Clement	Ewing
Barca	Clinger	Farr
Barcia	Clyburn	Fawell
Barrett (NE)	Coble	Fields (TX)
Barrett (WI)	Coleman	Filner
Bartlett	Collins (GA)	Fingerhut
Barton	Combest	Fish
Bateman	Condit	Ford (TN)
Beilenson	Cooper	Fowler
Bentley	Coppersmith	Franks (CT)
Bereuter	Costello	Franks (NJ)
Bilbray	Cox	Frost
Bilirakis	Cramer	Furse
Bishop	Crane	Gallegly
Bliley	Crapo	Gekas
Blute	Cunningham	Geren
Boehlert	Danner	Gilchrest
Boehner	Darden	Gillmor
Bonilla	de la Garza	Gilman
Brewster	Deal	Gingrich
Brooks	DeFazio	Glickman
Browder	DeLay	Goodlatte
Brown (OH)	Deutsch	Goodling
Bryant	Diaz-Balart	Gordon
Bunning	Dickey	Goss
Burton	Dicks	Grandy

Green
Greenwood
Gunderson
Gutierrez
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Lucas
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Menendez
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Murphy
Myers
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Ramstad
Ravenel
Reed
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Royce
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Shaw
Shays
Shepherd
Shuster
Sisisky
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thurman
Torkildsen
Torricelli
Traficant
Tucker
Underwood (GU)
Upton
Valentine
Volkmer
Vucanovich
Walker
Weldon
Wheat
Williams
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—99

Abercrombie
Applegate
Barlow
Berman
Bevill
Blackwell
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Clay
Collins (IL)
Collins (MI)
Conyers
Coyne
de Lugo (VI)
DeLauro
Dellums
Dingell
Dixon
Durbin
Edwards (CA)
Engel
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Foglietta
Ford (MI)
Frank (MA)
Gallo
Gejdenson
Gephardt
Gibbons
Gonzalez
Hall (OH)
Hastings
Hilliard
Hoyer
Jefferson
Johnson, E. B.
Kopetski
Lewis (CA)
Lewis (GA)
Manton
Markey
Martinez
Matsui
McDermott
Meek
Mineta
Mink
Moakley
Mollohan
Murtha
Nadler
Oberstar
Obey
Olver
Owens
Pastor
Payne (NJ)
Pelosi
Pickle
Rahall
Rangel
Romero-Barcelo (PR)
Rostenkowski
Roybal-Allard
Rush
Sabo
Serrano
Skaggs
Skeen
Slaughter
Smith (IA)
Stokes
Studds
Swift
Synar
Thompson
Thornton
Torres
Towns
Unsoeld
Velazquez
Vento
Visclosky
Walsh
Waters
Watt
Waxman
Whitten
Wilson
Wise
Woolsey
Wynn
Yates

NOT VOTING—18

Becerra
Derrick
Flake
Grams
Hunter
Lantos
McCurdy
McDade
McMillan
Michel
Moran
Quinn
Reynolds
Sharp
Slattery
Spence
Sundquist
Washington

□ 1524

The Clerk announced the following pairs:

On this vote:

Mr. Grams for, with Mr. Becerra against.

Mr. Quinn for, with Mr. Derrick against.

Messrs. BEILENSON, NEAL of Massachusetts, CARR of Michigan, PETERSON of Florida, HEFNER, and ORTIZ, and Mrs. LLOYD changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. RAHALL). It is now in order to consider amendment No. 4 printed in House Report No. 103-690.

Mr. SPRATT. Mr. Chairman, in light of the substantial vote in favor of Stenholm-Penny-Kasich, the last vote, I decline the right afforded me under the rule to call up the base bill as the final substitute.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HASTINGS) having assumed the chair, Mr. RAHALL, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 4906) to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation, pursuant to House Resolution 513, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BILBRAY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 406, noes 6, not voting 22, as follows:

[Roll No. 403]

AYES—406

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (TX)
Filner
Fingerhut
Fish
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Lucas
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty

Meehan	Reed	Stokes
Meek	Regula	Strickland
Menendez	Richardson	Studds
Meyers	Ridge	Stump
Mfume	Roberts	Stupak
Mica	Roemer	Swett
Miller (CA)	Rogers	Swift
Miller (FL)	Rohrabacher	Synar
Mineta	Ros-Lehtinen	Talent
Minge	Rose	Tanner
Mink	Rostenkowski	Tauzin
Moakley	Roth	Taylor (MS)
Molinari	Roukema	Taylor (NC)
Mollohan	Rowland	Tejeda
Montgomery	Roybal-Allard	Thomas (CA)
Moorhead	Royce	Thomas (WY)
Morella	Rush	Thompson
Murphy	Sabo	Thornton
Murtha	Sanders	Thurman
Myers	Sangmeister	Torkildsen
Neal (MA)	Santorum	Torres
Neal (NC)	Sarpalius	Torricelli
Nussle	Sawyer	Towns
Oberstar	Saxton	Traficant
Olver	Schaefer	Tucker
Ortiz	Schenk	Unsoeld
Orton	Schiff	Upton
Owens	Schroeder	Valentine
Oxley	Schumer	Velazquez
Packard	Scott	Vento
Pallone	Sensenbrenner	Visclosky
Parker	Serrano	Volkmer
Pastor	Sharp	Vucanovich
Paxon	Shaw	Walker
Payne (NJ)	Shays	Walsh
Payne (VA)	Shepherd	Waters
Pelosi	Shuster	Watt
Penny	Sisisky	Waxman
Peterson (FL)	Skaggs	Weldon
Peterson (MN)	Skeen	Wheat
Petri	Skelton	Whitten
Pickett	Slaughter	Williams
Pickle	Smith (IA)	Wilson
Pomeroy	Smith (MI)	Wise
Porter	Smith (NJ)	Wolf
Portman	Smith (OR)	Woolsey
Poshard	Smith (TX)	Wyden
Price (NC)	Snowe	Wynn
Pryce (OH)	Solomon	Young (AK)
Quillen	Spratt	Young (FL)
Ramstad	Stark	Zeliff
Rangel	Stearns	Zimmer
Ravenel	Stenholm	

NOES—6

Bonior	Nadler	Rahall
Gonzalez	Obey	Yates

NOT VOTING—22

Becerra	Hyde	Quinn
Derrick	Lantos	Reynolds
Fields (LA)	McCurdy	Slattery
Flake	McDade	Spence
Glickman	McMillan	Sundquist
Grams	Michel	Washington
Hansen	Moran	
Hunter	Pombo	

□ 1546

The Clerk announced the following pair:

On this vote:

Mr. Spence for, with Mr. Derrick against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on House Resolution 513 and H.R. 4906, the measures just considered and adopted.

The SPEAKER pro tempore (Mr. HASTINGS). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CONTINUATION OF EMERGENCY WITH RESPECT TO UNITA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 103–292)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to the National Union for the Total Independence of Angola ("UNITA") is to continue in effect beyond September 26, 1994, to the Federal Register for publication.

The circumstances that led to the declaration on September 26, 1993, of a national emergency have not been resolved. The actions and policies of UNITA pose a continuing unusual and extraordinary threat to the foreign policy of the United States. United Nations Security Council Resolution 864 (1993) continues to oblige all Member States to maintain sanctions. Discontinuation of the sanctions would have a prejudicial effect on the Angolan peace process. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to UNITA to reduce its ability to pursue its aggressive policies of territorial acquisition.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 17, 1994.*

WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON S. 2182, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 521 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 521

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (S. 2182) to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense programs of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes. All points of order against the conference report and against its consideration are waived.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON] pending which I yield myself such time as I may consume.

During consideration of this resolution, all time yielded is for the purpose of debate only.

□ 1550

Mr. Speaker, House Resolution 521 provides for the consideration of S. 2182, the conference report to accompany the Department of Defense authorization for fiscal year 1995, by waiving all points of order against the conference report and against its consideration.

Mr. Speaker, this conference agreement is one that all Members of the House should support: it provides $263.8 billion for defense programs in fiscal year 1995 which is $2.9 billion more than current appropriations levels and which provides funding levels for major weapons systems, operations and maintenance, and personnel costs which will allow our Armed Forces to fulfill their mission today and in the future.

Mr. Speaker, this conference report includes $2.4 billion for the procurement of six C–17's and advance funding for eight additional aircraft in future years. The agreement also provides funding for overall C–17 research and development as well as funding for nondevelopmental alternative aircraft. The House, in its version of the fiscal year 1995 DOD authorization, supported the continued production of this important component of our overall military readiness, and the conferees are to be commended for including the procurement and long-lead funds for the C–17 in the conference agreement.

The conference report also retains the House and Senate language providing $497 million in research and development funds for the V–22 *Osprey* tiltrotor aircraft, which will serve as a complement to the heavy airlift capability of the C–17 by providing medium lift capability for the Marine Corps and special operations forces. The conference agreement also provides $2.9 billion in funding for ballistic missile defense and included in this amount is $284 million for the extended range interceptor missile [ERINT] which will provide advanced hit-to-kill warhead capability for the PAC–3 system.

Mr. Speaker, this conference agreement also contains provisions relating

to the lifting of the arms embargo against Bosnia as well as language requiring the Department of Defense to submit to Congress one report listing proposals for the United Nations to improve its management of peacekeeping operations as well as a second report on the status of those recommendations. The agreement also includes language that requires the Defense Department to report to Congress on the readiness of United States forces due to peackeeping operations in Bosnia as well as the readiness of South Korean forces in the event of an attack by North Korean forces.

Mr. Speaker, while the cold war may be over, the need for a strong, capable, and ready military is not. This conference agreement provides our Armed Forces with the funding necessary to meet its needs for the coming year. This agreement is vital to our national defense and our national well-being and I urge adoption of this rule so that the House may consider the conference agreement.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas has provided Members with a good explanation of this rule, which waives all points of order against the conference report and against its consideration.

I hope that Members will not oppose this rule, so that the House may then proceed expeditiously to consider the conference report on the national defense authorization.

Mr. Speaker, a word needs to be said about waivers.

Unlike the Democrat managers of the conference report for the crime bill, for example, chairman DELLUMS and the managers of this defense bill were forthcoming with the Rules Committee in advising us on where points of order would lie.

Moreover, the full contents of this conference report were made public last week and printed in the RECORD. That is practically unprecedented compared to how things have been around here lately. And it means, of course, that the 3-day layover has been observed.

The contrast between the way this conference report was handled and the cloak of secrecy and chicanery that surround the crime bill could hardly be more striking.

Finally, Mr. Speaker, I would note that Republicans were consulted about this rule and agreed that this approach is best in order to bring this important conference report to the floor.

So for these reasons, I am willing to forego my usual opposition to waiving points of order, and I ask Members not to oppose this rule. Turning now to the substance of this conference report, I would like to make a number of observations.

Certainly, any Member can go through this 861-page conference report and find many things that have a great deal of merit and which should be supported.

Certainly, any Member should be able to find many things that he or she does not support. A bill of this size and complexity is not going to leave any Member entirely satisfied, but neither should it leave any Member entirely opposed. And all Members should be appreciative of the tremendous effort that the Members of the Armed Services Committee, and especially its chairman and the ranking Republican, have put into this conference report.

They do not have an easy task, but they perform it well. My chief concern, however, is with the larger context in which this legislation is presented. Our colleagues on the Armed services Committee have done the best they could with what they have to work with, but that is the problem: They have not been given enough to work with.

The Clinton administration has outlined a 6-year phased reduction in the defense budget that will cut $156 billion through fiscal year 1999. That is a 35-percent cut in defense spending, on top of the 35-percent cut, in real terms adjusted for inflation, that has already been made since 1985.

So far, in the first 2 years of the Clinton 6-year plan, Congress has enacted only one-tenth of the cuts that are called for.

When you consider the accelerated pace at which defense cuts will have to be made over the next several years in order to meet the demands of this plan, it becomes clear that we are headed in the direction of nothing less than unilateral disarmament.

I used that term at the Rules Committee yesterday, and I will use it again here today—unilateral disarmament.

And lest anyone think that is too harsh a term to use, I would simply ask when any Member has ever heard a member of the administration claim that this plan meets the minimum requirements necessary to protect the security of the country as defined by the administration's own bottom-up review.

The fact is that such a claim has never been made. Indeed, the estimates of how far short this plan falls, run anywhere from $20 to $100 billion.

Then there is the very real possibility that the bottom-up review itself may be flawed—having overstated the savings to be realized by personnel cuts and modernization, while having understated the costs of peacekeeping missions and adequate compensation for an All-Volunteer Force. Nobody believes more than I do that an all-volunteer military is the best option for a free society.

But our service men and women must be compensated at a level that honors their commitment to the country and the all-important role they play in providing for the common defense. Every Member's stomach should turn when we hear reports of service personnel having to supplement their income with welfare and food stamps, and every Member really ought to question the larger issue of where the defense budget is headed.

Before concluding, Mr. Speaker, I would like to thank the conferees for including two of my amendments in this conference report. One amendment would prohibit Defense Department research grants from going to universities that deny access to their campuses by military recruiters.

I believe the logic behind such a prohibition is self-evident.

The other amendment expresses the sense of Congress about the North Korean Nuclear Program, and it represents the only concrete statement Congress has thus far made, concerning this controversy. And, believe me, that situation is a long way from being resolved, so we will really have to stay on top of that in the months ahead.

In conclusion, Mr. Speaker, I urge support for the rule so that this debate on this important conference report can proceed. And as Members consider this legislation, I would ask that they keep in mind General Norman Schwarzkopf's observation that it is far better to sweat in peace than to bleed in war.

□ 1600

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Philadelphia, PA [Mr. WELDON].

Mr. WELDON. Mr. Speaker, first of all let me say that I rise in support of the rule and I will be voting for the bill.

Let me start out by saying as a member of the Committee on Armed Services for 8 years and as a conferee in this process that the reason I support both the rule and the bill is because the process has been totally fair.

That is due in no small measure to the leadership our of our chairman, who I have the highest respect for. We may disagree ideologically from time to time and philosophically. But no one on the committee can stand up and say that he has not been fair and the process has worked the way it is supposed to work.

I applaud our distinguished colleague, the gentleman from California [Mr. DELLUMS], for that. Let me also applaud our ranking member, the gentleman from South Carolina [Mr. SPENCE], who is not here today because of a tornado in his district. We all understand that. He has worked tirelessly to bring this bill to the floor, and he has also helped in this cooperative mode. The staff also on the committee has been extremely cooperative, and we appreciate the assistance of both sides on the staff support that has been necessary for this.

Let me say, Mr. Speaker, I rise now and I will rise again on the bill to basically call to the attention of our colleagues in the House the fact that we are in for severe problems with the national security of this country. We have made the best of an impossible situation in terms of the budget numbers that we were given this year. The process was fair. We all had a chance to have input.

But, Mr. Speaker, I can tell Members, many of us, the Committee on Armed Services, are very frustrated and very fearful of what is going to happen next year and the year after because of the numbers that we have been given.

Unfortunately, across America the perception is that we are spending more and more on our military, when one only has to compare the two major ways that industrialized nations compare their military spending, compare our defense spending in the 1960's during John Kennedy's era before the Vietnam war, when we were spending 9 percent of our GNP on the military and 55 cents of every Federal dollar on the military. In this year's budget, we will spend about 3.5 percent of the GNP on the military and somewhere around 17 cents of every Federal dollar.

Mr. Speaker, I am not one who thinks we should pull numbers out of the air as we were given this year. I think we should base our military spending on the threat.

The problem is that is not happening. And even the President's own Bottom-Up Review is now showing the tremendous weaknesses that we have in the out years in meeting the $128 billion of defense cuts that are called for in President Clinton's 5-year budget agreement.

Many of us in this Congress on both sides of the aisle said that would be the case. We said we could not cut defense by $128 billion and still have the readiness and the capability to meet the demands that are placed on our military. We are now living with that.

And guess what, Mr. Speaker? Many of our colleagues in both this body and the other body are saying that we are at a critical point in time in terms of our defense.

Listen to what Senator DANIEL INOUYE said, from the chairman of Senate Appropriations. He said:

> This bill will only buy 17 combat aircraft. The Army will buy no tanks. The Navy will buy four ships. We are staving off the collapse of the defense industrial base.

He also mentioned the special task force on readiness that was convened by the administration to report to Secretary of Defense Perry. That report already writes of pockets of unreadiness erupting in the Air Force, the Army, the Marine Corp, and the Navy.

We all know the General Accounting Office has come out with a study that has said that the Pentagon is $150 billion short of paying for the troops and weapons that the Bottom-Up Review called for.

We are now hearing people in the Pentagon talk of the possibility of a hollow force as we heard during the 1970's. And now we see Secretary Bill Perry, as he testified before the Committee on Appropriations in the House just this year on the issue of additional money for Rwanda relief efforts, he said;

> We are an army, not a salvation army. We need to have additional dollars to support the missions that you are placing on us.

So now we have key leaders from both parties, including the Secretary of Defense, coming up and saying publicly that we are in deep trouble.

All of our colleagues who are involved with defense know that next year is going to be an impossible year. There are many on the appropriations side who are saying we are already $8 billion short without any contingencies, without paying for Haiti, Somalia, Rwanda, and any other place that we are going to commit our troops.

Mr. Speaker, this kind of budget cannot continue. We have to have a sustainable level of Federal funding for defense that allows us to meet the commitments that this President makes, and that is now happening.

During debate on the full bill, I will talk about the real peace dividend and what it is doing to the American people and workers.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. HEFLEY], another distinguished member of the Committee on Armed Services.

Mr. HEFLEY. Mr. Speaker, I am not opposed to this rule.

I do want to commend the chairman and the ranking member. This is a committee with great philosophical differences among its members, and yet I do not think any member of this committee can say this is a committee that is not handled in a fair and even-handed way or a committee where everyone does not have say. We go in and we thrash it out, we do it in an open manner, and decisions are made. We march forward with that.

I have seen the chairman of this committee march forward with decisions that he did not agree with personally, but it was a committee decision. I commend the gentleman from California [Mr. DELLUMS] for his forthrightness where this is concerned.

I guess what I am opposed to is the philosophical base that we are building a defense budget on. There are some good things in the bill.

The conference report adequately provides for several important areas:

> a. COLA equity—the bill provides for COLA equity with regard to military retirees. At least for this year, military retirees will not be singled out.
>
> b. Active duty pay raise—the bill provides for a 2.6-percent pay increase for our active duty soldiers.
>
> c. Language asking DOD to take another look at the bottom-up review—Language similar to language I offered in committee is in the conference report. This language points out some of the shortcomings of the bottom-up review, and asks the Secretary of Defense and the President to take another look at future years defense spending.

Unfortunately, this bill is the second step of a five step plan to dismantle our military.

a. Our military is on the edge of readiness. Some might think we have even fallen off that edge.

b. Last month, Americans heard on the nightly news about President Clinton ordering 2,000 marines to sail off the coast of Haiti in the event of an invasion—an ill-conceived invasion, I might add.

c. But what Americans did not hear about on the nightly news was the story of those 2,000 marines.

d. Normally, troops returning from 6-month deployments receive 30 days leave and remain at their home port for up to 9 months before being sent out again.

e. However, those same young men and women who Bill Clinton ordered to Haiti had just come home from a 6-month deployment 10 days before they were ordered to go to Haiti.

f. Mr. Speaker, these are soldiers who have families. They had been gone for 6 months, were home 10 days, and now will be gone for who knows how long.

g. These 2,000 marines were re-deployed so quickly because they had the highest state of readiness.

We have gone from a 600-ship navy in the 1980's to a 400-ship navy today.

a. Former Secretary of the Navy John Lehman said:

> Basically, you have almost 200 fewer ships to send around to these crises now. You have fewer ships and men, they have to stay out longer. It's simple arithmetic.

b. Mr. Speaker, what effect does this drawdown have on our soldiers?

c. Just listen to the soldiers themselves. One of those 2,000 deployed marines said:

> I'm going back to that darn ship, I guess that's the only home I've got.

Another one of the deployed marines said:

> My wife is upset. I'm supposed to be home nine months. I haven't seen my daughter yet. She's visiting in-laws. She will be over one year old before I even meet her.

Mr. Speaker, the President and Congress are going to have to make some tough choices in the coming years.

We are extremely close to having a hollow military. If we do not increase defense spending, the next deployment these marines make may be a family vacation after they get out of the military.

We are losing our readiness and many good soldiers.

When we lose those two things, our ability to fight and win wars will also be gone.

□ 1610

Mr. SOLOMON. Mr. Speaker, I yield 7 minutes to the gentleman from California [Mr. CUNNINGHAM], another distinguished member of the Committee on Armed Services.

Mr. CUNNINGHAM. Mr. Speaker, I am going to support this rule, and I think it has, like a lot of bills, a lot of good things in it. However, let me talk about some of the things that scare this Member in the future.

The bottom-up review, which was a review in which our military could fight two consecutive conflicts, in testimony before the House Dr. Newman even said then that we were short from the bottom-up review, and we could not get there. That was estimated between $40 and $50 billion.

Now the GAO has come out and said we are $150 billion, not million but billion, billion dollars short. What does that mean? What does that mean to your sons and daughters, because many of my colleagues on the other side of the aisle, and Republicans also, have sons and daughters in the military.

The famed movie, "Top Gun," right now, this weekend, Top Gun is not flying in an air show at NAS Miramar, where it is stationed, because it does not have any fuel. The Navy Fighter Weapons School at Miramar is standing down the entire month of August, saving what little fuel it has, so they can fly against their class. That class goes out to the squadron members that have not had the opportunity to go to Top Gun and trains them in a doctoral level course. They do not have the money to do that.

I know the Members probably cheered when they saw the movie, cheered at what they do, but right now, we cannot even fund those. Large percentages of F-14's, F-15's, F-16's, F-18's are grounded because they do not have the fuel and the parts.

The President said he wants a well-trained force. Let me tell the Members, if you cannot train in the machine, you need a minimum of 20 to 40 hours flying those machines to be competent. Some of those squadrons are getting less than 5 hours a month. When we see that happen, what does that mean? It means people die, accidents happen, machines are not exercised, the equipment is improper. It means the lives and deaths of our men and women.

Mr. Speaker, we asked some other ways to cut defense in what is happening in this country. We are ordering the demise and not funding the upgrades for F-14's, F-15's, F-16's, F-18's. We are doing away with A-6's. Yet, we push beyond the year 2000 the joint airplane for all the services to use.

What does that mean? I do not care who is President in 1996, there is no way to make up that inventory for that shortfall in defense of our fighters in any service. That is a crime, Mr. Speaker.

BRAC, all of us were part of BRAC 1993. In many of our districts, bases were closed and realigned. Guess what, 1994 it was funded minimally; 1995 and out depends a lot on the closing of those bases, but this House is not fully funding BRAC, so they are having to take it out. We give them money for defense and training and they are having to take that training money and use that to close down the unfunded mandate we have given to the military.

A classic example, a captain at NTC in San Diego, is called "Fingers". Why? Because the North Vietnamese cut off his thumb as a prisoner of war. He is called "Fingers." "Fingers" had to take $30,000 out of his training money and use it for plywood to board NTC up because it was ordered closed, because we will not fully fund BRAC to close it, and we are cutting out of there as well.

I have personally flown the F-14, F-15, F-16, and F-18 and I would not be afraid to fly those against any fighter in the world. We have got a technological edge over any other country, but we have done that through our defense base.

Just like in the health care bill, if we cut back the R&D, the incentive to produce medicines, the same thing in defense. If we cut back that R&D, we are going to lose that technological edge. It is going to mean, again, life and death. We are not competing for six gold medals, like on many other committees here; we are talking about life and death in combat situations.

Mr. Speaker, we need certain things to keep our military in. We do not, in a budget bill, cut their COLA. These are the same people you ask to deploy 6 months, come back for 10 days, and then go overseas for another one, and then say "By the way, we are going to cut your COLA. We are going to give it to other people, but for the military, I'm sorry."

You do not deny armor when they need it in combat and cost the lives of 22 Rangers. You do not have our military under the control of United Nations forces.

In Desert Storm we used a multitude of other countries to help us, but our forces were under Dick Cheney and Colin Powell and the Generals that led. We did not lose many people. However, when we commit aircraft, and the last people to know about it are the President and the Secretary of Defense, when we go to war in Bosnia, which just recently happened, we cannot keep our military strong and trained doing that.

Mr. Speaker, the thing that frosts me the most, the committee chairman and every member on that committee has been fair and open in debate, but the thing that gets to my heart the most, there are people on that committee, on the Committee on Armed Services, that are there for the sole purpose of dismantling the defense forces. That is the worst crime of all.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of our time.

Mr. Speaker, I want to commend the previous speaker, as well as the others who have spoken before him, in calling attention to the inadequacy of the funding for the national defense of this country. If we read the preamble of our Constitution, we find that this Republic of States was formed for the specific purpose of providing a common defense for our people. We, I am afraid, are not doing that.

Mr. Speaker, I ask to include in the RECORD this article from the New York Times which appeared back on June 12. The headline of the article reads "As Military Pay Slips Behind, Poverty Invades the Ranks."

Mr. Speaker, this is all so reminiscent of what happened back in the late 1970's, in 1977, 1978, and 1979, when members of our military were on food stamps. If they were serving in Germany under NATO, or in South Korea, wherever they might have been, it was a pathetic situation. We were losing all of our highly skilled commissioned and noncommissioned officers back to the private sector, because they could not afford to stay in the military. The salary and benefits were so low.

That was also the time when we tried to rescue the hostages that were being held in Iran, and we had to actually cannibalize about 14 helicopter gunships so then we could come up with 5 that would work. Three of those failed, and so did the rescue mission. We cannot afford to go back to those times, to that period of having a hollow military.

Mr. Speaker, in the 1980's we rebuilt our military through a philosophy called peace through strength. In doing so, we attracted the most highly skilled, most highly motivated, best trained young men and women from a cross-section of America who have ever served. We had an all-volunteer military that we were proud of, right up through the Desert Storm operation. They also had the best equipment.

Mr. Speaker, we need a strong military. We need to have benefits that are high enough so that we can attract these good kind of young people again and keep them in our military, so that it will be an honorable, well paying career that will compete with the private sector. I just hope that we can do that in future years.

As far as this particular rule is concerned, Mr. Speaker, I urge support of it.

Mr. Speaker, I include for the RECORD the New York Times article:

[From the New York Times, June 12, 1994]

AS MILITARY PAY SLIPS BEHIND, POVERTY INVADES THE RANKS

(By Eric Schmitt)

WASHINGTON.—Like other airmen at Hickam Air Force Base in Honolulu, 21-year-old Jason Edwards worries about tensions far away in North Korea that could erupt into fighting and involve his base.

But Airman Edwards has more immediate concerns as well. He is worried about how to feed his 22-year-old wife, Beth, and their two small children on his total pay and allowances of $1,330-a-month. In desperation, the Edwardses last month began drawing $228 a month in food stamps to get by.

"It's a very tight squeeze for us," Mrs. Edwards said. "We haven't bought any steaks since we've been here, and whenever I want to cook something with ham, I substitute Spam for it."

In a trend that has senior Pentagon officials deeply troubled, an increasing number of military families are turning to food stamps to make ends meet. Three-quarters of America's enlisted forces earn less than $30,000 a year, and the gap between civilian and military wages is growing.

To be sure, no one ever joined the military to get rich. But neither did they expect to have to go on welfare. Military officials worry that a growing demand for food stamps and other Government assistance may signal larger personnel problems in a culture that preaches self-reliance and self-discipline.

The overall number of troops on food stamps is very small and difficult to measure because the Government does not track military recipients.

About 3 percent of the 1.7 million service members qualify for food stamps and 1 percent, or about 17,000 personnel, receive them monthly, according to a 1992 study by the Defense and Agriculture Departments. The Agriculture Department manages the food stamp program.

Nonetheless, the Defense Department said the total value of food stamps redeemed at military commissaries increased to $27.4 million last year from $24.5 million in 1992, including retired military recipients. Food donation centers are bustling at bases from Hawaii to Florida. And in Georgia's Liberty County, which serves Fort Stewart, 30 percent of the 2,400 households receiving food stamps each month are military families.

Top military officials voice concern that Pentagon budget cuts to quality-of-life issues like pay could impair both morale and retention of service personnel. The Clinton Administration tried to freeze military salaries this year and increase them only by 1.6 percent for next year. Congress instead approved a 2.2 percent increase for this year and will probably approve a 2.6 percent raise for next year, but neither will keep pace with inflation, which is about 3 percent. "We cannot expect service members to lay their lives on the line when back home their families have to rely on food stamps to make ends meet," said Adm. William A. Owens, the vice chairman of the Joint Chiefs of Staff.

The vast majority of service members on food stamps are sergeants or below in the Army, Marine Corps and Air Force and petty officers or below in the Navy. The families usually have more than two children, and the spouse does not work. Very few officers qualify for food stamps.

In a culture that promotes a fierce ethic of taking care of one's own, soldiers' reluctant embrace of food stamps and other financial assistance has wounded military leaders.

"We've always told our soldiers that we'll provide for them a quality of life that's at least equal to the civilians for whom they serve," Richard A. Kidd, the Sergeant Major of the Army, the senior enlisted soldier, said in an interview. "It's getting tough to do that now."

For most people who join the armed forces, the lure is not money but adventure, education and patriotism. The military also offers good medical and commissary benefits.

But since 1982, the gap between civilian and military wages has widened to 13 percent, and is projected to be near 20 percent by the end of the decade. The military wages include housing and other allowances.

Meantime, the rising pace of deployments abroad is placing greater strains on the shrinking number of service members and their families. "There's only so long you can ask them to do more without recognizing it before people just start to leave," said Sydney T. Hickey, associate director of government relations for the National Military Family Association in Alexandria, Va.

In addition, more young people than ever are entering the military with spouses and children—and added financial burdens. Between 70 to 80 percent of all enlisted men and women earn less than $30,000 a year, including housing and food allowances, according to a study by Senator John McCain, an Arizona Republican on the Armed Services Committee. Among those, 45 percent of the Army and 46 percent of the Marine Corps earn less than $20,000 a year. Mr. McCain coined a new term for what he calls these people: "the new military poor."

Spec. Kimberly Southworth, a 29-year-old Army truck mechanic stationed at Scholfield Barracks in Oahu, Hawaii. She is separated from her husband and living with her three children on post. Specialist Southworth said her monthly income was $1,700, but after taxes and bills, including $6 an hour for babysitters, she has about $50 left over each month.

"I don't like having to apply for food stamps, but I don't have a choice," said Specialist Southworth, who has received $390 a month in food stamps since January 1992. "The cost of living is so high in Hawaii and the pay for my rank is so low. If I didn't have food stamps, I'd be in debt up to my neck."

At the Navy base in Norfolk, Petty Officer First Class Gary Benfield and his wife, Suzanne, said they and their four children—ages 5 months to 7 years—rely on another Federal program for nursing mothers and children under 5, the Women, Infants and Children program, for $100 a month in food coupons.

Overall, the value of W.I.C. coupons redeemed at military commissaries increased to $15.2 million last year from $12.4 million in 1992. "It bothers me because no employee of the Federal government should qualify for Federal assistance," Mrs. Benfield said.

Eligibility for food stamps is based on a combination of income, other financial resources and household size. Federal officials say as many as 40 percent of military families on food stamps live in free military housing. They qualify for stamps because their incomes are not raised above the cutoff by the housing and food allowances that service members living off-base receive.

Pentagon spokesmen say the issue is not strictly pay, but individual family circumstances. "We don't compensate people for having nine people in their family," said Maj. Bill Buckner, an Army spokesman.

Military officials say they encourage service members with financial problems to take advantage of food stamps, and a range of other programs, from emergency loans to financial planning seminars. Many families, however, balk at stepping forward for what they consider a handout.

"We've tried to identify them, but they just don't come forward," said Chief Master Sgt. Eddie Morgan, the senior enlisted airman in the 33d Fighter Wing at Eglin Air Force Base in Florida. "It's a pride thing."

To get around that, the senior enlisted airmen at Eglin manage a fund called Operation Care that distributes $10,000 in yearly donations from other service members to needy families, usually around the holidays. Last year, 247 families, some with as many as seven children, received grants of $25 for each family member.

Some branches of the military are reluctant to discuss the subject at all. When asked to help contact families on food stamps who would be willing to talk about their plight for this article, a Marine Corps spokeswoman, Lieut. Col. Robin Higgins, declined, saying, "The commandant prefers to emphasize the positive things about the quality of life in the Marine Corps." She was referring to Gen. Carl E. Mundy Jr., the Commandant of the Marine Corps.

So painful is the perceived stigma of using food stamps that some service members pay more to avoid being seen using them. A highly decorated chief petty officer in Norfolk, who received $200 to $400 a month in food stamps from 1982 until 1993, said he and his wife shopped in supermarkets rather than Navy commissaries, even though commissary food prices are on average about 25 percent cheaper.

"We didn't want to be seen by anyone we knew, so we went to the community store even though it was more expensive," said the chief petty officer, who spoke on the condition of anonymity.

Defense Department officials say that about 50 percent of military spouses have full-time jobs to help pay the bills. Since military personnel transfer frequently, however, spouses often must start over each move and miss out on promotion opportunities.

Many service members work part time as fast-food servers, gas station attendants, grocery baggers and hotel-room cleaners. A 22-year-old combat medic in an artillery unit at Fort Carson, Colo., started his second job today as a security guard in a city park. The medic said he needed the $4.25-an-hour weekend job to supplement his $1,000 monthly base pay to support his wife and their three children, a 2-year-old boy and year-old twin boys.

"When I joined the Army, I expected good benefits, decent pay and job security, just like the commercials say," said the medic, a Persian Gulf war veteran who spoke on condition of anonymity. "But it's been a lot harder than I ever imagined."

Commanders expressed concern that working two jobs could hurt military performance. "It's something we pay attention to," said Chief Master Sgt. Mike Burbage, the senior enlisted adviser at Eglin Air Force Base. "But it's tough to tell a guy to quit a job if he needs it to feed his family."

Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

□ 1620

CONFERENCE REPORT ON S. 2182 NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995

Mr. DELLUMS. Mr. Speaker, pursuant to House Resolution 521, I call up the conference report on the Senate bill (S. 2182) to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense programs of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. HASTINGS). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Friday, August 12, 1994, at page H8055, as contained in Issue No. 113 published on Saturday, August 13, 1994.)

The SPEAKER pro tempore. The gentleman from California [Mr. DELLUMS] will be recognized for 30 minutes, and the gentleman from Arizona [Mr. STUMP] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me preface my remarks first by thanking my distinguished colleagues for their very kind and generous remarks in the previous discussion of the rule. Second, I would simply point out to my colleagues that the remarks of a number of my colleagues who spoke in the well, that it simply points out that at the end of the day there are different points of view and different perspectives, we arrive at different analyses, and we attempt to embrace different policies. That is what this process is all about, an honest and open exchange of ideas strongly felt in the marketplace. That is what this is all about.

We find ourselves, Mr. Speaker, in a different world. As I have said on more than one occasion, to the point of redundancy, the cold war is over, the Berlin Wall is down. We now find ourselves in the context of a post-cold-war era. It is very difficult for some of us to march into the future boldly, so many of us march cautiously. Some of us give up old ideas reluctantly. But I would suggest that this period in which we find ourselves is pregnant with enormous potential and enormous possibilities. It seems to me that we can paint bold strokes across the canvas of time and move boldly into a new world. We can also fritter away this moment, tinker at the margins of change because we are tempered by our caution, by our fear, and by our predilections to old ideas.

Mr. Speaker, I would challenge my colleagues to grasp new thoughts, new ideas, and move to new paradigms. The previous discussion simply points out that we come to this moment and view the world with different eyes. My hope is that we can all take off the old glasses of the cold war and put on the new spectacles of the post-cold war and march boldly into the future. With those remarks, Mr. Speaker, let me proceed to the conference report.

The conference report that we consider today would authorize approximately $263.8 billion in budget authority for fiscal year 1995, a defense top line equivalent to the President's original request.

Mr. Speaker, I would be remiss if I did not indicate that we received outstanding cooperation in our efforts with our colleagues in the other body, ably lead by the chair and the ranking member of the Committee on Armed Services of that body, and from the leadership of our own committee, including all of the membership, specifically my colleague and friend, the gentleman from South Carolina [Mr. SPENCE] who cannot be with us at this time because of devastation that has been visited upon his constituency; and the subcommittee chairs and ranking members across the total spectrum of the committee's jurisdiction. As usual, the House was well-served by our excellent committee staff who deserve our thanks for their tireless effort over these weeks.

I might digress and say, Mr. Speaker, that I do not make that statement to simply cast out words. There are often disparaging remarks made about staff people who serve this country. I would suggest that this institution could not work if it were not for the able, dedicated, brilliant, hardworking staff people. I happen to be fortunate enough to chair a committee where the level of staff capability is extraordinary, and every single day I see them working diligently, sometimes around the clock, to make sure that we meet our time deadlines and deal with our responsibilities. Words are not adequate enough to thank the staff for their very tireless effort. Sometimes the phrase "thank you" seems to be a trite phrase, but on behalf of myself and my colleagues, I would like to thank the staff for their extraordinary effort.

Finally, let me note that our outside conferees also played a constructive role and I appreciate their cooperation in this large and complex effort.

Mr. Speaker, the conference report continues the necessary reconfiguration of national security spending priorities in the post-cold-war era, a period of transition during which perceptions of our national defense needs were altered as a result of both significant continuing changes in world affairs and further analysis of the Department of Defense, the Congress of the United States and others regarding requirements for this period and the time beyond.

In this gentleman's humble opinion, Mr. Speaker, more could be done to reorient ourselves to this new reality more quickly. For example, more emphasis on preparation for peace operations, broader conversion efforts, the elimination of some redundant systems, and excessive force structure. But because periods of change create special challenges, it is understandable that most of my colleagues and the conference have chosen to proceed cautiously.

Mr. Speaker, we provide sufficient operations and maintenance funding, but our caution against change may leave us with too large a force structure and an acquisition program to guard against degradation of readiness. While some point to humanitarian and peacekeeping operations as financial draws on readiness, we can, Mr. Speaker, effectively reimburse the services for these operations. The same cannot be said for permanent expenses on unneeded equipment or force structure that misallocates resources that could more effectively maintain readiness.

In this regard, the conference rejected the effort to preserve explicitly the capability to produce additional B-2's and maintained the current cost and numerical caps on the B-2 program. The Secretary will study the bomber force capabilities and report back to the Congress in 6 months as to whether or not a shortfall exists for the near, mid, or long term and how it might be remedied, if indeed a shortfall exists.

During that process, Mr. Speaker, the Secretary may explore the range of options that are before him.

I believe, Mr. Speaker, is this gentleman's humble opinion that any reasonable course of action will not require a future purchase of B-2's, the actions that would represent the kind of excessive acquisition program that threatens our readiness. But in the future we will learn from the administration whether they share this gentleman's view or not.

Mr. Speaker, we must not let excess caution impede worldwide efforts to reduce forces and arms and the instability and danger that they create. Given our extraordinary superpower status, we are the last superpower standing, Mr. Speaker, we must exercise by example as well as words, the leadership necessary to create new strategies for conflict resolution, establish new arms reduction agreements as well as to secure our counter and nonproliferation goals.

We have made some important steps in this direction, such as the prohibition on backfitting the D-5 missile on our earlier Trident submarines and requiring that any antiballistic missile work be compliant with the ABM Treaty.

The report seeks to ensure that our men and women in uniform are able to

serve in an environment that is free from sexual harassment and discrimination and makes clear that the Congress expects the services to end the discrimination, to end the harassment against our service personnel.

We have also sought to provide a dignified quality of life for our personnel and their families by providing a pay increase that reflects a full cost-of-living adjustment as well as other important measures.

The conference report ensures that we have significant assistance programs for communities that face economic dislocation as a result of the decisions to close bases, shut down weapons manufacturing lines, or scale back our nuclear weapons program.

Mr. Speaker, in the international affairs arena, the conferees confronted three contentious issues:

We sought to bring pressure on the Bosnian Serbs to agree to a peace agreement in Bosnia and Herzegovina that would guarantee a viable Bosnian Government capable of exercising its rights in the community of nations.

□ 1630

The report would achieve this goal by the process of moving promptly towards a multilateral lift of the arms embargo on the Government of Bosnia and Herzegovina, if the Bosnian Serbs do not accept the Contact Group agreement by October 15.

With regard to NATO burdensharing, the conferees agreed to maintain the current limits on overseas troop deployments and establish a 2-year goal for NATO burdensharing requirements at 37.5 percent.

However on peacekeeping, the third and significant contentious issue before the conference, the conference could not bridge the gap, Mr. Speaker, between authorizing $300 million from DOD accounts for peacekeeping assessments and prohibiting such expenditures. These two positions were miles apart. The House could not proceed to the Senate, the Senate could not proceed toward the direction of the House. So we agreed to drop both of these provisions and live to fight this battle another day.

Our committee leadership agrees that developing a comprehensive peacekeeping program that can someday become law is vital to our national interests, and we have begun discussions as to how to proceed. It would be this gentleman's hope, and my statement to the Members, Mr. Speaker, that in the next Congress we will address the issue of peacekeeping and all of its ramifications in the hope that we not only can stimulate our own thinking but stimulate the thinking of our colleagues and the administration so that we can come to terms with the issue of peacekeeping. We have not adequately laid out the appropriate intellectual and political base for us to move forward in peacekeeping. This gentleman's opinion is that peacekeeping is a reality, it is an integral part of our national security apparatus as we march boldly toward the 21st century. But all of my colleagues do not agree, and when there is not a consensus, then we have to be part of the educative process, and then move our colleagues toward some consensus.

We could not do that in the context of this conference. It would be this gentleman's hope when we return to this point next year that we will have some kind of consensus in this post-cold war era.

Mr. Speaker, the House Committee on Armed Services will continue to work with the administration and our colleagues in both Chambers to achieve these and other lofty and outstanding goals. In the meantime, I believe that the report that is before the body deserves the support of Members on both sides of the aisle in that it provides sufficient reserves to meet our defense needs and properly moves to realignment of our Nation's forces to meet current needs.

Mr. Speaker, I reserve the balance of my time.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from South Carolina [Mr. SPENCE], our ranking minority member of the Committee on Armed Services, has asked me to manage the bill in his absence this afternoon. As everyone has heard, a series of devastating tornadoes swept through South Carolina yesterday, and as we debate this conference committee report he is on his way back to South Carolina to meet with the officials to take care of the many problems caused by that storm.

Mr. Speaker, I would like to take this opportunity to commend the gentleman from California [Mr. DELLUMS], chairman of the full committee as well as the chairman of the Subcommittee on Research and Technology, for all of the fairness that they have shown this side of the aisle. While we disagreed many times, we have always had ample time to express that disagreement, and we want the Members on this side of the aisle to know we appreciate that consideration very much.

Mr. Speaker, before commenting on the conference report, I want to commend the chairwoman of the Subcommittee on Research and Technology, the gentlewoman from Colorado [Mrs. SCHROEDER], on the bipartisan manner in which she has conducted the work of the subcommittee during the 103d Congress.

Mr. Speaker, there is no question that through the bipartisan efforts of the members of our committee that the conference report we bring to the floor is a better bill than requested by the administration. However, this bill fails to address the monumental shortfalls in the funding needed to support the administration's own national military strategy. The administration is long on strategy and short—incredibly short—on resources to support that strategy.

Let me cite a few examples of where this administration falls far short of adequately supporting its strategy and our military men and women so necessary to support our Nation's military strategy:

The General Accounting Office recently confirmed what many of us have been saying ever since the administration announced its two major regional contingency strategy—that the Clinton military strategy is underfunded by as much as $150 billion.

Pay is not the principle reason our soldiers, sailors, and airmen decide to serve their Nation. However, they don't expect to have to resort to food stamps to be able to adequately feed their families. While it is incredulous to believe, we continue to hear more and more about this phenomenon. The Clinton administration's Department of Defense budget for the next fiscal year and for the remainder of the 5-year program only compounds the problem of inadequate pay. This year it requested only a 1.6-percent pay raise. The President talks a good game about supporting our military men and women, but it took our committee and the Congress' support to ratify a 2.6-percent pay raise for the next fiscal year. It is hypocritical in the extreme for the Commander in Chief to, on the one hand, demand more of his military personnel and their families while at the same time providing less in resources to do their missions and to expect some of those families to have to use food stamps to feed their own families.

There are continuing signs of the hollow force structure of the 1970's being revisited as the defense budget continues to suffer the Clinton cuts. The administration's rhetoric again fails to match reality. While claiming increased readiness funding, the reality is that funding that we have provided for training and readiness is being diverted by the administration for other purposes. Further, our military people are being run ragged trying to meet the increased operational tempo required to meet ever-increasing administration deployment requirements. The recent case of a Marine Corps amphibious ready group having to redeploy after only 12 days of shore time after returning from 6-month deployment off Somalia is a prime example. The ill-fated F–15 Army helicopter friendly fire incident in northern Iraq is a case where ever-increasing demands on our people could have contributed to this tragic accident. The Undersecretary of the Air Force recently stated that as many as four times as many Air Force members are deployed overseas today as were deployed in 1989. The Air Force reports that some crews are on their fourth rotation to the Persian Gulf.

Finally, while the defense budget is being slashed, what is authorized and appropriated for the Department of Defense continues to be diverted by the administration for other purposes. So, while the American people are being told they are paying $263 billion for national security for next year, the reality is that billions upon billions of dollars are being used by the administration to fund non-DOD programs. A recent study by the Congressional Research Service estimates that nondefense spending by DOD has quadrupled from $3.5

billion in fiscal year 1990 to a projected $13 billion in fiscal year 1994. DOD funding of foreign assistance programs, traditionally funded within the State Department's budget, has gone from almost zero in fiscal year 1990 to over $550 million in this bill. The Department of Defense has become the administration's piggy bank to fund programs in the other departments. In this bill alone there is over $25 million for the Department of Justice; $50 million for the Small Business Administration; $43 million for the Farmer's Home Administration; $71 million for civilian youth programs; an estimated $300 million for Department of Commerce, Energy, Transportation, National Science Foundation, and NASA technology programs; and $13 million for summer and special Olympics.

Mr. Speaker, the Clinton defense strategy is not real. It is rhetoric. The budget cannot begin to fund the claimed strategy. The budget does not take care of our military men and women. The budget falls short of providing sufficient resources and people to meet deployment requirements. And the administration continues to try and fool the American people by claiming continued support for DOD budgets while it uses that very same budget for non-defense-related expenditures.

For these reasons, I cannot support this conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. SPENCE. Mr. Speaker, before discussing this conference report, I first want to thank Chairman DELLUMS for his cooperation and his fairness during these past months of deliberation over this legislation. Regardless of any substantive problems I may have with elements of this conference report, as a whole, it is a stronger piece of legislation as a result of being forged in a bipartisan manner.

Mr. Speaker, if I limit my attention to just the specifics of this conference report, I believe we have clearly made a number of important improvements to the President's request. For example:

We have ratified a year-long effort to provide a full 2.6-percent military pay raise instead of the 1.6-percent raise proposed by the President. As I have stated on many occasions, I remain confounded by the mismatch between the President's rhetoric concerning his commitment to our people in the military and his proposals to deny these same personnel the pay increases they deserve.

We have readjusted the schedule on which military retirees receive their cost-of-living allowances in fiscal year 1995 to make it consistent with other Federal civilian retirees. Although I am concerned with using discretionary funds to adjust an entitlement program, this was an issue of fundamental fairness that had overwhelming support in both bodies. I hope we can work with the administration to find a smarter way of addressing the retiree COLA issue in fiscal year 1996 and beyond.

We have approved an emergency fiscal year 1994 supplemental appropriation for ongoing United States operations in Rwanda that fully funds DOD's costs through the end of this fiscal year. We will have to address DOD's fiscal year 1995 costs in Rwanda once we have a better picture of the operation's overall duration and cost.

We have added approximately $300 million into a number of underfunded readiness accounts. As has become evident over the past year, the services are having to operate well beyond their budgetary means and Congress is having to repeatedly come up with ways to "make whole" the increasingly stressed operations and maintenance accounts.

We have tried to enhance the administration's dramatically underfunded modernization program. Despite General Shalikashvilli's testimony that "modernization is the key to future readiness," in essence the administration's long-range modernization strategy is to do little more than delay important and costly decisions until such time that a future administration will be confronted with the need to breathe new life into the remnants of our defense industrial base in order to modernize the military services. The administration's "not on my watch" approach to investing in modernization is cause for great concern, and this bill's modest enhancements represent at least a small step in the right direction.

Finally, we have unequivocally rejected the administration's misguided plan to use the defense budget to pay for the U.S. share of U.N. peacekeeping operations. First, these costs have always been borne by the State Department and there is no logical reason why this practice ought to change. Second, the services are already spending hundreds of millions of precious O&M dollars each year to support global peacekeeping and humanitarian operations. Requiring DOD to also start paying the U.N. assessed fee is unacceptable in a budgetary sense and from a policy perspective, and could actually encourage the United Nations to continue expanding its global peacekeeping agenda if they believe the U.S. defense budget is their piggy bank. As a result of our decisive action on this front, I urge the President to reconsider this controversial cornerstone of his new blueprint for peacekeeping operations—PDD–25.

Unfortunately, Mr. Speaker, when you move beyond specifics and consider this conference report in the broader context of President Clinton's plan to cut the defense budget by more than $150 billion, this bill represents another downpayment on the administration's fundamentally flawed budgetary and strategic blueprint for our national security and our military forces in the turbulent years ahead.

It is increasingly apparent that the forces recommended by the Bottom-Up Review will not be capable of executing the two-war strategy, and if they could, even a fully funded Clinton defense budget plan would prove inadequate to support this force structure. The fact that the GAO recently reported that the Clinton defense budget is underfunded by as much as $150 billion only reinforces these troubling conclusions. The defense budget is headed toward post-World War II record lows as a percent of GDP and of Federal outlays; the services are being asked to do more with less and are therefore overextended; and as a consequence we are beginning to see problems across a wide-range of readiness indicators. We may not have a hollow force today, but the Clinton defense plan is heading us inextricably down this slippery slope that many of us remember from the late 1970's.

The solution to these growing problems is as obvious as it is apparently unattainable in the current political environment—that is to reverse the Clinton defense cuts.

I hope the day is not far off when enough of my colleagues on the other side of the aisle will join with a strong majority of Republicans in supporting a halt to the 10-year real decline in defense spending we have witnessed since the mid-1980's and insist on more robust funding for the Department of Defense in the outyears. The inevitable costs of waiting to reverse our current course far outweigh the investments we could and should be making today.

History has taught us time and time again that gambling with a penny-wise and pound-foolish approach to defense never pays long-term dividends but, instead, all but guarantees extraction of a painfully high human and monetary cost.

Mr. DELLUMS. Mr. Speaker, it is my pleasure to yield 3 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER], chairperson of the Subcommittee on Research and Technology.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding the time. I must say our chairman, I think, is one of the most patient and tolerant Members around as we have tried to craft a new bill for new times, and that has been very hard and very painful. But I think everybody on the committee has tried very hard to figure out how we make a smarter bill, because we know we cannot keep making larger bills. How do we really plan for the contingencies of the future and not let future generations down?

One of the things we have been doing in research and technology is trying very hard to figure out how we reconfigure the industrial base out there, because unlike any other time where we have downsized, there has been no civilian industrial balance equal to downsize into, so we have been trying to do all of the transferring of initiatives and every other thing we can think of.

This bill builds on some of the innovative things that were done last year and worked so well last year. We added loan guarantees this year so that small- and medium-sized companies could fast forward, and hopefully retain more jobs in that area that is so critical.

We did some other very exciting things this year. I honestly think we are going to do more for fighting crime in this bill than the whole crime bill that is being debated at the same time, because what we did last year was ask the Department of Justice and the Department of Defense to get together and find out what we had in the Department of Defense that could help the average law enforcement officer. We found almost everything in the Department of Defense would help the average law enforcement officer. In fact, the average law enforcement officer looked like Wyatt Earp, only he had a car instead of a horse. They really

never had thought of the concepts that we talk about so much in the armed services about how to achieve force enhancement measures.

When only 9 percent of the crimes committed in America ever have any arrest made, it is very clear, while we won the cold war, we are losing the war on crime, because if 91 percent of the crimes do not have any arrests made, the idea gets around that crime pays. So we started looking at everything possible that would be transferable to the police.

Last April a memorandum of understanding was signed between the Department of Justice and the Department of Defense. This bill funds that memorandum of understanding. I think it is going to make a terrific difference, and it is going to create tremendous jobs because there are so many different entities out there that would like to buy into this.

We also have some very exciting concepts on telemedicine. The Department of Defense is way ahead of the civilian sector in telemedicine, mainly because they do not have to deal with some of the rules we have in the private sector. But once again, they are creating the way that we are going to be delivering medicine in the 21st century, and we are still looking at it like it is the late 19th.

So I think all of these things are very exciting, and we are looking forward to continuing to be smarter since we cannot just keep getting larger.

Mr. STUMP. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. HUNTER], the ranking member of the Subcommittee on Military Installations and Facilities.

Mr. HUNTER. Mr. Speaker, I want to thank the ranking member, the gentleman from South Carolina [Mr. SPENCE]. I know he has had to leave for a disaster in his area, and the chairman, the gentleman from California [Mr. DELLUMS], for what I think was a conference that process-wise was extremely fair, offered a platform for every Member that wanted to make his voice heard. The chairman has talked about many, many systems that were worked on, issues that were addressed and resolutions that came of those issues. I think we had a good working conference.

However, Mr. Speaker, I would be remiss if I did not say that the issue and the problem from my perspective with our national security apparatus is not the process but it is rather the top line. That is how much money are we going to allocate to national security, to national defense. We are slashing national defense $129 billion below the $50 billion cut that then-President Bush, then-Secretary of Defense Dick Cheney, and then-Chairman of the Joint Chiefs Colin Powell made several years ago.

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And that $129 billion cut, make no mistake about it, no matter how well we massage the process, no matter how well we shift, cost shift, shift funds, streamline programs hurts national security, and to some degree it impacts on the quality of life for the men and women in the armed services, and to a large degree it impacts on readiness.

Let me just tell you, from the Military Construction Subcommittee chaired by the gentleman from Oklahoma [Mr. MCCURDY], upon which I am the ranking member, we are spending a ton of money on nonmission-related programs. Most of those programs have to do with the environment, with environmental compliance. We are spending billions on environmental compliance, much less on military housing, much less on mission-oriented programs.

We have a military today which reminds me of the military that I saw when I came into Congress in 1980. At that time in San Diego we had thousands of young military families that were on food stamps. This year 27 million dollars' worth of food stamps are being consumed by the uniformed services, because our folks do not make enough money. We had a lot of people getting out of the military then, about a thousand petty officers a month. I have not seen the last figures, but I know it is getting more and more difficult to retain high-level leadership in the armed services.

We had a large number of fighter aircraft, over 50 percent at that time, that were not fully mission-capable. We now have about 50 percent of the fighter aircraft that we had 7 or 8 years ago, and we are moving downward in readiness. Our depot-level maintenance this year was about 62 percent of the requirement. We met about 62 percent of the requirement of depot-level maintenance. We have a lot of systems, some of which came back from Desert Storm and still have not been repaired, still have not been refurbished.

Every time we ask our military leaders to comment on this, none of them, of course, being respectful of the civilian government and the Clinton administration, none of them say, "We are making a horrible mistake this year." What they all say is if we go 1 inch lower, if we do not have a budget next year that is robust, we are going to be in trouble.

My colleagues, I feel we are in trouble now. I feel that we face, while the Soviet Union has dissipated, we face a world which in the words of Jim Woolsey, CIA Director, is full of poisonous snakes, the pending problems in Korea with the development of nuclear systems, continuing problems in the Middle East, continuing problems in Bosnia, the emergence of China as the superpower that will replace the Soviet Union, and all of those issues mandate a continued strong national defense.

We have not met that mandate this year.

Mr. DELLUMS. Mr. Speaker, I yield 4 minutes to my distinguished colleague, the gentleman from Florida [Mr. HUTTO], chairman of the subcommittee on readiness.

Mr. HUTTO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of this conference agreement. I want to also commend our chairman for his leadership and his fairness in the committee and in the conference, and likewise the ranking minority member, our colleague, the gentleman from South Carolina [Mr. SPENCE].

Mr. Speaker, I have been one of those who has been saying that I think that we are drawing down our defense too much too quickly.

As the leader of the free world, we have to maintain a strong defense, although there have been a lot of changes, and thankfully we can move to a lower level. But still we have to be vigilant and to maintain a strong defense.

But we have to live within reality, and that is the proposal that comes from the administration and the budget resolution that is passed by this Congress, but working within that framework, I think we have done a good job to provide for the armed services of the United States.

In the Readiness Subcommittee, which I chair, we have the largest segment of defense spending. This year we are providing $91.5 billion for the forthcoming fiscal 1995 for the operations and maintenance and the readiness of our forces.

One of the things that our subcommittee has been in the forefront of from many years ago when the late Dan Daniel was chairman of this subcommittee, and that is to improve the financial management of the armed services, and I believe that we have a strong commitment from the Secretary of Defense, Bill Perry, and the Comptroller of the Department of Defense, John Hamre, in improving that. They are committed to that and are working hard, and I believe it is going to improve significantly.

One of the things in this area that we dealt with has been the concerns of the Defense Business Operations Fund, or DBOF. This measure lifts the termination date of that, prohibits the accumulation of excess cash, requires DOD to notify Congress of transfers of money in and out of DBOF, and terminates the practice of advanced billing beginning October 1 of 1995.

DBOF consolidates the separate stock in industrial funds in the various service and defense commissary agencies to create one consolidated revolving fund controlled by the Defense Secretary. The services then make purchases from DBOF using their annual

appropriation. DBOF also uses the capital budgeting principle under which depreciated costs of machinery are billed to the service that uses that machinery. The former system did not bill these costs to the services, so we have seen improvement. We are demanding improvement here.

We also have authorization for $141 million for the Inspector General that is meant to strengthen the I.G. criminal investigation, procurement, fraud, and auditing capabilities.

This House time and time again has voted to ask our allies for a greater share of the burden. We have adhered to that and authorized $400 million less than requested for overseas activities and trying to make sure that we move toward 37.5 percent that the chairman mentioned earlier.

Mr. Speaker, I am pleased that we have identified in our subcommittee nonreadiness areas where we can provide a pay raise for our troops and also to close the gap in funding on COLA's for our military retirees to provide equity for our military retirees.

All in all, I think that we have a good bill. I ask our colleagues to support this conference report.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Speaker, first, I would like to commend the outstanding work of the ranking member of the Armed Services Committee FLOYD SPENCE and Chairman RON DELLUMS in concluding a successful conference with the Senate. I would also like to thank their respective senior aides, Mr. Andy Ellis and Ms. Marilyn Elrod, for their expertise, counsel, and hard work throughout the process.

Mr. Speaker, I applaud the hard work of the conference committee in making some difficult choices within severe budget constraints. Chairman DELLUMS and his staff deserve tremendous credit for providing an open and fair process for Members on both sides of the aisle in an effort to craft the best possible piece of legislation.

While I will vote against this conference report, I do so not because of any displeasure with the work of the Armed Services Committee but because of the lack of budget resources the administration has dedicated to our national defense. I join with Congressman STUMP in believing that our defense budget is inadequate given President Clinton's stated goal of being able to fight and win two near-simultaneous major regional wars.

As I have said in this Chamber before, the dissolution of the Soviet Union, while reducing world tension, has not ushered in an era of tranquility. Instead, the demise of the cold war has ushered in a period of ethnic antagonism, civil strife, and regional conflicts that have contributed to wide-scale killing, starvation, and migration problems. As a result, the United States is challenged to develop a force structure that meets the full spectrum of near-term and future threats to the United States.

The Bottom-Up Review developed by the Clinton administration outlines a strategy that hedges against future threats to U.S. national security interests. It is a stopgap strategy with an insufficient budget. Unfortunately, the current administration is more concerned with cutting our defense capability—not building it up or ensuring that our forces are adequate to meet whatever challenges may surface.

It is ironic that at a time when the demands on our armed services continue to increase in areas like Haiti, Rwanda, Somalia, and no-fly zones over Iraq and Bosnia that we are debating further cuts to our national defense. As a member of the Armed Services Committee, I urge my colleagues to seriously consider the national security implications of this overcutting and vote "no" on this conference report.

Mr. DELLUMS. Mr. Speaker, I yield 3 minutes to my distinguished colleague, the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, there is not enough money to go around for the Federal Government to perform its basic functions. There is not enough money for it adequately to provide for the national defense, one of the most fundamental responsibilities of any government.

The General Accounting Office recently reported that the Bottom-Up Review, the administration's basic document on defense strategy, policy, and structure, is underfunded by $150 billion over the next 5 years. The Department of Defense Comptroller says its only $40 billion. Only $40 billion?

Are we going to fund the Clinton force structure or not? If so, we need more Defense funds. If not, we need to change our national military strategy.

Mr. Speaker, this House, this Congress, this administration, this Nation, have got to come to grips with what is happening to this Nation's defense posture. I have made this point many times and I shall continue to do so.

Although the Congress and the administration have again refused to confront the fundamental defense issues this year, the conferees on the defense bill have done a good job within the funding limitations they were given. I am particularly pleased with the outcome with respect to military forces and personnel matters.

The conference agreement includes a number of important provisions—both for the effectiveness of the total force and for the welfare of the individual soldier, sailor, airman, and marine.

First and foremost is the pay raise for the troops. Although the budget proposed an ill-advised cap on military and civilian pay, both the House and Senate approved a 2.6-percent pay raise—the maximum authorized under current law.

The conference approved a House provision authorizing a cost-of-living allowance for servicemembers stationed in high cost areas of the United States, similar to the cost-of-living allowance overseas. This new CONUS COLA, as it's called, will be targeted toward enlisted personnel with dependents and will provide an important assist to young families who cannot afford the high cost of living in cities like Boston, New York, and San Francisco.

Concerned about the inequity between military and civilian retiree COLA's, the conferees approved moving the 1995 COLA payment date from October back to April, thereby conforming it to the Federal civilian COLA timing. This COLA equity provision is subject to similar action in the Defense appropriations conference deliberations.

The conferees agreed to a House provision that would provide the same protection to members of the military who report sexual harassment and unlawful discrimination that is given to military whistleblowers and also strengthened a Senate provision establishing a procedures for the review and implementation of the recommendations of the DOD Task Force on Discrimination and Sexual Harassment.

The conferees took a number of actions to enhance the viability of the Total Force:

The conference agreement increases the President's Selected Reserve call-up authority from 90 to 270 days. During Operation Desert Shield, DOD was reluctant to activate the Army National Guard round-out brigades because of the necessary train-up time. With this longer initial call-up period, the conferees have paved the way for increased reliance on the reserve and guard in the future as the size of the active forces continues to decline.

Members of the House should applaud conference approval of the Reserve Officer Personnel Management Act [ROPMA], which has already passed the House several times. This landmark legislation will standardize reserve officer career management and bring the reserve system more in sync with the active duty officer management system.

Reflecting the growing importance of the reserve component, the conferees also approved legislation which requires the Secretaries of the Army and Air Force to prescribe a charter for the National Guard Bureau. The provision also specifies the rank of the chief and vice chief of the bureau.

In today's tough budget environment, the conference agreement is a positive step toward watching out for our most important asset—our men and women in uniform.

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Mr. DELLUMS. Mr. Speaker, for the purposes of entering into a colloquy, I yield an additional minute to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I would like to engage the chairman of the Armed Services Oversight and Investigations Subcommittee, Mr. SISISKY, in a colloquy related to one section of the conference report. Section 818 provides for the payment of restructuring costs under defense contracts. It requires a certification by an official at the level of Assistance Secretary or higher. My question is whether such a certification is required if the Government review and audit substantiates that savings in each fiscal year exceeds the restructuring costs in each fiscal year and the Government is never out of pocket?

Mr. SISISKY. Mr. Speaker, will the gentleman yield to me?

Mr. SKELTON. I yield to the gentleman from Virginia.

Mr. SISISKY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the conference report states that the certification must be signed by a senior level official when you are dealing with "projections of future cost savings." In the instance you describe, you are not dealing with projections of cost savings delayed to years after the Government pays the restructuring costs, you are dealing with savings to the Government realized from the inception of the restructuring project. In such a case, the Government would never be out of pocket and there would be no requirement for a certification by an official of Assistant Secretary-level or higher.

Mr. SKELTON. As I understand it, the purpose of section 818 is to protect the taxpayer in instances where the Defense Department is looking at savings down the road that are estimated or projected based on a large number of assumptions.

Mr. SISISKY. That is correct. We built in the requirement for a certification by a high-level official in order to assure that these projections got high-level attention. If we are not dealing with projections of future costs savings exceeding current restructuring reimbursements, but rather with a savings to the Government in each fiscal year that are captured in the contractor's restructuring agreement with the Defense Department, then there is no need for the extra bureaucratic step of high-level certification since there is no threat that the savings might not materialize.

Mr. SKELTON. Mr. Speaker, I thank the chairman of the subcommittee for that clarification.

Mr. STUMP. Mr. Speaker, I yield 1 minute to the gentleman from the State of Washington [Mr. DICKS].

Mr. DICKS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to address the House today to pay personal tribute to the chairman of the Committee on Armed Services, the gentleman from California, Mr. DELLUMS, and also the 210 Members of the House of Representatives who sent Chairman DELLUMS a letter about our bomber force.

One of the things that I have been concerned with is the condition of our bomber force. And, as usual, Chairman DELLUMS responded openly. This is not a subject that he necessarily agrees with this gentleman from Washington about, but he listened to my case and he came up with a provision which, frankly, I think is very good for our country.

That provision will allow us to look at all the alternatives, including improvements in the weapon systems on all of our bombers, and I believe that the compromise that was worked out between Chairman DELLUMS and the chairman of the committee in the other body is one that will serve our country very, very well.

So again I want to thank the chairman for his professionalism, for the way he treats everybody in this House.

I told him the other day that without the other chairmen in the past, once they made up their minds, that was the end of the case. RON DELLUMS always listens, and I appreciate that.

Mr. Speaker, I rise in support of this conference report for the fiscal year 1995 Defense authorization.

One of the most important issues before this Congress is how to achieve the greatest return from restrained resources available for the defense of this country. In a new era, where conflicts emerge frequently with little or no notice, these difficult choices will determine whether we can, in fact, continue to provide for and maintain the best Armed Forces in the world.

I would like to commend the chairman, and the full membership of the Armed Services Committee for their outstanding efforts on this defense bill. I am particularly pleased that the conference report includes provisions to maintain readiness and provide fair compensation for the men and women in our armed services.

This authorization bill supports our defense posture of maintaining a sufficient military capability to address the two near-simultaneous regional conflicts. Inherent in this policy is the ability to project power unilaterally, at a moment's notice, anywhere in the world. This task becomes increasingly more difficult in a climate of reduced funding and as we reduce our forward deployed forces. In many cases, the only way we will be able to project power quickly and effectively is to capitalize on the military's most capable and responsible system, our long-range conventional bomber force.

Unfortunately the Bottom-Up Review did not adequately address the bomber force structure, other than to recommend a minimal number of 184 aircraft. And the Air Force budget request for this year goes even further to erode the conventional bomber force by supporting only 107 aircraft.

This conference bill addresses this very important problem by establishing an Enhanced Bomber Capability Fund. This provision reflects the Congress concern that the current bomber force structure is in fact inadequate.

The conference directs the Secretary of Defense to conduct a study on the military's bomber force structure requirements, and is directed to report back to the Congress on these requirements. If the Secretary determines that the current bomber force structure cannot meet these requirements, the Secretary is then directed to recommend alternative strategies to improve bomber force capabilities. I am convinced that any objective analysis will lead the Secretary to recommend an enhanced bomber force that builds on the synergistic advantages of long range, survivability, and smart precision weapons. I believe the B–2 smart bomber now in production is the right bomber for these difficult times. Those 210 members of this House wrote Chairman DELLUMS asking him to provide $650 million to preserve the bomber industrial base. As usual Chairman DELLUMS gave us a fair hearing and a fair outcome. Let the bomber study begin.

I am also pleased that the conference agreement provides for an aggressive program to provide more capable conventional weapons systems for whatever mix of bomber forces we ultimately decide upon, and authorizes up to $100 million to preserve core bomber industrial base production capabilities.

Again, I commend Chairman DELLUMS for his support of this program, and I urge Members to support the passage of this very important conference report:

ENHANCED BOMBER CAPABILITY FUND

(SEC. 133)

The Senate bill contained a provision (sec. 141) that would provide $150.0 million for a bomber industrial base fund and exempt those funds from the existing B–2 bomber cost cap.

The House amendment, contained a provision (sec. 132) that would provide that any expenditures by the Department of Defense to preserve the B–2 bomber industrial facilities would be charged against the B–2 bomber cost cap.

The House recedes with an amendment.

The conferees agree to recommend $125.0 million for an enhanced bomber capability fund. The conferees further agree to require the Secretary of Defense to conduct new analyses of both bomber requirements in the near term and long term, and, should the Secretary conclude that the planned bomber program does not meet those requirements, examine alternative strategies to enhance bomber capabilities to meet those requirements and report his results to the congressional defense committees no later than April 15, 1995. Requirements would be defined, and bomber capabilities measured, for three time periods: 1998, 2006, and 2014.

In the event the Secretary determines that additional bomber capabilities are required, he shall examine alternative strategies for acquiring them, including, but not limited to:

(1) acceleration of planned upgrades to existing bombers and additional munitions and support for them;

(2) initiation of a program to develop a new, lower-cost "next generation" bomber oriented toward conventional warfare; and

(3) a resumption of low-rate production of additional B-2 bombers, or variants thereof, oriented toward conventional warfare.

As part of these analyses, the Secretary shall determine those core capabilities, which would take extended periods of time or substantial expense to regenerate and which are in imminent danger of being lost, that are needed to maintain the ability to design, develop, and produce bombers in the near term or long term.

While the analyses are ongoing, the Secretary may obligate up to $100,0 million both to conduct these analyses and to preserve those parts of the core capabilities described above. The conferees believe that the Secretary should report to Congress where and why such funds are to be spent before obligating them. The conferees understand that, because these assessment of the bomber industrial base will proceed over time, the Secretary may determine at various times throughout the study periods the need to fund appropriate core capabilities of the base.

Following completion of these analyses and an interim report on bomber issues from the Commission on Roles and Missions, but not later than July 1, 1995, the Secretary shall report the results, and his recommendations thereon, to the congressional defense committees. Thereafter, he may obligate all remaining unobligated balances to implement his recommendations, including funds for further preservation of core capabilities, if he so recommends.

Should the Secretary conclude from his analyses that a new "next-generation" bomber is required, he may obligate up to $25.0 million for requirements formulation and conceptual studies for a conventional-conflict-oriented, lower-cost next-generation bomber.

The conferees agree that none of the enhanced bomber capability funds may be used for advance procurement of new B-2 bomber aircraft, including long-lead items, and that subsection (c) and (d) of section 131 of the National Defense Authorization Act for Fiscal Year 1994, which established cost and numerical caps on the B-2 programs, are unaffected by any provision in this act.

Mr. DELLUMS. Mr. Speaker, I yield 3 minutes to my distinguished friend, the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. MCCLOSKEY. I thank the distinguished chairman of the Committee on Armed Services, the gentleman from California [Mr. DELLUMS], for yielding, and particularly I would like to thank him for his cooperation throughout the conference on many issues, many pertinent to weapons programs that are very high priority for me.

But, of course, nothing was as challenging and probably as stressful, in all candor, for either of us as to the dialog. It was really positive. Sometimes it was hard-hitting dialog as to our concerns about the ongoing carnage in Bosnia. I think Members of the House know that the House was on record with a strong vote, with a 66-vote majority, for what, in essence, was a unilateral lift. The Senate at the time, in their wisdom, did not do such but came out, I believe it was 52 to 48 for a multilateral lift that was only in the form of a resolution at the time.

Obviously, that posed a challenge vis-a-vis the House position and the position of the other body. Before going into that a little more, I want to pay special thanks to the ranking member on the Committee on Foreign Affairs, the gentleman from New York [BEN GILMAN], and also other leaders, as to the unilateral lift effort, the gentleman from Michigan [Mr. BONIOR], and the gentleman from Maryland [Mr. HOYER].

I think with the chairman's cooperation and understanding and, I think, particularly some creative innovations put on the other side by SAM NUNN, I think in all reality and modesty it is safe to say that I think the Congress has achieved a major breakthrough as far as ultimately eliminating the horrible policy and the horrendous anachronism of imposing arms embargo on a sovereign state which is under massive international siege.

In essence, it is more complicated than this, but President Clinton has pledged for the first time to actively go to the United Nations to argue for a multilateral lift. If that does not work out by November 15, not as a matter of suggested policy or sentiment, if you will, but by binding legislation, there would be agreed to by the President nearly all U.S. active participation particularly, or military and other administrative efforts in the region, enforcing the arms embargo, would be eliminated permanently. That is the real message to the world, to the French, the British, and others, that we are not interested in going on with this policy.

I would say nothing in our legislation precludes the President from taking much more immediate action and asserting leadership, assuming the horrible, almost certain reality that the ongoing siege against Sarajevo and Bosnia goes on.

Just from today's wire service:

Bosnian Serbs, under pressure to accept the international peace plan, have tested to resolve of the United Nations in the past month, raiding U.N. weapons depots, cutting off the main commercial route into Sarajevo and shutting down the humanitarian airlift into the city for weeks, by shooting at U.N. Cargo planes.

Even the Pope, John Paul II, has made frequent appeals for an end to the war in Bosnia. He has often condemned ultranationalism in the former Yugoslavia and has urged the international community to do all in its power to disarm the aggressor.

□ 1700

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Speaker, I rise in support of the conference report on the defense authorization bill.

This agreement provides the authorization for programs critical to our country's defense, including CVN-76; the new attack submarine, the Navy's F/A-18 and E-2 aircraft; the Air Force's F-22 Fighter; the Army's Apache and Comanche helicopters; and the Marines' V-22 tiltrotor and maritime prepositioning ship enhancement programs.

In addition, it provides a much-deserved 2.6 percent COLA for our military personnel, strengthens guidelines on sexual harassment, and equalizes COLA treatment for military retirees.

Though the conference report contains these positive elements, I must register my continuing deep concern about the downward spiral in defense spending. This is the 10th year in a row that real spending on defense will decline.

Meanwhile, the President's future years defense program—which in my view is inadequate—requires far more spending than his current budget plans allow. According to the GAO, this underfunding may reach $150 billion over the next 5 years.

This trend cannot continue. Reduced spending jeopardizes our country's security and puts the fine men and women of our military at greater risk.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Mr. Speaker, I am pleased to have been a member of this committee for the past 6 years. I have been honored to serve with great leaders like our current chairman and ranking Republicans. As I leave here, Mr. Speaker, I consider this committee one of the finer of the committees in the House.

Mr. Speaker, I am pleased to support this committee bill this year. I believe it is a fair bill. It was one that recognized the need to reduce our defense budget, but the tough years are ahead, and I would implore my colleagues who serve on this committee and who serve in this House to recognize that we have, in fact, preserved peace by having a strong military.

In fact, we probably only made about a 20-percent cut in what will be a need for a $150 billion reduction. As my colleagues know, this is the 10th consecutive year where we have had a downward spending pattern. We must make sure that we do not repeat the errors of the past and create a hollow force. It takes 9 to 12 years to create a good sergeant or petty officer. It takes 6 years to complete a submarine.

We must make sure we are preparing for the future. While we must be stewards for peace, we must also protect the democracy and the freedoms which we have.

This is an easy year relative to what we will face in the future. It is my hope that, as we move forward making difficult choices, that we do not sacrifice industrial bases for expediency in funding, that we do not sacrifice our people in uniform for lack of training dollars, that we do not sacrifice the research and technology for the willpower to

make sure that our men and women in uniform in the future will have the highest technology. This is not a peaceful world. As we look at Korea, Iraq and the rest of the hot spots of the world, Mr. Speaker, let us never forget our duty here as members of the Committee on Armed Services in Congress is to preserve peace, but to protect our men and women in uniform.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from Utah [Mr. HANSEN], the ranking member of the Subcommittee on Oversight and Investigations.

Mr. HANSEN. Mr. Speaker, as a member of both the Armed Services and Intelligence Committees, and as a conferee to the bill now before us, I want to inform our colleagues that I am worried about the direction that we are headed.

In good conscience, I could not sign the conference report—even though there are some positive provisions in the bill.

My main objection is that we are continuing the 10th straight year of real defense cuts. And, there is no end to the hemmoraging.

The administration's 5-year defense plan, which is already, in my mind, inadequate to defend against a two-region conflict scenario, is underfunded to the tune of $150 billion dollars. Don't take my word for it—the GAO has said as much just last week.

No amount of finessing the figures and adjustments for inflation is going to make-up that kind of a shortfall. Serious action needs to be taken by the administration—in conjunction with the Congress, in coming up with a plan to address the shotfall in next year's budget, and future budgets—before it is too late.

Our military readiness has already slipped to alarming levels in many areas—we are quickly returning to the days of the hollow force of the 1970's. We are once again seeing many of our personnel having to rely on food stamps to get by. We are seeing a large drop in the number and quality of recruits into the service, and a large exodus of our most qualified and experienced personnel.

We are seeing troops being asked to deploy for longer periods of time, taking them away longer from their families and working them nearly to the breaking point.

Our service leaders are having to cut back on training and flight hours—because of a lack of funds. They are having to cut many weapons modernization programs.

Critical depot maintenance and facilities repairs are going unfunded and the backlog increases every day.

Projected savings from base closures have not materialized—and is actually costing the Government money.

Ballistic missile defense is the victim of cut after indiscriminate cut, and is not receiving the appropriate amount of attention and support needed to counter the increasing threats of missile proliferation and terrorism—leaving our troops and populations vulnerable to such attacks.

Finally, the defense budget is being treated more and more like a giant cash cow—to be milked to fund programs and operations of other Federal agencies. this is another disturbing trend that must be stopped.

The bottom line is that we are cutting too much, too fast, and many of the cuts are turning out to be indiscriminate.

We seem to have forgotten the lessons of the past, rushing quickly to disarm ourselves and setting ourselves up to be unprepared for conflicts which are certain to arise in the future.

Sure, we all recognize that the end of the cold war allows for defense reductions—no one is arguing that—but I am here today to sound the warning to my colleagues that we have gone way too far.

Mr. Speaker, I have the utmost respect for my colleagues on the Armed Services Committee, and the chairman who is a hard-working and dedicated member.

I only hope that we can start now, to put together a strategy and plan to turnaround the trend for next year, and to recognize that we need to take action in order to prevent the coming train wreck in defense.

Mr. STUMP. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman from Arizona [Mr. STUMP] for yielding this time to me, and I want to compliment the chairman, as always, for being undoubtedly the most fair chairman in all of Congress, possibly ever, the staff for the great work they have done, but I think I would be mistaken not to mention my deep concern about the inclusion of language that the other body insisted upon that would allow the U.S. Marine Corps to buy three foreign-built ships in this budget when there are American ships in the ready reserve fleet already available for that purpose and also the change to the sealift account that would allow ships that were intended to be built in this country to be built overseas and merely converted in this country. This chairman in particular has done a stellar job of working to pass the national shipbuilding initiative to maintain this Nation's industrial base for shipbuilding, and it is particularly disturbing to see the good work of this committee and this committee staff taking one step forward being undone by the work of the other body taking three steps backward.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, there is a clear and present danger, a combined failed foreign policy, looking at 22 dead Rangers and 77 wounded in Somalia, left there to die without armor. There is a clear and present danger, defense cuts that are going to leave much of our military defenseless in the future. There is a clear and present danger, the Soviet Union building and increasing the number of nuclear submarines, typhoon class, and also increasing the number of their subs that cut our Atlantic communications cables.

I say to my colleagues, "Ask yourselves why there is a clear and present danger. You invade Bosnia, you're going to be looking at Russian troops. There is a danger."

Mr. Speaker, defense is being but too much, and, like the crime bill, socialized spending is not the answer.

□ 1710

Mr. STUMP. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the distinguished gentleman from Arizona for yielding me the time.

Mr. Speaker, as we consider the DOD authorization conference report, I would like to stress the importance of the language it contains on Bosnia and Herzegovina.

In some respects, I am very disappointed with the language on lifting the arms embargo on that country. It falls short of the amendment to the original bill, which the House easily passed in June. However, last week's vote in the Senate on this issue indicates that that Chamber is moving toward a stronger position than before.

I also believe it is unfortunate that, in the face of genocidal aggression, we are willing only to go as far as stating the right of a country to self-defense. Selected but substantial airstrikes against Serb militant positions in Bosnia and Herzegovina would be a more effective option, and I for one support that option in addition to lifting the arms embargo.

We need only look back at what has transpired in the two months since the House voted for the unilateral lifting of the arms embargo. The Bosnians unconditionally accepted and the Serbs effectively reject a plan offered on a take-it-or-leave it basis. Then, the Serb militants clearly violate the exclusion zone around Sarajevo. They brazenly closed corridors to the city and attack relief flights and U.N. convoys. They renew shelling of Gorazde, a safe haven allegedly protected by an exclusion zone. They renew ethnic cleansing in the North, in areas the settlement plan allows them to keep. These acts in the context of more than 2 years of aggression, justify doing something more.

That said, I commend the conferees—both House and Senate Democrat and Republican—for agreeing to useful language that moves us forward. The language calls for specific action to be

taken by certain times. First, we will seek a multilateral lifting of the arms embargo; that is preferred by everyone. But, if it does not happen, we should not be bound to support an embargo that is considered by many to be completely illegal in the first place, especially if the Serb Militants continue to refuse to accept a settlement. It gives meat to the comments of Secretary of State Christopher, who noted that we cannot let this go on indefinitely," while innocent people are slaughtered because they cannot defend themselves.

Let me also acknowledge the efforts of the administration for working with the Congress on this issue, and seeking to accommodate the concerns of us who want to see greater action taken in regard to Bosnia-Herzegovina. While I believe some risks are worth taking, I recognize that these risks have to be considered carefully and that we have to work with our friends and allies in Europe and around the world, many of whom hold positions and opinions different from our own.

Mr. Speaker, I would like to say that I hope this report sends an important message—that we have not abandoned our principles and that we must therefore do something more than sit back and watch genocide occur. This language on Bosnia-Herzegovina, at minimum, expresses the view that something more has to be done than what we see now. The clock is ticking.

Mr. STUMP. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. DORNAN], an able member of the committee.

Mr. DORNAN. I thank the distinguished gentleman from Arizona for yielding.

Mr. Speaker, this is "compliment" afternoon for our distinguished chairman, and it is richly deserved. In my 18-year span here, 2 years sitting on the sidelines because of reapportionment, I have served on many committees where there have been great bipartisan relations. It has been the byword of committees like the Committee on Science, Space, and Technology, most of the time with the Committee on Foreign Affairs, and certainly upstairs in the closeted Permanent Select Committee on Intelligence.

But this committee is a tough one to maintain cordial relations. We come at defense from so many different positions, particularly the liberal philosophy and the conservative philosophy. Our chairman has been someone who has kept a steady hand on the tiller and let all sides be heard. I do join in all of those compliments for him today.

I did not expect to be here today. I think most of us did not expect to be here until about 2 weeks ago. I had hoped to be in southern France. It would not have been vacationing, it would have been attending the memorial ceremonies for Operation Dragoon, which had for months been called Operation Anvil. It is where United States forces landed in southern France to begin, with all of our hard fighting forces in the 80-day Battle of Normandy, an end to the reign of terror of Nazi Germany across the face of Europe. And Audie Murphy, a young lieutenant, Medal of Honor winner of the Third Division fame, was taking his exploits from North Africa, Sicily and Italy, up to the coast of southern France. He went with the 45th Thunderbird Division on one side and with the 36th Division, which had more continuous combat time than any division in the United States, on the other side.

They were today, 50 years ago, securing the beach and letting the French forces land. The French had used paratroopers, just as we had at D-day a few weeks before. This is not to forget our men in the South Pacific, where our paratroopers were wrapping up the last Japanese resistance on Noumea Island. In the Marianas, as well as on Guam and Tinian, bloody fighting came to an end.

What wonderful forces we had then. We had a nation with a population of only 130 million-plus people. Here we are today with literally twice that population, 260 million people. Again that dreaded six-letter word is creeping back into those councils at the Pentagon about our military forces. That word is "hollow."

It is only beginning, but the signs are there that we are getting back to those dreaded times after World War I, after World War II, after the Korean war, and after the Vietnam war, when we started ax-cutting our military in order to funnel more money over into domestic programs of an uncertain destiny. And here we go again.

In Mr. DELLUMS' second term, his sophomore year, second year thereof, 1974, we crafted a budget, cutting back drastically for fiscal year 1975, as a result of a defeat inflicted upon ourselves in the Halls of this building, never having lost on the battlefield and totally dominating the seas over the coast of North and South Vietnam. Air supremacy, there wasn't a SAM missile left to be fired at the end of that conflict. But here we were, gutting our military. Yet in the 1975 fiscal year period, we purchased 273 new combat aircraft for our military forces.

Yet what are we doing this year? We are purchasing only one model type, 24 of the superb C and D models of the F-18 Hornet and 24 fighter or attack aircrafts. That is it.

Here are some other indications of the problems we have developed for ourselves. There is good defense staff work here by Andy Ellis. President Clinton campaigned all of 1992 on a promise of $60 billion in defense cuts, no more. Once in office, as a typical liberal Democrat, doubled it to $120 million. Then he began to bleed off readiness money into various causes.

This is a recent study that Andy Ellis found by use of the Congressional Research Service. We have quadrupled non-defense spending from fiscal year 1990, which was George Bush's first defense budget that he guided through with our committee's help here and in the Senate in 1989. It has gone from $3.5 billion in fiscal year 1990 to a projected $13 billion in fiscal year 1994.

Mr. Speaker, I include for the RECORD the entire report on non-defense DOD spending.

NON-DEFENSE DOD SPENDING: FURTHER COMPOUNDING THE CLINTON CUTS

As the defense budget decreases, the amount of non-defense activities and programs funded out of the defense budget continues to dramatically increase. This practice, historically limited to unrequested Congressional add-ons to the defense budget, has been embraced by the Clinton Administration as a means of furthering domestic and foreign policy goals at the expense of military readiness.

A recent study by the Congressional Research Service (CRS) estimates that non-defense spending by DOD has quadrupled FY 90 from $3.5 billion in FY 90 to a projected $13 billion in FY 94.

For example:

The Administration has requested $300 million in the FY 95 defense budget to pay for the U.S. share of U.N. peacekeeping costs. Heretofore, such costs have always been paid for out of the State Department's budget.

The costs of environmental cleanup have grown from $1.6 billion in FY 90 to almost $6 billion in FY 95.

Foreign assistance programs has grown from virtually nothing in FY 90 to over $500 million in FY 95.

Depending on how it's counted, defense conversion and reinvestment programs have accounted for somewhere between $2.5 to $3.4 billion in every Clinton defense budget to date.

DEFENSE JOBS: THE HUMAN COST BEHIND THE CLINTON CUTS

The FY 95 defense budget cuts more than 180,000 active duty, reserve and civilian personnel.

Put in perspective, DOD will cut, on average, 15,000 active duty, reserve and civilian personnel every month in FY 95. This is an increase over the average monthly cut in FY 94 of 12,000 personnel.

The FY 95 defense budget proposes to cut 86,000 active-duty personnel, following on the heels of a 464,000 cut in active duty personnel over the last four years.

By FY 99, DOD will have nearly 1.2 million fewer active, reserve and civilian personnel on the rolls than it did in the mid-1980s.

The Clinton Administration Bureau of Labor Statistics (BLS) estimated last year that defense-related private sector jobs declined by 600,000 as a result of the 1987–92 Bush defense cuts. Under the Clinton-planned defense cuts, BLS estimated the loss of an additional 1.2 million defense-related private sector jobs by 1997.

Put in perspective, this translates to an average loss of private sector defense jobs over a ten-year period of 10,000 per month under President Bush, and 20,000 per month under President Clinton.

The aerospace industry has not employed so few workers since Jimmy Carter was President.

PERSONNEL READINESS AND MORALE: THE MOST IMPORTANT ELEMENT

According to Army Chief of Staff General Gordon Sullivan, "The quality of the Army will surely decline unless something is done about the way soldiers are compensated. Our compensation is considerably eroded. This loss of benefits, coupled with other aspects of downsizing, sends a negative message to our soldiers and their families. Long term readiness will suffer if we allow it to continue."

Last year, the President proposed to deny the military a 2.2% pay raise as required by law. At that time, the gap between military pay and comparable private sector pay was already at 12%. Congress rejected the pay cut proposal and fully funded the pay raise.

This year, the President proposed another military pay cut—requesting a 1.6% COLA instead of the 2.6% COLA endorsed by Congress last year and required by current law.

H.R. 4301, as reported out of the Armed Services Committee, categorically rejected the President's proposal and once again fully funded a military pay raise.

According to the Chairman of the Joint Chiefs of Staff, General John Shalikashvili, "Our structure is getting smaller and smaller with each year, but our commitments remain global in scope, and the range of activities we engage in are expanding."

From 1989 through 1993, the number of U.S. military personnel operationally deployed (excluding commitments to Desert Storm, Korea and Europe)—grew from 26,000 to approximately 154,000—nearly a 600 percent increase. At the same time, military end strength dropped 20 percent (from 2.1 million to 1.7 million).

Increased operational commitments result in lengthier and more frequent deployments of personnel.

MODERNIZATION: PASSING THE BUCK

According to the Chairman of the Joint Chiefs of Staff, General John Shalikashvili, "modernization is the key to future readiness."

Unfortunately, the Clinton Administration proposes to spend $93 billion less than the Bush Administration on modernization (i.e., research, development and procurement) over the next five years. The Clinton modernization cut follows on the heels of a 67 percent real reduction in procurement spending and a 20% real reduction in R&D spending since the mid-1980's.

The Administration's "strategy" actually delays modernization until the next century, increases the costs, and passes the responsibility for building a political consensus and securing the funding on to some future Administration.

This "strategy" does little to maintain a viable defense industrial base and even less for the near-term modernization of our forces.

The FY 95 procurement request is $12 billion below FY 93 spending levels—a reduction of 22% in just two years.

The FY 95 Research and Development represents a 9% reduction from FY 93 spending levels and request is $2.4 billion less than last year's FY 94 request.

Moreover, an increasingly large portion of the R&D budget is being spent on non-defense initiatives such as conversion, medical and environmental research.

While DOD procured 20 ships, 511 aircraft, 448 tanks and 175 strategic missiles in FY 90, DOD will procure only 6 ships, 127 aircraft, 0 tanks and 18 strategic missiles in FY 95.

Mr. DORNAN. Mr. Speaker, here are further dissenting views.

It is with great regret that I offer the following views on our work in conference with the Senate on the fiscal year 1995 Defense authorization bill. While there were some very positive steps taken by both the House and Senate Armed Services Committees toward maintaining and even improving U.S. military combat readiness, I fear we in Congress have again lost a golden opportunity to influence the short-sighted policies of this present administration with regards to the U.S. Armed Forces.

The military policies and budget set forth by this administration simply do not make sense. During a time of drastically declining defense resources, when we should be requiring the highest standards of performance and capability from those few retained on active duty, this President has decided to turn the military into a social laboratory. From lifting the ban against homosexuals to opening up combat positions to women to opposing efforts to discharge those who are AIDS/HIV positive and therefore nonworldwide assignable, the President has sought to use our Armed Forces as a domestic political tool rather than even addressing whether or not such policy decisions would improve combat readiness.

In addition to these narrow-minded political decisions, there is a dangerous hypocrisy resulting from a mismatch between the President's vague but growing foreign policy initiatives and continuing cuts to already reduced defense forces. Without clearly defining U.S. national interests or specific military objectives, the President has decided to offer U.S. military forces as the on call 911 forces of the United Nations and the rest of the world. Meanwhile, as the tempo for operations for our military continues to increase, including time away from home and family, the resources devoted to rewarding, training, and equipping these personnel continue to diminish at alarming rates.

This administration supposedly cannot find enough funding within the Federal budget to provide our military with a modest 2.6-percent pay raise; it cannot provide enough dollars for Army tank battalion commanders to exercise units above the platoon level; it cannot buy additional B–2 bombers to replace aging B–52 aircraft. However, in spite of these defense budgetary constraints, the President can find more than enough funding from the Department of Defense for humanitarian assistance, foreign aid, and defense conversion projects. How do these programs directly improve U.S. combat readiness? How do these programs help our forces cope with the ever increasing tempo of operations as a result of increased foreign commitments? If the President wants to use our military forces as instruments of his foreign policy, then he must give them the funding necessary to perform their mission including adequate pay, adequate training, and new and improved weapons systems. If the administration continues to gut the defense budget, then it must not continue to offer the U.S. military as the 911 force of the United Nations and the world.

What then, should our role be here in Congress to correct such shortcomings on the part of the executive branch?

First, we as members of the armed services committees should demand that the administration utilize some type of solid criteria before using military force and endangering lives. Any time we send troops abroad, whether it be for peacekeeping, humanitarian assistance, or direct combat, we must anticipate that the result could eventually be armed conflict. While we do not want to prohibit the President from acting as Commander in Chief, we do want to ensure that U.S. troops are not sent into areas where there are no vital interests or specific military objectives, that is Somalia and Haiti. I suggest the following 10 criteria, which I expanded on from a November 28, 1994, speech by then-Secretary of Defense Casper Weinberger, be used as the criteria for use of military force:

CAP WEINBERGER'S/BOB DORNAN'S 10 COMMANDANTS ON COMMITTING U.S. COMBAT FORCES

1. Thou shall not commit U.S. combat forces unless the situation is vital to U.S. or allied national interests.
2. Thou shall not commit U.S. combat forces unless all other options already have been used or considered.
3. Thou shall not commit U.S. combat forces unless there is a clear commitment, including allocated resources, to achieving victory.
4. Thou shall not commit U.S. combat forces unless there are clearly defined political and military objectives.
5. Thou shall not commit U.S. combat forces unless our commitment of these forces will change if our objective change.
6. Thou shall not commit U.S. combat forces unless the American people and Congress support the action.
7. Thou shall not commit U.S. combat forces unless under the operational command of American commanders or allied commanders under a ratified treaty.
8. Thou shall not commit U.S. combat forces unless properly equipped, trained and maintained by the Congress.
9. Thou shall not commit U.S. combat forces unless there is substantial and reliable intelligence information including human intelligence.
10. Thou shall not commit U.S. combat forces unless the Commander-in-Chief and Congress can explain to the loved ones of any American soldier, sailor, Marine, pilot or aircrewman killed or wounded, why their family member or friend was sent in harm's way.

Next, we must address the growing threat of proliferation of ballistic missiles and nuclear, biological, and chemical [NBC] weapons/warheads. No other weapon can so directly threaten the United States, our allies, and forward deployed forces, as can these devastating weapons of mass destruction. Fortunately, the only direct defense against such weapons is now without our grasp, ballistic missile defense [DMD]. However, both this administration and this Congress have failed to provide funding for even near-term/low-cost BMD systems such as sea-based missile defense. We should immediately provide additional dollars for the handful of promising technologies that could deter, and if necessary defeat, the growing threat of ballistic missile attack from North Korea, Iraq, and elsewhere. Upper-tier sea-based systems on board Navy Aegis ships, Army theater high altitude area defense [THAAD], and Air Force boost phase intercept systems, are all near-team/low-cost technologies that should be developed and deployed now, not later when it may be too late.

in addition, we should immediately seek to repeal the outdated Anti-ballistic Missile [ABM] Treaty—a treaty with an evil empire that no longer exist—which threatens, as an obsolete political document, to limit the capability of even these modest BMD systems.

Finally, we as members of the Armed Services Committees must be more selective in approving which programs will receive scare defense funds. We should evaluate every defense dollar and policy decision in terms of combat readiness. If a program or proposal does nothing to enhance our military's ability to deploy, fight, win, and survive on the field of battle, we should consider opposing the program. In a tight budgetary period and a rapidly evolving world political environment, we cannot afford nondefense issues or programs to interfere with the much more pressing demands of troop morale, combat training, and weapons modernization. These should be our proper roles as members of the House and Senate Armed Services Committees.

Perhaps George Washington, our first President and first great military leader, said it best: "To be prepared for war is one of the most effectual means of preserving peace."

We in Congress should heed his advice and make sure that every precious defense dollar is used to train, equip, maintain, and prepare our brave soldiers, sailors, airmen, and marines for war.

Mr. DELLUMS. Mr. Speaker, I yield myself 1 minute for the purpose of entering into a colloquy with the distinguished gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. If the gentleman will yield. I would like to join in the praise for the distinguished gentleman from California [Mr. DELLUMS] for the work he has done as chairman of the Armed Services Committee.

Mr. Speaker, the Navy recently approved Milestone III for the submarine acoustic device countermeasure Mark IV program. The Navy originally intended to include funds for the program in their fiscal year 1995 request but because the Milestone III approval came too late the item was absent from the President's budget request. The approval was made in time, however, for the Armed Services Committee to include full funding, $12 million, in the House-passed authorization bill.

Funds were provided last year and I believe the Navy will request continuing funds next year. Fiscal year 1995 funding was problematic only because of the timing of the operational evaluation. It is my hope that the necessary funding may be provided in the fiscal year 1995 Appropriation Act and I seek clarification that, if we are successful, there will be no objection from the authorizing committee.

Mr. DELLUMS. I thank my colleague from Massachusetts and would like to reiterate the Armed Services Committee support for the ADC Mark IV program. I agree with the gentleman's account of the legislative history and I would add that if the defense appropriations conference report provides funds for the ADC Mark IV program, the Armed Services Committee does not object. I will also add that if the funds are appropriated, the item should not be treated as an unauthorized appropriation.

Mr. STUMP. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WELDON], a member of the committee.

□ 1720

Mr. WELDON. Mr. Speaker, I thank my distinguished colleague, the gentleman from Arizona [Mr. STUMP], for yielding time to me and for his leadership in managing this bill for our side and, once again, to our distinguished chairman for his leadership in a very fair process that has allowed us to reach this point. I will be voting for the bill today, but with grave reservations.

I spoke earlier during the rule and talked about my concerns in terms of where we are going with our defense number. Because I feel our defense should be based on the threat that is out there, not some arbitrary number handed to us. In fact, that is what we were given. We were given an impossible task this year to try to meet the needs that we have around the world with a set number that was given to us by the administration. That, in fact, will cut $128 billion over 5 years.

Mr. Speaker, a year and half ago we heard a lot of rhetoric in this room and inside the beltway about a word that I have not heard used for the last year. Remember the words "peace dividend"? Remember how the President talked about how we were going to have such a peace dividend that could be used for so many other purposes?

That peace dividend has now come to light in terms of what it is doing to American people. I want to talk about that. Because as we cut defense spending, even though we are committing our troops to more and more places, whether it is Rwanda or Somalia or Haiti or Bosnia or wherever we are going to send them, we are committing our troops at a time when we have less and less resources and also at a time when we are spending more on environmental remediation and more on defense conversion, of much of which I support. But in the end, Mr. Speaker, we have to cut the troops. And we have to cut people. That is happening.

This defense bill on the floor today will cut on a monthly basis 15,000 men and women per month next year from our military. These are men and women who voluntarily signed up to serve our country, and we are saying, "so long, we will see you later," 15,000 a month. But, Mr. Speaker, let us look beyond that. What is the economic impact? And we projected this 1½ years ago.

The Office of Technology Assessment and the Congressional Budget Office say if we make the cuts Clinton has called for it is going to have a devastating impact on the economy. Mr. Speaker, some would call that the peace dividend.

Let us look at those Americans who can now say that they are benefiting from the peace dividend. McDonnell Douglas, 67,000 Americans out of work, laid off in the last 2 years, Financial Times, August 11, 1994. Raytheon Corp., 4,400 workers in March of this year, over the next 2 years an additional cut will be made, Wall Street Journal, March 10, 1994. Boeing Corp., 28,000 people going out the door, 17,000 additional laid of in 1993, Aerospace Daily, January 20, 1994, 2,200 more in my home State of Pennsylvania the next 2 years.

Westinghouse Electric Corp., 6,000 workers in 1994, Washington Post, January 12, 1994. Martin Marietta Corp., 11,500 workers laid off since mid-1993, Washington Post, October 1, 1993. Texas Instruments, 11,300 workers from its peak of 24,500, Aerospace Daily, August 25, 1993.

General Electric Co., 750, 3,900, and 1,600 workers respectively; another round in 1994 will eliminate 4,000 more jobs, Aerospace Daily, August 23, 1994.

Pratt & Whitney Aircraft, they plan to reduce their work force by 38,800 employees and an additional 3,000 coming up next year, Aerospace Daily, June 14, 1994.

Hughes Aircraft and General Motors Corp., a subsidiary of GM, 34,000 employees, an additional cut this year of 3,200, Wall Street Journal, June 21, 1994. In California alone, the estimate is 200,000 workers, Wall Street Journal, June 21, 1994.

Mr. Speaker, this is our peace dividend. None of us have said that we could not cut defense to some extent. We have all said that. But we cannot make these wholesale Draconian cuts that hurt real people. Where are we going to put these people? Are we going to put them in retraining programs selling fast food hamburgers? Are we going to put them into retraining programs developing some new technology we do not have?

Mr. Speaker, this President is leading us down a bad path. Mr. Speaker, my career is as a teacher. I am not a lawyer. I spent my years teaching in the public schools of Pennsylvania, running a chapter 1 program outside of Philadelphia. There is nothing I would rather do than spend all of my money on helping with our domestic problems. But, Mr. Speaker, if we look at the lessons of history, we can never eliminate the Ayatollah Khomeinis, the Mussolinis, the Hitlers the Stalins and all of those other people who have risen to power to threaten our security.

Mr. Speaker, this President does not understand that. He is giving us an internationalist foreign policy with an isolationist defense budget. Cut our

budget by dramatic means, end our resources, cut our readiness, cut our operating accounts but commit our young men and women to Haiti, to Bosnia, to Somalia, to wherever they are needed for U.N. operation.

The two things just do not go hand in hand.

Mr. Speaker, this has got to be the last year of this madness. We as a body have to stand up and say no. We have to stand up and say, let us base our security needs on the threats that are there. When our intelligence resources tell us that there is 70 hot spots around the world, 30 of which could involve this country, we have to able to respond. We are not doing that at this time.

Mr. STUMP. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. DELLUMS] in return for the fairness that he has shown us.

The SPEAKER pro tempore (Mr. HASTINGS). The gentleman from California [Mr. DELLUMS] has 4 minutes remaining.

Mr. DELLUMS. Mr. Speaker, I yield myself 1 minute.

Mr. BROWDER. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Alabama.

Mr. BROWDER. Mr. Speaker, I rise to engage the chairman in a colloquy, and I will abbreviate my remarks.

Mr. Speaker, in the conference I understand that the conferees recommended a total of $520 million for the chemical-biological defense program with specific programs to improve our chemical and biological defense.

Is that the gentleman's understanding?

Mr. DELLUMS. Mr. Speaker, yes, the gentleman is correct in his understanding.

Mr. BROWDER. Mr. Speaker, if the gentleman will continue to yield, in our conference we have a pilot program called the reutilization initiative for depot-level activities. Is it the gentleman's understanding that this program will achieve, still achieve the goals of the House language?

Mr. DELLUMS. Mr. Speaker, I thank the gentleman for his question. I would say that the conference committee has included the gentleman's concerns. They have been met to the best of this gentleman's knowledge.

Mr. BROWDER. Mr. Speaker, I thank the gentleman for his leadership and consideration.

Mr. Speaker, in the conference on the fiscal year 1995 Defense authorization bill, I understand that the conferees recommended a total of $520 million for the chemical-biological defense program; fully funded the budget request for the joint biological defense program by providing $52.9 million for research, development, test, and evaluation and $20.4 million in procurement; and recommended an increase of $16.6 million in Army chemical-biological defense research and development. I further understand that in accordance with the priorities submitted by the Army and considered by the conferees, the increased funds would be used to complete the upgrade of the Fox NBC reconnaissance vehicle, accelerate the advanced development of chemical warfare agent standoff detection systems, and increase exploratory development in biological and chemical agent detection technology. I also want to commend the conference for its support of a robust chemical-biological warfare defense program for our Armed Forces.

Mr. Speaker, in the House passed bill, there was a provision titled "Reutilization Initiative for Depot-level Activities." This provision directed the Secretary of Defense to carry out a pilot program to encourage commercial firms to enter into partnerships with depot-level activities for the purpose of demonstrating commercial uses that are related to the principal mission of the depots. Some of the major purposes for this program are to preserve employment and many of the unique skills currently in the depots, and provide for reemployment and retraining for employees who become unemployed as the result of downsizing.

It is my understanding that the conference committee agreement on this provision will still achieve the goals that the House intended.

Mr. DELLUMS. Mr. Speaker, the gentleman from Alabama [Mr. BROWDER] is correct in his understanding of the conference action. The conferees also provided additional funds under the counterproliferation technology program for field demonstration of promising and existing technologies for biological agent detectors and alarms, improved chemical-biological decontamination equipment and improved individual chemical-biological protective equipment. The allocation of funds for this latter effort will be determined by the Department of Defense as a part of the overall counterproliferation program.

Mr. Speaker, the conference committee has included language addressing the reutilization initiative for depot-level activities. As many members of the committee know, I, too, have been greatly concerned with finding ways to maintain many of the specialized skills and capabilities of our depot work force during this time of downsizing. The agreement contained in the conference report on this provision expands the original provision to all depot-level activities. I have also been assured by the Department of Defense that they fully support this provision and will take steps quickly to put this program in place.

Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, I rise in strong support of S. 2182, the 1995 Defense Authorization Act. I congratulate Chairman DELLUMS on bringing a bill out of conference that takes great strides toward establishing a blueprint for defense after the cold war. His leadership helped make the negotiations a success, and I was honored to be part of the conference committee.

The collapse of the former Soviet Union and the need to reinvigorate our economy presents an opportunity to reduce defense spending without damage to our Nation's security. As we set new priorities to reflect the fact that the United States is the only remaining superpower, we must keep in mind that maintaining readiness remains crucial.

The choices will be painful, and we will have to terminate obsolete weapons programs staunchly defended by parochial interests. We have started this process by killing exotic strategic defense systems and designating the bulk of missile defense funds for theater-level programs.

This is a step in the right direction, but as the defense budget continues to shrink, we must be prepared to make more difficult decisions about allocating scarce resources in a way that protects both our economic and national security interests.

Mr. Speaker, I urge my colleagues to support the conference report.

Mr. DELLUMS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Speaker, I rise in support of this conference report.

Mr. Speaker, I rise in support of the National Defense Authorization Act conference report. This report is the result of long hours of work by my colleagues and our staff. Our task in finalizing this legislation has been difficult in these times of diminishing financial resources and growing diversity in situations around the world that require the attention of our Armed Forces. We have compromised, cut, and toiled to come within the budget limits demanded by the citizens of this Nation. At the same time, we have sought to give deserved compensation to our All-Volunteer Force and provide them with the best equipment possible.

In addition, this report continues to support our work in the North Atlantic Treaty Organization, the most successful alliance in history. And that provides us with important opportunities to sustain friendships with our cold war allies and build new alliances with former Soviet bloc countries through NATO's partnership for peace.

This legislation also takes positive steps in addressing servicemembers' needs, such as the program to assist our veterans suffering Persian Gulf syndrome and a provision to protect our servicemembers who report sexual harassment and discrimination. Finally, we have shown our men and women in uniform their service is worthy of the same 2.6-percent pay raise scheduled for Federal civilian employees in January 1995.

Mr. Speaker, I am proud to have worked with the conferees of the House and the Senate to write this legislation. We have succeeded, once again, in providing the United States with the finest Armed Services in the world.

Mr. DELLUMS. Mr. Speaker, I yield 90 seconds to my distinguished colleague, the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I rise in support of the conference report on the DOD authorization bill for fiscal year 1995.

This bill provides the minimum funding for our national security. However,

I would prefer a higher level of funding for defense. I still believe that we have cut too much too fast when the world is still a very dangerous place. I still believe we need 12 army divisions, 22 fighter wings, and 12 operational carriers. We approved the requested end-strengths for all components except for the Naval Reserve and Coast Guard Reserve which we increased slightly. However, the end-strengths of both the active and the reserve components keep going down and any further reductions in future years will impact on our capability to meet our national security requirements. I think we have already made the necessary adjustments for the post-cold war world and a further analysis is needed for the future structure of our military.

Let me talk about some of the good things in this bill. The Reserve Officers Personnel Management Act, also known as ROPMA, is included. This is major revision of how we manage or National Guard and Reserve officers. The House has passed this act three different times and finally the senate has agreed to our bill.

Also included is a charter for the National Guard Bureau which defines the organization and responsibilities of this joint bureau for the management of the National Guard. We included language that freezes the number and the grades of the general and flag officers that manage the reserve components. We modified the mobilization authorization of the President to call up the Guard and the Reserves for a period of up to 270 days.

This should be ample time for National Guard brigades to be mobilized and deployed and not have a repeat of the situation in Desert Storm where these brigades were never used.

In the personnel area we approved a 2.6-percent pay raise, a Conus COLA, a 50 percent increase in the ROTC stipend, and we adjusted the military retiree COLA to take affect at the same time as Federal civilian retirees. We corrected a provision that recouped transition benefits from some of the Guard and Reserve members. We also corrected the law so that enlisted Reserve component members would compute their retired pay the same way as the officers.

Included in this bill is $510 million in direct procurement of equipment for the National Guard and Reserves. We also included in other accounts an additional $200 million in equipment.

We included extensive legislation to identify and treat veterans of Desert Storm who have been afflicted with Desert Storm illnesses. I totally support this effort. However, I do have a concern that some of the funding of this effort is wrapped up with the DOD-VA cooperative research funding. I don't want the ongoing program of joint medical research to be adversely affected by combining the programs.

I am also concerned about the provisions that transfer M-1 tanks to the Marines. This was done without the analysis and advise of the Joint Chiefs of Staff. It impacts on the Roles and Missions Commission which will be reporting back to the Congress in December. It prematurely decides that there are excess tanks in the Army and that all the National Guard requirements are a lower priority than both components of the Marine Corps. All of this was done without the JCS validating the Marine requirements. I am concerned that the Marines will now want Bradley vehicles, the refueling trucks, the ammo carriers, and the multiple launch rocket systems that normally go along with the Army M-1 tanks in combat. This tank transfer should be the end of this issue. I will oppose any further transfers of combat equipment.

All in all, this is a good compromise bill and I urge my colleagues to support it and vote for final passage.

□ 1730

Mr. Speaker, I want to thank the gentlewoman from Tennessee [Mrs. LLOYD], who is the chairman of the subcommittee. This is the last time she will be handling a conference of that subcommittee, and we commend her for the wonderful job she has done.

Mr. STUMP. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, let me once again express my appreciation to the chairman of the committee, the gentleman from California [Mr. DELLUMS], and also the gentlewoman from Colorado [Mrs. SCHROEDER], the chairman of the Subcommittee on Research and Technology of the Committee on Armed Services. I appreciate all the fairness they have shown me.

Mr. Speaker, a lot has been said about the inadequate funding in this bill today. I have to concur in that. I think one of the trends that disturbs me most was mentioned by the gentleman from California [Mr. DORNAN], and that is spending by the Department of Defense for nondefense purposes, which has grown to an astronomical $13 billion in 1994. I simply think we should not do this.

This defense budget is not real, the Clinton strategy is not real, it is mostly rhetoric, and we simply cannot provide sufficient resources and people to meet the deployment requirements.

Mr. DELLUMS. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, first, let me, at the conclusion of this debate on the conference report, thank all my colleagues and the staff on both sides of the aisle.

Mr. Speaker, let me finally, on behalf of myself and members of the committee, thank several of my colleagues who will not be returning to this place. This is a point of departure for a number of my colleagues: the gentlewoman from Tennessee [Mrs. LLOYD], the gentleman from Florida [Mr. HUTTO], the gentleman from Oklahoma [Mr. MCCURDY], the gentleman from Maine [Mr. ANDREWS], the gentleman from Rhode Island [Mr. MACHTLEY], the gentleman from Oklahoma [Mr. INHOFE], the gentleman from South Carolina [Mr. RAVENEL], and the gentleman from Arizona [Mr. KYL].

Some of them may be in the other body, Mr. Speaker; some of them may become Governors. Others will seek other vistas and other lives, and move in very different directions.

On behalf of myself and members of the committee, I would like to thank all those colleagues who came this way, who assumed the awesome responsibility and the extraordinary honor of serving their fellow human beings in the life and death issues that we grapple with here on a daily basis. I would say goodby to them and thank them very much for their services.

Mr. ABERCROMBIE. Mr. Speaker, I am pleased to support the final passage of the National Defense Authorization Act for fiscal year 1995. I believe that this measure moves toward a sensible and flexible defense structure which is necessary as we continue to battle the budget deficit and address a changing world order.

I commend the House Armed Services Committee under assiduous and adept leadership of Chairman DELLUMS for taking the bold step toward ushering in a new era with the end of the cold war. Indeed there are no experts in post-cold-war theory. We must continue to evolve with the changing world situations. Our opportunity to transition toward a defense structure which will provide for the changing roles and missions of the armed services is here and to ignore it would be to live in the past. I also laud the chairman for being a fair leader in hearing the concerns of all members of the committee and for working toward bipartisan cooperation in drafting this measure.

While I feel that we have produced a suitable bill for that we were provided, I do have some concerns. I am delighted to see that this measure provides for a 2.6-percent pay increase for military personnel; however, I am still troubled by the fact that there are many service members living in substandard quarters and subsisting on welfare and food stamps, especially at the junior enlisted level. The men and women of the our Nation's armed services deserve to have, at the very least, a decent home and enough money to feed their families. Our priorities need to be shifted from funding redundancy in weapon systems to taking better care of our personnel and their families.

During the past year, my staff was able to tour many of the military facilities in the State of Hawaii. They were appalled to find that the condition of many of the military housing projects would not meet code and were in violation of EPA standards. The base officials indicated that the funding for operations and maintenance did not allow them to make repairs or respond to environmental concerns as required. We have made tremendous investments in these facilities without providing the

funding to maintain them. Our personnel need to become a priority. For this reason, I am very pleased to see that the committees have approved funding for military family housing in Hawaii in excess of the DOD request.

As we draw down our forces, I am also troubled by the substantial cut in the number of Reserve and Guard personnel. I believe that we may be cutting this resource too far, too fast. The Reserve and Guard forces provide us with a cost effective response to future contingencies.

Finally, from a global perspective, consolidating our military bases overseas also merits closer scrutiny. I am especially troubled by the situation in Okinawa, Japan. Okinawa, a prefecture of Japan, makes up less than 1 percent of the total land mass of Japan, but hosts more than 75 percent of all United States military bases in Japan. The people of Okinawa have spoken through my constituents in Hawaii to inform me of their predicament. Although they do not oppose U.S. forces being there, they are in dire need of land to develop their economy. For over 50 years, the people of Okinawa have been tolerant hosts.

I believe that the report requested of the Secretary of Defense in this bill will shed some light on the circumstances in Okinawa. Through this report, the DOD should see that certain key land areas remain underutilized, and that training missions such as the live-firing range which currently utilizes live ammunition to shoot over a densely populated village are hazardous to the health and well-being of the people in the neighboring community and should be relocated. If it would not be allowed in our neighborhoods, we should not be exploiting the goodwill of other countries. While I understand that action of this type requires negotiation with the Government of Japan, I do not see that as a obstruction. Military leaders in the area have assured me that some of the concerns of the Okinawan community can be alleviated without jeopardizing troop readiness or strategic objectives.

I also extend my gratitude to the staff of the House Armed Services Committee for their professionalism in assisting Members with the sundry provisions and initiatives that have come before them in the process of drafting this measure. I look forward to working with my colleagues as we continue down the road of redefining our military force structure and its changing role in the post-cold-war era.

Mr. PORTER. Mr. Speaker, I rise today in support of the conference report on S. 2182, the fiscal year 1995 Defense authorization bill. This legislation contains an important provision to limit spending on the Nation's two existing *Seawolf* submarines. Representative TIM PENNY of Minnesota and I authored similar legislation which passed the House as part of the first en bloc amendment offered to the House version of the legislation before us.

This legislation is vitally important given the recent developments in the *Seawolf* program. When TIM PENNY and I drafted and passed our cost cap, the estimated cost of these vessels was $4.673 billion, an amount over $330 million above what these vessels were originally expected to cost. Shortly after passage of our legislation, however, Navy Secretary Dalton revealed in a letter to Senator JOHN MCCAIN that the cost had gone up an additional $120 million, to $4.799 billion. This latest cost overrun—just one of the many problems which have practically defined the *Seawolf* program—will result in further gouging cuts in the budgets of important defense programs both inside and outside the Navy which find themselves today in tight budget straits. In an era of deep and increasing defense cuts, we cannot afford runaway programs like the *Seawolf.*

Mr. Speaker, it is my sincere hope that the legislation contained in the conference report will send a clear message to the Navy and the contractors involved in the *Seawolf* program that they need to improve their performance. If not, they will most certainly face additional interventions from Congress in the future.

I thank Chairman DELLUMS and Ranking Member SPENCE for their support of the Porter-Penny legislation and thank Representative PENNY for his leadership as well.

Mr. LAZIO. Mr. Speaker, I rise today to support the conference report on S. 2182, the fiscal year 1995 Defense authorization bill.

This conference agreement authorizes $264 billion for programs and weapons systems essential to our Nation's defense. In addition, it authorizes 2.6-percent military personnel pay increase, and directs the Department of Defense to establish programs for veterans suffering from the Persian Gulf syndrome.

However, it is disappointing that the conferees did not include a Senate-passed provision authorizing an additional $150 million to maintain the B–2 production line through fiscal year 1995.

The dismantling of the B–2 industrial base would leave the United States without strategic bomber production capability for the first time in 70 years. If for some unforeseen reason the United States would need to restart its bomber production, it would require billions of dollars to rebuild.

An ongoing study, requested by Congress, to determine the future role of land-based bombers should be completed early next year by the Commission on Roles and Missions. By preserving the production line for 1 additional year, Congress would be able to make a better informed decision regarding the B–2 industrial base.

Should the study find that it is in our Nation's interests to maintain the B–2 production, it is my hope that Congress will revisit this issue next year.

While I support passage of the fiscal year 1995 Defense authorization conference report, I do not support the exclusion of the $150 million proposed by the Senate Armed Services Committee.

Mr. GLICKMAN. Mr. Speaker, one of the provisions of the conference agreement authorizes $100 million for the reactivation of the Air Force's SR–71 surveillance aircraft. The conferees from the Intelligence Committee opposed this provision which represents, in my judgment, an unwise use of resources which will not address reconnaissance deficiencies, but may lengthen the time needed to develop the systems which can.

Nearly 5 years ago, a decision was made by the Congress and the Department of Defense to terminate the SR–71 program. This decision was based on the realization that, while the aircraft was capable of providing coverage of a wide geographical area in good weather, the information collected could not be transmitted quickly to those who needed it. Commitments were made to develop successor systems which are to combine all-weather broad area coverage with the ability to both stay over a target for an extended period of time and relay images to the ground immediately. Regrettably, an adequate level of support for the successor systems was not provided when needed, ironically as a result of actions taken by some who now argue strongly that the SR–71 needs to be brought back to bridge the gap those actions created. Delays in fielding those systems have resulted but are now being addressed. The fact remains, however, that the limitations which led to the retirement of the SR–71 remain, which perhaps explains why the aircraft was not reactivated for the gulf war, and why officials at the Department of Defense do not support its reactivation now.

The $100 million authorized by the conference report is a victory for nostalgia but will not provide a reconnaissance platform capable of responding to either current or anticipated intelligence needs. As pressure is applied to meet the high maintenance costs associated with the SR–71 and upgrade its sensors, more and more funds will be diverted from the development and procurement of the satellites and unmanned aerial vehicles which represent the future of airborne reconnaissance. In a time of severe budgetary constraints, it does not make sense to spend money on programs which have so clearly outlived their usefulness.

Ms. SNOWE. Mr. Speaker, while I remain concerned about the future of our Armed Forces, I rise in support of the fiscal year 1995 defense authorization conference report.

The strategy drawn from the Pentagon's 1993 Bottom-Up Review envisioned a much smaller military than the one that existed at the end of the cold war. However, many of us in this body, on both sides of the aisle, have serious concerns that the force structure outlined in the Bottom-Up Review is not sufficient to deal with two simultaneous major regional conflicts. Moreover, there is increasing evidence that the Bottom-Up Review force structure is underfunded. If so, then this seriously threatens the readiness and capability of our Armed Forces.

Yet, there is one thing that we can all agree on—that our military, regardless of its size, should be the best trained and equipped one that this country can field. The finest fighting force in the world requires nothing less, and the security of our Nation depends on it.

I support this conference report because it includes two key programs that are essential not just to national security but to the State of Maine as well.

Two of our military's premier weapons systems are made in Maine—the Aegis destroyer by Bath Iron Works in Bath, and the Mk–19 grenade machine gun by Saco Defense in Saco, ME. These two systems represent the best in Maine quality and craftsmanship, and they are vital to ensuring that our forces retain their technological superiority.

This conference report authorizes the procurement and construction of three new Arleigh Burke-class Aegis destroyers. The

Navy plans to build more than 50 of these versatile warships which will be the backbone of our Navy's surface combatant fleet well into the next century.

The decline of the Soviet threat has created a dangerous and widespread misperception of an equally declining global threat. But the post-cold-war world is turning out to be one of great instability with numerous potential threats to our national interests. The men and women of our Navy will be asked to go in harms way to face those threats, and they deserve to be on the most modern and capable ship that we can build.

Bath Iron Works [BIW], with approximately 8,700 workers, is the largest private employer in the State of Maine and it is only one of two shipyards in the country capable of building these extremely sophisticated warships. These Aegis destroyers are not only important to our national security, they are crucial to BIW's economic security.

The construction of these destroyers is also vital to the health of our Nation's surface shipbuilding industrial base. As we struggle to help our private shipyards become competitive again in the world commercial shipbuilding market, the continued production of these Aegis destroyers ensures that we will preserve our critical shipbuilding skills.

In short, there is not only a national security need for these Aegis destroyers, there is a long-term economic need as well.

The same can be said for the Mk–19 grenade machine gun. The Mk–19 machine gun system has demonstrated its unsurpassed capability in Operation Desert Storm and during the U.S. deployment to Somalia. There is no other weapons system like it in the world. The Mk–19's unmatched versatility permits it to be mounted on a wide variety of Army vehicles, thus significantly enhancing a unit's combat capability.

Saco Defense makes the Mk–19, and it has about 400 employees. Saco Defense is also a world leader in its field.

This conference report recognizes the contribution the Mk–19 makes to modernization and readiness of our ground forces and it acknowledges the importance of preserving our small arms industrial base.

Earlier this year, an independent assessment panel of the Army Science Board completed a report entitled "Preservation of Critical Elements of the Small Arms Industrial Base." That report compared the U.S. Army's small arms inventory to the requirements expressed in the Army acquisition objectives and noted some serious shortages in four types of small arms.

One of these was the Mk–19 machine gun. The Army Science Board's report noted that the end State shortage of Mk–19's will be approximately 13,000 after completion of the planned procurements. This serious shortfall strongly suggested that the administration's fiscal year 1995 request for Mk–19's be reevaluated and revised. I am pleased that Congress has validated the importance of the Mk–19, and has revised the administration's request accordingly. our soldiers want and need the Mk–19, because they know that it could mean the difference between defeat and victory on some future battlefield. And Maine's workers need the jobs that these Mk–19's represent.

It is our responsibility as Members of Congress to ensure that when our military forces are deployed overseas that they are adequately trained and equipped. It is imperative that we ensure that these forces are as combat-capable as possible. I urge all of my colleagues to support this conference report.

Ms. MOLINARI. Mr. Speaker, I want to express my sincere disappointment that the conferees of this legislation did not keep the McCloskey-Gilman language to unilaterally lift the arms embargo on Bosnia and Herzegovina.

My colleagues, when this bill was sent to conference last June, the House had overwhelmingly supported requiring the President to end this embargo unilaterally by a vote of 244–178. Since that time, it has become evident that the Bosnian-Serbs are far from stopping their campaign of ethnic cleansing and human rights abuses. Need I remind my colleagues that these same Bosnian-Serb militants continue to kill and terrorize innocent citizens in Sarajevo on a daily basis. Meanwhile, any hopes for a peaceful settlement by the contact group have also been summarily rejected by these militant thugs.

Mr. Speaker, I sincerely hope that the conferees of the Defense appropriations bill—which contains a provision to unilaterally terminate the embargo by November 15 regardless of any action taken by the U.N. Security Council, the Clinton administration, or the Serbs—will follow the clear will of Congress on this issue.

Mr. MINETA. Mr. Speaker, I want to call attention to title XXXIV of the conference agreement on the National Defense Authorization Act for 1995. That title, by repealing the Civil Defense Act of 1950 and placing its authorities in the Robert T. Stafford Disaster Relief and Emergency Assistance Act, transfers jurisdiction over the Federal Emergency Management Agency civil defense program from the House Committee on Armed Services to the House Committee on Public Works and Transportation.

That transfer, initiated by the House Armed Services Committee, means that effective for fiscal year 1995 the Public Works and Transportation Committee will have both legislative jurisdiction and oversight authority over the civil defense program for purposes of rule X, clause 1 of the Standing Rules of the House of Representatives. Thus, all bills dealing with this issue will be referred to our committee exclusively.

Mr. Speaker, I want to commend Chairman DELLUMS for taking the initiative on this matter and for acknowledging our Committee's new role in the future (see Committee Rept. 103–499, pp. 382–383). The conference agreement confirms this and programmatically, given our Committee's current jurisdiction over FEMA's activities, such a transfer makes sense.

Lastly, we will be working with the Armed Services Committee, the Office of Management and Budget, the National Security Council, and the Committee on the Budget to ensure that OMB transfers the non-defense—i.e., civil defense—portions of the FEMA budget out of the 050 budget function and into the appropriate budget account. Again, I thank the distinguished Chair of the Armed Services Committee, Congressman DELLUMS, and the conferees for their favorable resolution of this issue.

Mr. MCCURDY. Mr. Speaker, I have decided, with some reservations, to vote for this defense bill. It contains much that is important to the readiness and fighting ability of our Armed Forces. Our troops need these funds, and it is crucial that we move forward with this legislation.

But I am also here to issue a warning. We must take the actions necessary to preserve a strong defense. We must not cut too far, too fast.

As we all know, the Bottom Up Review simply does not have enough money to support its forces. Estimates place this shortfall at a minimum of $20 billion over 4 years.

Meanwhile, we continue the practice of front-loading, filling our defense plans with weapons systems without providing sufficient money to procure them when they mature.

And we continue to use the operations and maintenance budget as a cash-cow for everything from budget shortfalls to disaster relief. These extraneous activities are already undermining the readiness and combat ability of our forces.

We cannot cut more from our defense budget if we want to preserve a high-quality military. In fact, I predict that we will soon begin expanding the administration's defense budget requests in Congress rather than reducing them.

Make no mistake: we are reaching the end of the rope on military readiness, quality, and modernization. As a moderate Democrat committed to a strong defense, I have to be clear in my commitment that I will not support future defense bills that continue the present trend of defense cuts.

Ms. FURSE. Mr. Speaker, it is a great privilege to serve with Chairman DELLUMS on the House Armed Services Committee and I commend his visionary leadership as we move into the next century.

This conference report continues the reconfiguration of national security spending priorities called for in the post-cold-war era. There is, however, much more we can do to orient ourselves toward this changed reality. I remain concerned that we have not made the necessary adjustments in force structure and acquisition programs to enable us to respond to today's priorities. I look forward to addressing these issues in the coming years.

I was successful in my effort to require Nuclear Weapons Council approval of DOE study, development, production, and retirement of nuclear warheads and an annual report of those activities to Congress. This will end DOE's authority to unilaterally initiate this R&D and will put more sunshine on these activities.

I am very supportive of the enhancements made to the independent Roles and Missions Commission that was established last year. In their work through the coming year, I am hopeful they will make a comprehensive new analysis that we can use in our policymaking for today's realities, rather than relying on those developed for yesteryear.

One of my priorities this year has been to make sure we get the airlift we need at a price we can afford. The sense of Congress language in this bill regarding the importance of

maintaining our aggregate airlift capacity should be made mandatory next year since our current plan to rely on a C–17-only procurement strategy will cause an airlift deficit for several years as we retire our core airlifter, the C–141.

I have been a strong supporter of efforts toward a comprehensive test ban and was pleased to see the House's language included in this bill urging the Conference on Disarmament to make all possible progress toward a CTB.

International peacekeeping is one key way to share the costs of defense and makes a great deal of sense if the United States does not want to play the role of top cop. If we engage in more international cooperation, we should be able to lower our defense costs. I am disappointed that House conferees refused to include any of the Senate's $300 million funding for peacekeeping.

Representatives FRANK, SHAYS, and UPTON and I sponsored an amendment in the House requiring increased burdensharing by our European allies that would have saved $5 to $10 billion over 5 years. The vote in the House was 268–144, yet this bill only states the goal that NATO allies pay 37.5 percent of nonpersonnel costs of U.S. presence there by the end of fiscal year 1996. According to DOD's calculations, they pay 36 percent now although their actual cash contributions are only 4 to 6 percent. The U.S. taxpayers are not being well-served by this massive subsidy to nations whose economies are, in many cases, healthier than our own.

The commercial derivative aircraft pilot program included in the bill is important in order to pursue the policy of acquiring nondevelopmental airlift aircraft that is so vital to maintaining adequate airlift. Keeping the cap on the B–2 program at 20 planes as this bill does makes sense, as does putting aside money to study future bomber needs.

Two other prudent steps taken include prohibiting the backfit of Trident II missiles into submarines currently carrying Trident I missiles and a reduction in funding from the administration request for ballistic missile defense.

The language I offered authorizing funding for a battlefield surgical tissue replacement technology was included; this holds tremendous promise for civilian medical applications as well, in cases of trauma wounds.

I am very excited about the potential for sharing with the Department of Justice the nonlethal technologies that have been developed by the Department of Defense. Support for that cooperation is contained in this bill. Law enforcement officials in my district found it very helpful to learn about those technologies at an event I sponsored there earlier this year where representatives of the Departments of Defense and Justice demonstrated some of these items.

There is substantial funding for advanced lithography in the bill even though it was reduced from the House-passed level. This successful cooperation with our private semiconductor industry has helped us regain our competitiveness in the world marketplace.

Our highly capable National Guard was given authority to serve medically underserved areas and a communication and electronics training facility at Camp Rilea in my district was funded.

I was pleased to see my request included for the Marine Environmental Research and Training Station. It will provide educational and training opportunities in environmental, marine industrial, and maritime studies to help foster regional economic prosperity and environmental integrity.

Funding at near the request level was included for environmental restoration and waste management activities at DOE defense sites. We have a responsibility to clear up after the excesses of the nuclear age.

I was particularly pleased that my amendments were included reauthorizing the Hanford Health Information Network and prohibiting disclosure of information gathered by the network.

I requested language that is in this bill funding market diversification feasibility studies, requiring notice for employees related to adverse budget actions, directing the Secretary to encourage greater participation in the technology reinvestment project by labor organizations, and requiring the Secretary to ensure that job creation resulting from TRP awards accrue to the U.S. economy. I also assisted in gaining loan guarantee assistance for small- and medium-sized defense firms to engage in dual use technologies.

I cosponsored legislation that was included in the bill assuring equity between military and civilian retirees as to when they receive their cost-of-living-adjustments. This restores deserved fairness.

The deadline was extended for a health maintenance organization-type program to be considered under the CHAMPUS reform initiative and several actions were taken to improve DOD's medical treatment of Persian Gulf war veterans.

Funding was added for the Defense Women's Health Program that we established last year. I cosponsored legislation that supports this bill's authorization on a reimbursable basis construction of the Women in Military Service for America Memorial. Programs on discrimination and sexual harassment are enhanced by this bill. As was demonstrated in this year's hearing with victims of sexual harassment, it is imperative that we strengthen those programs; we are losing too many outstanding members of our military forces.

Finally, we did two helpful things for families of Korea/cold war missing. A single point of contact within the Defense POW/MIA Office was established and policies for Vietnam era POW/MIA's regarding information disclosure were extended to Korea/cold war missing.

Mr. DELLUMS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HASTINGS). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 280, nays 137, not voting 17, as follows:

[Roll No. 404]

YEAS—280

Abercrombie	Gejdenson	McKeon
Ackerman	Gephardt	McKinney
Andrews (ME)	Geren	McMillan
Andrews (NJ)	Gibbons	Meehan
Andrews (TX)	Gilchrest	Meek
Applegate	Gillmor	Menendez
Bacchus (FL)	Gilman	Mfume
Baesler	Glickman	Mica
Barcia	Gonzalez	Miller (CA)
Barlow	Gordon	Mineta
Barrett (NE)	Green	Mink
Bateman	Greenwood	Moakley
Beilenson	Gutierrez	Mollohan
Bereuter	Hall (OH)	Montgomery
Berman	Hamburg	Moorhead
Bevill	Hamilton	Morella
Bilbray	Harman	Murphy
Bishop	Hastert	Murtha
Blackwell	Hastings	Myers
Bliley	Hayes	Neal (MA)
Blute	Hefner	Neal (NC)
Bonior	Hilliard	Oberstar
Borski	Hinchey	Obey
Boucher	Hoagland	Olver
Brewster	Hobson	Ortiz
Brooks	Hochbrueckner	Orton
Browder	Hoke	Owens
Brown (CA)	Holden	Oxley
Brown (FL)	Horn	Pallone
Brown (OH)	Houghton	Parker
Bryant	Hoyer	Pastor
Byrne	Hughes	Payne (NJ)
Calvert	Hutto	Payne (VA)
Canady	Hyde	Pelosi
Cantwell	Inhofe	Peterson (FL)
Cardin	Inslee	Peterson (MN)
Carr	Istook	Pickle
Castle	Jacobs	Pomeroy
Chapman	Jefferson	Porter
Clay	Johnson (CT)	Poshard
Clayton	Johnson (GA)	Price (NC)
Clement	Johnson (SD)	Quillen
Clyburn	Johnson, E. B.	Rahall
Coleman	Kanjorski	Rangel
Collins (GA)	Kaptur	Ravenel
Collins (MI)	Kennedy	Reed
Cooper	Kennelly	Regula
Coppersmith	Kildee	Richardson
Costello	Kim	Ridge
Coyne	Kleczka	Roemer
Cramer	Klein	Rose
Cunningham	Klink	Rostenkowski
Danner	Kopetski	Rowland
Darden	Kreidler	Roybal-Allard
de la Garza	LaFalce	Rush
Deal	Lambert	Sabo
DeLauro	Lancaster	Sangmeister
Dellums	LaRocco	Santorum
Deutsch	Laughlin	Sarpalius
Dicks	Lazio	Sawyer
Dingell	Lehman	Schenk
Dixon	Levin	Schumer
Dooley	Lewis (CA)	Scott
Durbin	Lewis (GA)	Serrano
Edwards (TX)	Lewis (KY)	Sharp
Engel	Lipinski	Shepherd
English	Livingston	Shuster
Eshoo	Lloyd	Sisisky
Evans	Long	Skaggs
Everett	Lowey	Skeen
Farr	Lucas	Skelton
Fazio	Machtley	Slaughter
Fields (LA)	Mann	Smith (IA)
Filner	Manton	Smith (MI)
Fingerhut	Manzullo	Smith (NJ)
Fish	Markey	Smith (OR)
Foglietta	Martinez	Snowe
Ford (MI)	Matsui	Spratt
Ford (TN)	Mazzoli	Stenholm
Fowler	McCloskey	Stokes
Frost	McCurdy	Strickland
Furse	McDermott	Studds
Gallegly	McHale	Stupak

Swett	Torres	Waters
Swift	Torricelli	Watt
Synar	Towns	Weldon
Tanner	Traficant	Wheat
Tauzin	Tucker	Williams
Taylor (MS)	Unsoeld	Wilson
Tejeda	Upton	Wise
Thomas (CA)	Valentine	Wynn
Thompson	Velazquez	Yates
Thornton	Visclosky	
Thurman	Volkmer	

NAYS—137

Allard	Franks (NJ)	Nussle
Archer	Gekas	Packard
Armey	Gingrich	Paxon
Bachus (AL)	Goodlatte	Penny
Baker (CA)	Goodling	Petri
Baker (LA)	Goss	Pickett
Ballenger	Grandy	Pombo
Barca	Gunderson	Portman
Barrett (WI)	Hall (TX)	Pryce (OH)
Bartlett	Hancock	Ramstad
Barton	Hansen	Roberts
Bentley	Hefley	Rogers
Bilirakis	Herger	Rohrabacher
Boehlert	Hoekstra	Ros-Lehtinen
Boehner	Huffington	Roth
Bonilla	Hunter	Roukema
Bunning	Hutchinson	Royce
Burton	Inglis	Sanders
Buyer	Johnson, Sam	Saxton
Callahan	Johnston	Schaefer
Camp	Kasich	Schiff
Clinger	King	Schroeder
Coble	Kingston	Sensenbrenner
Collins (IL)	Klug	Shaw
Combest	Knollenberg	Shays
Condit	Kolbe	Smith (TX)
Conyers	Kyl	Solomon
Crane	Leach	Stark
Crapo	Levy	Stearns
DeFazio	Lewis (FL)	Stump
DeLay	Lightfoot	Talent
Diaz-Balart	Linder	Taylor (NC)
Dickey	Maloney	Thomas (WY)
Doolittle	Margolies-Mezvinsky	Torkildsen
Dornan	McCandless	Vento
Dreier	McCollum	Vucanovich
Duncan	McCrery	Walker
Dunn	McHugh	Walsh
Edwards (CA)	McInnis	Waxman
Ehlers	McNulty	Wolf
Emerson	Meyers	Woolsey
Ewing	Miller (FL)	Wyden
Fawell	Minge	Young (AK)
Fields (TX)	Molinari	Young (FL)
Frank (MA)	Nadler	Zeliff
Franks (CT)		Zimmer

NOT VOTING—17

Becerra	Lantos	Slattery
Cox	McDade	Spence
Derrick	Michel	Sundquist
Flake	Moran	Washington
Gallo	Quinn	Whitten
Grams	Reynolds	

□ 1754

The Clerk announced the following pair:

On this vote:

Mr. Quinn for, with Mr. Grams against.

Mrs. ROUKEMA and Mr. GUNDERSON changed their vote from "yea" to "nay."

Mr. BARCIA of Michigan changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DIRECTING SECRETARY OF THE SENATE TO MAKE CORRECTIONS IN ENROLLMENT OF S. 2182, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995

Mr. DELLUMS. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 285) directing the Secretary of the Senate to make technical corrections in the enrollment of S. 2182, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore (Mr. HASTINGS). Is there objection to the request of the gentleman from California?

Mr. STUMP. Mr. Speaker, reserving the right to object, I shall not object and I yield to the gentleman from California [Mr. DELLUMS], chairman of the committee, for an explanation of the concurrent resolution.

Mr. DELLUMS. Mr. Speaker, I thank the gentleman for yielding.

By way of explanation, section 3136, as passed by the House would have prevented the Department of Energy from spending more than 50 percent of its program direction funds for Environmental Restoration and Waste Management until DOE had submitted to Congress the three reports comprising DOE's environmental baseline. Since these reports are due to Congress by March 31, 1995, if DOE delivered the reports on time, this fence on DOE's program direction funds would have had no actual effect.

The Senate bill contained no similar provision, Mr. Speaker.

In conference, the Senate and House agreed to reduce the fence on DOE's program funds from 50 to 20 percent. However, while the Statement of Managers, language reflects this intent, the language of section 3136 itself prohibits DOE from spending more than 20 percent of its program direction funds until it has submitted the reports. What it should say, and what the correcting enrollment does say, is that DOE shall not expend more than 80 percent of its program direction funds until submitting the reports.

Mr. STUMP. Mr. Speaker, I thank the gentleman for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 285

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (S. 2182) to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense programs of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, the Secretary of the Senate shall make the following corrections:

(1) In section 3136, strike out "20 percent" and insert in lieu thereof "80 percent".

(2) Amend the title so as to read: "An Act to authorize appropriations for fiscal year 1995 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.".

The concurrent resolution was agreed to. A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill. S. 2182, and the conference report thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4603, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1995, AND FISCAL YEAR 1994 SUPPLEMENTAL APPROPRIATIONS

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–709) on the resolution (H. Res. 523) waiving points of order against the conference report to accompany the bill (H.R. 4603) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies programs for the fiscal year ending September 30, 1995, and making supplemental appropriations for these departments and agencies for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mrs. BENTLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 154, not voting 52, as follows:

[Roll No. 405]

AYES—228

Abercrombie
Ackerman
Andrews (ME)
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Bateman
Bellenson
Berman
Bevill
Bilbray
Bishop
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clement
Clyburn
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cramer
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (TX)
Engel
English
Eshoo
Evans
Everett
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Foglietta
Ford (TN)
Frank (MA)
Frost
Furse
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Gutierrez
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Houghton
Hoyer
Hughes
Hutto
Inglis
Inslee
Jefferson
Johnson (GA)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kingston
Klein
Klink
Kopetski
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Skelton
Slaughter
Smith (IA)
Smith (NJ)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Traficant
Tucker
Unsoeld
Velazquez
Vento
Volkmer
Waters
Watt
Wheat
Wilson
Wise
Woolsey
Wyden
Wynn

NOES—154

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Clay
Clayton
Clinger
Coble
Cox
Crane
Crapo
DeFazio
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gingrich
Goodlatte
Goodling
Goss
Grandy
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Hunter
Hyde
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kim
King
Klug
Knollenberg
Kolbe
Kreidler
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Lucas
Machtley
Manzullo
McCandless
McCollum
McCrery
McHugh
McKeon
McMillan
Meyers
Mfume
Mica
Miller (FL)
Molinari
Morella
Nussle
Oxley
Packard
Paxon
Porter
Portman
Pryce (OH)
Quillen
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (TX)
Snowe
Solomon
Stearns
Stump
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Towns
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—52

Andrews (NJ)
Andrews (TX)
Applegate
Becerra
Blackwell
Brown (CA)
Canady
Coleman
Coyne
Derrick
Edwards (CA)
Fish
Flake
Ford (MI)
Gallo
Gejdenson
Grams
Green
Hall (OH)
Hayes
Hefner
Huffington
Hutchinson
Johnson (SD)
Kleczka
Lantos
Livingston
McCurdy
McDade
Michel
Moorhead
Moran
Murphy
Murtha
Petri
Quinn
Reynolds
Sangmeister
Schaefer
Sisisky
Skaggs
Slattery
Smith (OR)
Spence
Sundquist
Valentine
Visclosky
Washington
Waxman
Whitten
Williams
Yates

□ 1822

Mr. GILCHREST and Mr. KIM changed their vote from "aye" to "no."

So the Journal was approved.

The result of the vote was announced as above recorded.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 140

Mr. ZIMMER. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 140.

The SPEAKER pro tempore (Mr. FARR of California). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

SENTELLE PANEL FAILED TO MEET ITS OWN STANDARD TO ACT IMPARTIALLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, yesterday I sent a letter to Chief Justice Rehnquist asking that a new panel be appointed to determine whether the Sentelle panel, first, met its own "perceptions standard" by removing Special Counsel Robert B. Fiske, Jr., and appointing Kenneth W. Starr and, second, whether the judicial function of the panel has been tainted by political influence.

Mr. Speaker, when the three judge panel of the U.S. Court of Appeals replaced Fiske with Kenneth W. Starr it stated that it was not their "intent to impugn the integrity of the Attorney General's appointee, but rather to reflect the intent of the act that the actor be protected against perceptions of conflict. (T)he court therefore deems it in the best interest of the appearance of independence contemplated by the act that a person not affiliated with the incumbent administration be appointed."

Notwithstanding their own stated purpose for removing Mr. Fiske, the Sentelle panel has failed to meet its own standard and to act impartially.

In fact, they appointed an opponent of the incumbent administration.

At a minimum, the objective of instilling public confidence in the process by avoiding any appearance of partiality has not been achieved. At worst, it could be concluded that partisan politics played a significant role in the panel's decision.

Mr. Speaker, the Independent Counsel Act was enacted over 15 years ago in the wake of Watergate, following revelations of abuses and illegal activity by Nixon administration officials. The stated purpose of Congress was to establish a statutory scheme by which a special prosecutor outside the Department of Justice could be appointed to investigate and, if necessary, prosecute violations of criminal law by high-ranking executive branch officials. What was sought was a person free from divided loyalties and of actual and perceived conflicts of interest.

A second point and just as important, Mr. Speaker, is that the law established a process by which a rather unique legal entity—a three judge panel—would be set up with the sole function of selecting the independent counsel. It is arguable that the process is as important, if not more so, than the individual who is selected to serve as independent counsel.

For, it is that panel which is entrusted with, First, ensuring that public confidence is maintained; second, insulating the decision from political influence; third, making an unbiased

judgment as to who can best carry out the mandate of the law fairly; and finally with fourth, acting with judiciousness.

The appointment of the three-judge panel was a further safeguard to make sure that, First, the public officials who are investigated are treated equally and fairly under the law and second, that the investigations of public officials be done by an individual whose judgment would inspire public confidence.

It almost goes without saying that even though the Sentelle panel is a rather unique creature of law, it is subject to the rules of judicial conduct governing officials of the court.

For example, statutory mandates and ethical guidelines require judges to recuse themselves from participation in cases where they may have special relationships with the parties or issues in a given case—or where there is a real or even apparent conflict of interest. It is not so much an act of questioning the integrity of the judge, as it is a matter of enhancing the public's confidence in the integrity of the decision.

Indeed, Mr. Speaker, it was for this purpose that the Sentelle panel stated that it was removing Mr. Fiske and installing Mr. Starr. Yet, we know that very serious questions have been raised about contacts that occurred between Judge Sentelle and Senator FAIRCLOTH, a leading critic of the administration and of Mr. Fiske, at a pivotal time during the panel's determination of who should serve as independent counsel.

Mr. Speaker, Bruce Fein, a conservative constitutional scholar who is no friend of President Clinton's, concluded in yesterday's Washington Times that "appearances are critical, especially in proceedings bristling with partisan ramifications. The Faircloth lunch, even if only trivialities were discussed, should have prompted Judge Sentelle's recusal." (Washington Times, August 16, 1994)

Mr. Speaker, in light of Mr. Starr's well-known political positions as well as the panel's means of selecting him, any conclusions that Mr. Starr may come up with will be questioned and the panel's stated intent to build confidence in the investigation will be undermined.

Both the process and the newly independent counsel are engulfed in a cloud of suspicion and cannot meet the level of public trust that are critical to such an important legal mandate as investigating the President of the United States.

□ 1830

HEALTH CARE REFORM: GOOD FOR SENIORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. KREIDLER] is recognized for 5 minutes.

Mr. KREIDLER. Mr. Speaker, older Americans spend more today on health care, out of their own pockets, than they did before Medicare was enacted.

That's an astonishing fact. It shows what the relentless growth in medical costs has done, over three decades, to seniors' pocketbooks.

And it shows why senior citizens are so vitally concerned with the health care debate we will have on this floor. We must slow the inflation in health care costs for all Americans. And we must make sure every American has affordable coverage, guaranteed, with choice and quality. Senior citizens, who have worked all their lives, paid their taxes, and played by the rules, deserve no less than the rest of us.

The Guaranteed Health Insurance Act, which our Democratic leader DICK GEPHARDT has proposed, helps fill some of the biggest gaps in Medicare for our senior citizens:

It adds coverage for prescription drugs. This is one of the most devastating gaps in senior citizens' coverage today. Doctors can't treat patients effectively if they can't afford the drugs the doctor prescribes. And too many seniors on fixed incomes must choose between daily medicine or daily means.

It covers annual screening mammography for women over 65, to detect breast cancer so it can be treated early. Right now, Medicare only covers this procedure every 2 years.

It covers colorectal screening to detect colon cancer.

It improves mental health coverage.

It eliminates the limit on lifetime hospitalization.

It will put a cap on how much seniors have to spend each year from their own pockets, a feature of many private insurance plans which Medicare has not had. Seniors will know what's the most they might have to pay, and they can plan accordingly.

It expands managed-care plans under Medicare, offering additional benefits to seniors with no additional cost.

Finally, the Gephardt bill addresses the biggest worry for millions of families—long-term care. The bill includes a program of grants to States for home-and community-based long-term care services. It also sets standards for private long-term care insurance, so people can invest in this coverage with confidence and security.

These are all important and long overdue improvements. They will bring Medicare up to the standard of the best private insurance plans. That's what older Americans need and deserve.

But we also have to deal with the cost of Medicare. Senior citizens know, better than anyone else, that there's no free lunch. Medicare is the fastest-growing program in the Federal budget. Health care inflation is eating up the family budget and the Federal budget. Unless we find a way to control this inflation, we will never make a dent in the Federal deficit, no matter how many programs we cut.

That's why every health care bill on the table includes provisions to hold down future Medicare spending. The Gephardt bill reduces the rate of growth from 11 to 8 percent a year.

What does that mean? Some people will tell you that it means seniors won't get the health care they need. That's baloney.

Some people will tell you it's impossible to control health care costs—they just have to keep rising out of control, year after year. That's baloney too. If we can put the defense of our Nation, and the education of our children, on a budget, then we can put the health care system on a budget too.

Finally, we hear some people talk about Government-run health care—the worst thing in the world, they tell us. Medicare is not perfect, but it provides health security for people who worked hard, raised their families, and paid their dues.

I don't know anyone who would prefer to go back to the days before Medicare, not even those who voted against it 30 years ago. But I guess all those who complain about Government-run health care are really saying they want to get rid of Medicare.

All Americans will benefit from the Gephardt bill. But seniors will be real winners. The bill adds much-needed Medicare benefits. It controls costs, so seniors don't have to keep paying more and more out of their own pockets. And it provides security and peace of mind—not only that they will have medical care, but so will their children and their children's children.

I'm proud to be on their side as this historic debate begins and I urge my colleagues to support the Gephardt bill.

HAITI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, at this time I would like to yield to the distinguished gentleman from California [Mr. COX].

WHITEWATER INDEPENDENT COUNSEL

Mr. COX. Mr. Speaker, I thank the gentleman for yielding.

I rise in response to remarks made by my Democratic colleague from Maryland, who took to the floor to complain about the appointment of an independent counsel to investigate Whitewater matters. I wonder, with issues of health care and crime weighing so heavily on the Chamber at the moment, why it is that a Member would take time out to focus on Whitewater, to complain about the fact that it is being investigated by an independent

counsel appointed by, not the Congress directly, but by judges, a panel of judges convened at the request of Attorney General Janet Reno under a law supported by the Clinton administration and recently passed by the Democratic Congress.

I voted against the independent counsel law. I think the independent counsel law puts Congress and judges in the position of directing prosecutions, where we should not be. That is a violation of our notion of separation of powers. But the independent counsel law was urged upon us by the Clinton administration, by Janet Reno, and by the Democrats that control the Congress.

A three-judge panel was convened at the request of Janet Reno. Instead of leaving Mr. Fiske in his position, which would have been the result if Janet Reno had not requested that a three-judge panel be convened, they chose to appoint someone who did not have Mr. Fiske's conflict of interests.

□ 1840

We know not only that Mr. Fiske was appointed by the Justice Department and that he had announced in recent weeks that his investigation was leading into the Justice Department and the Justice Department's own involvement in Whitewater, but also that Mr. Fiske contributed to Democratic candidates for Congress; that Mr. Fiske had a 20-year relationship with Bernie Nussbaum, the White House counsel who, himself, had to resign as part of the Whitewater matters; that Mr. Fiske's clients had, in fact, borrowed money from Bill Clinton's State agency in Arkansas; and they had, in fact, sold land to the Whitewater Development Corp.

Nobody seemed to complain about these rather obvious conflicts of interest at the time. But now that there is a truly independent counsel appointed by three judges, not by Janet Reno, we are told that this is a terrible thing.

Who is this man Ken Starr? He was the Solicitor General of the United States. He was a judge of the U.S. Court of Appeals, approved unanimously by the U.S. Senate. In fact, he was selected just very recently by Democrats and Republicans on the Senate Ethics Committee to handle the very politically sensitive matter of going through the Packwood diaries. He was on Janet Reno's short list to be the special counsel, the position to which she named Mr. Fiske.

Why is it that we are hearing complaints that now, he is somehow a partisan figure? Perhaps it is because there is concern that a truly independent counsel will get to the bottom of Whitewater. Perhaps there is some concern that the coverup in the House Whitewater hearings was not total and complete and that more of this might come out.

I would hope that that is not the case, but it seems to me that it makes Congress look bad—and Congress already looks bad in its handling of Whitewater—to have Members of the body take to the floor and complain about the independent counsel who is just now beginning his work when, after all, he was appointed at the behest of the Attorney General who convened this three-judge panel.

Frankly, I have no idea whether Judge Starr will be a tiger or a pussycat. I do know that there is no member of the American bar with better legal credentials, and no member of the bar with a better reputation for fairmindedness and unimpeachable integrity—so much so that the Democratic and Republican members of the Senate Ethics Committee unanimously named him to the extraordinarily sensitive task of reviewing the Packwood diaries. I could go on at length about his credentials—a clerkship for the Chief Justice, partnerships in two national law firms, the youngest judge ever appointed to the D.C. Circuit, the Nation's second highest court. And I could go on about his character—his work for his church and for charities, his devotion to his family, the fact that after 15 years in Washington, and a longer time than that at the pinnacle of his profession, he is known as a man with no enemies, and—until now—virtually no critics.

But all that changed overnight when the court appointed Judge Starr to be the Whitewater independent counsel. Now we're told that Ken Starr is too partisan to serve because he is a prominent Republican lawyer who has contributed to political campaigns. Sounds a lot like Leon Jaworski—or Bob Fiske, who is, as the Clinton administration has reminded us ad nauseam, a very prominent Republican. And Mr. Fiske has given money to several political campaigns as well—including Democratic campaigns for, among others, the Republican Senate seat in New Hampshire. And, like Judge Starr, Mr. Fiske served in a key post in the Justice Department, during the Carter administration. Bob Fiske has yet another similarity with Judge Starr: they both were on the short list for special counsel that Bill Clinton's attorney general, Janet Reno, put together in January. Judge Starr was nonpartisan enough for Janet Reno then; he is also nonpartisan enough for the Bill Clinton now. On Tuesday morning Lloyd Cutler said categorically that, and I quote, "We have no reason to doubt the fair-mindedness of Ken Starr." The administration has said, and again I'm quoting, "The President does not think that Starr should step aside." And Mr. Fiske himself has publicly stated, "I can absolutely guarantee you nothing is endangered by the switch." Let me repeat that: Bob Fiske said that he could "absolutely guarantee you nothing is endangered" by Judge Starr's appointment. What do my Democratic colleagues know that Bob Fiske, Janet Reno, Lloyd Cutler, and the Clinton White House don't know? Why are they being more royalist than the King?

Then there is the court that appointed Judge Starr. Mr. Speaker, I'm no fan of the way the Ethics in Government Act provides for appointing independent counsels, and I voted against the law in part on that basis.

I think it is anomalous and in tension with the delicate balance created by our constitutional separation of powers. But the Clinton administration and the Democrats in Congress loved that law, and there was nothing about it they loved more than the way it allowed judges to pick the prosecutor. I could quote to you for hours from Democratic floor statements and committee reports calling that provision the linchpin of the bill; it was statements like that which led the court to find that continuing the Attorney General's appointee in office as independent counsel was contrary to the fundamental purpose of the law. But as soon as they reached that decision—as soon as an independent court actually had the temerity to appoint a truly, visibly independent prosecutor, the majority changed its mind.

The cataract of vilification and uninformed abuse that has fallen on those judges, and on Judge Starr, is truly astounding. I will not try to answer every one of the laughable criticisms that have been made. I will only point out that the court that appointed Judge Starr was composed of both Democratic and Republican appointees, and that these judges unanimously agreed that Mr. Fiske needed to go, and that Judge Starr should replace him.

The panel including Judge Butzner, appointed by President Kennedy to the district court and by President Johnson to the court of appeals, who has also served with distinction on the Judicial Ethics Commission. And Judge Butzner is no potted plant: he dissented from his colleagues' ruling on the Walsh report.

The panel includes Judge Sneed, who taught at Texas, Cornell, Stanford, and Duke before being named to the Federal bench, where he has enjoyed an enviable reputation for scholarship and integrity. As for the chief judge of the panel, Judge Sentelle, who has been singled out for particularly offensive abuse, he has served as a Federal prosecutor, a State and Federal district court judge, and—like Judge Starr—a unanimously confirmed judge of the D.C. Circuit, the second highest court in the land. I have a copy of the letter that the American Bar Association sent the Senate, unanimously attesting to Judge Sentelle's outstanding credentials for the bench. It is signed by Robert Fiske, who also joined in the ABA's endorsement of Ken Starr for the D.C. Circuit Court of Appeals.

The American people know why the Democratic Party has launched an indiscriminate smear campaign against four distinguished judges of both parties. They are aware that this is nothing but well-poisoning—an effort to discredit, in advance, whatever evidence of misconduct the independent counsel may unearth. It speaks volumes about my colleagues' confidence in their President that they feel this effort is needed.

Mr. Speaker, I was asked on "Crossfire" the other night how I would feel if the shoe were on the other foot, and Jimmy Carter's Solicitor General had been appointed to serve as an independent counsel during the Reagan administration. I think it is a revealing parallel. There were Carter administration lawyers, as there are Bush administration lawyers, whose roles in Government involved an engagement in policy and politics that would make their appointment as independent counsels inappropriate. The Solicitor General is not one of them.

The post has frequently been held by judges, or by people who went on to be judges. And it is known throughout the legal profession as a position of unique responsibility, untainted by partisanship. The Solicitor General during the Carter administration, the late Judge Wade McCree, was, like Ken Starr, a widely respected Federal judge who resigned from the bench to serve in that post. Like Judge Starr, he was known for his fairmindedness. And I can attest, as one who served in the Reagan White House, that neither I nor anyone I knew in the administration would have said or believed that such an appointment was inappropriate, or anything other than a faithful execution of the mandate of independence required by the law. I certainly do not believe that we would have unleashed against him, or the judges who appointed him, the shameful campaign of ill-informed abuse and invective that has been directed at Judge Kenneth Starr.

[From the Washington Post, Aug. 10, 1994]

STARR, FISKE MEET AS DEMOCRATS CONTINUE TO PROTEST APPOINTMENT

(By Ruth Marcus)

Kenneth W. Starr, the new independent counsel investigating Whitewater, met in Little Rock, Ark., yesterday with his predecessor, Robert B. Fiske Jr., as the Democratic outcry over the appointment of a partisan Republican continued.

As evidence that Starr's partisan ties make him a bad choice to investigate Whitewater, one Democratic activist yesterday cited Starr's $1,000 contribution to a candidate for Texas lieutenant governor, Tex Lezar. Lezar has run "Whitewater update" radio spots criticizing the Clinton administration.

In one spot, Lezar says Deputy Treasury Secretary Roger C. Altman should resign, saying he "is caught in the middle of an apparent coverup by the Clinton administration." Lezar and Starr are longtime friends who worked together in the Reagan administration Justice Department before Starr was appointed to the federal appeals court here. Starr made his contribution to Lezar's campaign Feb. 14, before Lezar began the Whitewater attacks, and Lezar said yesterday he did not believe Starr was aware of the ads. James Carville, one of President Clinton's closest political advisers, yesterday called on Starr to withdraw from the investigation. "I think he should never have been appointed," Carville said.

Referring to federal appeals court Judge David B. Sentelle, who headed the panel that selected Starr, Carville said, "What is a political protégé of [Sen.] Jesse Helms [R-N.C.] doing appointing a potential senatorial candidate to a position like that? * * * Partisan politics is driving this whole thing." Starr had considered running for the Republican Senate nomination in Virginia. One of the authors of the new independent counsel law yesterday called on Starr to withdraw or make a full disclosure of his political activities to the court panel that appointed him Friday to investigate Clinton and Whitewater.

Sen. Carl M. Levin (D-Mich.) said the panel should explain "why it is that they've concluded that all of these political activities on his [Starr's] part do not create the very type of appearance problem which caused them" to decide not to reappoint Fiske.

Fiske had been named special counsel by Attorney General Janet Reno when the earlier independent counsel law expired. After the law was revived, Reno asked the court to reappoint Fiske under the law, but the court declined, citing the need for the "appearance of independence" in an independent counsel.

Another Democrat, Sen. Patrick J. Leahy (Vt.), said Starr should pledge not to enter electoral politics or to accept a political appointment after serving as independent counsel. "Here's a man who is talking about running for the U.S. Senate, who has always been named as a potential [Supreme Court] appointee if there's a Republican administration, and I think that if he's going to take this he ought to make it very clear that in doing so he's forgoing political ambitions."

Levin and the chief House sponsor of the independent counsel legislation, Rep. Barney Frank (D-Mass.), said they believed letters to the special panel that appoints independent counsels should be public record.

A group of Republican House members and a conservative group headed by one of Clinton's chief political opponents wrote the court to urge that Fiske not be reappointed. But there is no indication of the letters in the court file on the case, which contains only the four-page ruling naming Starr. Under the independent counsel law, no information about a case is released unless ordered by the special court in charge of appointing the counsels. The appeals court clerk, Ron Garvin, said Monday he was unaware of any letters. Through a spokeswoman, Sentelle declined to make public any letters sent to the court. "The general rule should be that if they're read they should be made part of the public record," Levin said of the letters.

"This is a public matter," Frank said. "This isn't some private deal between these wackos and the judges * * *. This is a pending case. I don't think you should be able to write secret letters to judges about pending matters." Frank said he did not believe Starr should step aside from the case.

I thank the gentleman for yielding to me.

Mr. GOSS. Mr. Speaker, I was going to speak about Haiti. I thought that it was very important that that timely response in response to the distinguished gentleman from Maryland be made.

The situation in Haiti is still terrible. We are now having a situation of rebellion going on in Guantanamo, disorders. We have the military police officers; 20 of them have been hurt in a melee down there. We have economic refugees asking to be taken back to Haiti. We have got asylees in Haiti trying to get out of harm's way. They cannot because of the sanctions that we have put on in that country.

We have taken a bad situation, and we have made it worse for true political asylees. We have made it worse for all Haitians, and we have certainly made it worse for the refugee problems which is now basically concentrated in a very miserable situation in Guantanamo.

I wish I could stand here and say we did not predict this, but we did predict this. This is a very bad policy. And we have got now the next potential coming up of this invasion which today's Washington Post said, "U.S. officials acknowledge that an invasion would be staged almost exclusively by U.S. troops."

That is absurd. There is no consensus for such an invasion. Even the United Nations is now trying to negotiate and sending an envoy to Haiti to negotiate a peaceful solution to the problem. This is the same United Nations that authorized anything we need to do to solve the problem in Haiti at our behest, at the United States behest so we could justify an invasion. Things are coming apart fast. We need a new policy in Haiti.

MIDDLE-INCOME AMERICA: PAYING MORE FOR LESS UNDER CLINTON-GEPHARDT HEALTH BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. EVERETT] is recognized for 5 minutes.

Mr. EVERETT. Mr. Speaker, President Clinton is now trying to dupe the American people into believing that the real group to benefit from the Clinton-Gephardt health plan are middle-income Americans. Sounds familiar—doesn't it—I believe candidate Clinton made a similar pledge about taxes.

In truth, the Clinton-Gephardt bill is a bad deal. Middle-income Americans will pay more for less. Let me repeat that; middle-income Americans would pay more money for less coverage under Clinton-Gephardt.

Mr. Speaker, if a businessowner wants to be successful and make a profit, he will offer his customer more goods or services at a lower price than his competitors.

But, unlike the real world, the President thinks he can fool the American people into paying more for less care. Apparently, Mr. Clinton missed the class on basic economics when he was at Oxford.

But, isn't this the same President who promised middle-income Americans a tax cut and then gave America the greatest tax increase in history? That's called a bait and switch. Let's take a closer look.

Under a Clinton-Gephardt system, middle-income Americans would be forced to buy a Government-sanctioned health care plan, regardless of whether they like their current policy or not.

These families would also be required to purchase benefits, many of them quite expensive such as drug and alcohol rehabilitation or abortion benefits, that they may not need or want.

Under global budgets and spending caps, there will be a tremendous amount of cost-shifting away from Medicare and Medicaid-eligible patients to those who have private insurance—hospitals and other providers will have little choice. The current Medicare reimbursement rate is on the average about 59 percent of what private insurers pay for the same procedures or treatment. In view of the funding limits and cuts in Medicare

spelled out in the bill, the disparity in reimbursement rates will only widen. The bottom line is that middle-income Americans will pay the toll through higher premiums, higher taxes, and less care.

Mr. Speaker, this entire discussion could really be boiled down to one simple question, "Who pays?"

Who pays for creating Medicare part C which will expand the total number of Medicare-eligible individuals to roughly half the entire population?

Who pays for the approximately $170 billion a year in low-income subsidies provided for in this bill?

Who pays the 2 percent on health insurance premiums?

Who pays for the Clinton-Gephardt bill in lost or depressed wages, or with their jobs?

Who pays? The answer is simple—who pays now for the waste and fraud in our welfare system?

Who always pays? The middle-income American.

According to a study by the American Legislative Council, the average middle-income American worker who earns between $14,000 and $30,000, will lose anywhere from $660 to $2,300 per year in lost wages, under a Clinton-Gephardt-type employer mandate.

Why is that? Well, it's something that I don't think many policy wonks in the administration have had much experience with—it's called meeting a payroll. I have had to meet a payroll for more than 30 years now as a small business owner. Should a Clinton-Gephardt mandate be enacted, small business owners would be forced to pay 80 percent of the cost of a Fortune-500 equivalent benefits package whether they can really afford to or not. That leaves the small business owner with very few options at the end of the day. Either reduce the hours employees work, reduce their wages or eliminate their jobs altogether.

To highlight this point, an August 8th study by CONSAD Research indicates that in my State of Alabama, employer mandates in the Clinton-Gephardt plan will result in 18,824 people losing their jobs. What about the impact on the local economy? Mr. Speaker, I don't know about your State, but Alabama simply cannot absorb job losses of this magnitude.

In closing, let me say to my colleagues and to the American people watching tonight, Congress cannot seriously ask middle-income Americans to pick up the tab on more time. The alleged advantages of the Clinton-Gephardt plan for middle-income Americans ring hollow just like the ever-elusive middle-income Americans tax cut promised by the Clinton administration and the promise to "end welfare as we know it." Judging from the calls and letters I have received in my office, middle-income Americans are tired of being Washington's "fall guy."

The White House and the Democrat leadership have put on their best "trust us" faces regarding the benefits of the Clinton-Gephardt bill. This brings to mind a bit of wisdom from Abraham Lincoln about fooling all of the people all the time. But, the American people won't be fooled. The Clinton-Gephardt plan is based on paying more for less.

□ 1850

EXCHANGE OF SPECIAL ORDER TIME

Ms. MCKINNEY. Mr. Speaker, I ask unanimous consent to exchange my time with that of the gentlewoman from Florida [Mrs. MEEK].

The SPEAKER pro tempore (Mr. FARR of California). Is there objection to the request of the gentlewoman from Georgia?

There was no objection.

THE TASK FORCE ON THE RADICAL RIGHT

The SPEAKER pro tempore (Mr. HASTINGS). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, there was formed by the majority party a task force called the Task Force on the Radical Right. They met for the first time last Thursday. They selected a chairwoman, the distinguished gentlewoman from New York, LOUISE SLAUGHTER, who is on the floor at this very moment. It was formed by the gentleman from California, VIC FAZIO, who has been my friend of almost 20 years, but he wears two hats.

The gentleman from California is the director or chairman of the Democratic Congressional Campaign Committee, whose principal job is to raise money to defend incumbents. He is responsible also to try and win all open seats and to try to defeat every Republican in the House. He also wears the hat of co-director, with the gentleman from Maryland, STENY HOYER, of the Democratic Caucus, which is the caucus of all the Democrats in the House. He is a very important man. So he forms this task force on the radical right immediately on the heels of a rather offensive speech given at the National Press Club in which he talked about fire-breathing Christians.

Then the gentleman from California [Mr. FAZIO], my friend, says he was not really talking about Christians, just the radical right. However, at this task force meeting on government ground, funded by taxpayers, taxpayers paying for the lighting, the air conditioning, said room, HC-7 downstairs, they had their meeting and they used up the time and taxpayers money of eight Capitol Hill police. Maybe that was to convey the impression that maybe some Operation Rescue unit was going to try and infiltrate the Capitol and make noise outside the hearing room.

Mr. Speaker, when they came out, one of the nine Members of Congress who showed up for this task force meeting said the following:

> We think that religion should not be involved in politics. We are trying to figure out how we can dissuade churches from getting involved in partisan politics. Issues that ought not to have something to do with religion are being targeted by religious coalitions for partisan purposes.

Mr. Speaker, that was said by a gentleman seeking his third term, the gentleman from Virginia, JIM MORAN, of across the river. I drive through his district every night to get to the district of the gentlewoman from Virginia, LESLIE BYRNE, where I live when the House is in session.

Mr. Speaker, there was a Mormon at that meeting, a good friend of mine. We had three fellow Catholics, albeit they are Catholics who are in disagreement with the Magisterium of the church. They must certainly be in disagreement with Mother Teresa, on pro-life issues, and with Cardinal Connor, Cardinal Law, Cardinal Hickey, and all other Cardinals in the Nation, on special rights for homosexuals. But they are nevertheless proud to put "Catholic" after their biographies in the book.

Then there was a good Baptist from North Carolina, along with three Esipcopalians representing some pretty big churches.

Just last week, it just so happens that I passed by a poster shop in Alexandria, in Old Town. I saw in the window this poster that I remember from my youth, painted by Norman Rockwell, to inspire all of his fellow Americans during the Second World War, so that we had a clear focus on what we were fighting for. We were fighting the warlords of Tojo, the fascism of Benito Mussolini, and even Nazi jackboots of Adolf Hitler. We were fighting for freedom of worship, freedom of speech, freedom from want, and freedom from fear.

Mr. Speaker, I remember collecting as a 10- or 11-year-old each one of the covers of the Saturday Evening Post as these paintings came out. Here it is, the most important one of all, freedom of worship. I am sorry it is curling, but this cost me a couple of C-notes, because it is an original, printed during the war, on canvas-type paper. Look at that beautiful picture.

Let me help my colleagues, there. I know the gentlewoman from Georgia, CYNTHIA MCKINNEY, is on the floor now. She was at that task force on the radical right. There it is, the Norman Rockwell, one of the originals: "Save freedom of worship, each according to the dictates of his own conscience." Then there is a little pitch at the bottom about buying War Bonds. I wish I had this mounted on an easel.

Mr. Speaker, when I showed it to the gentleman from California, VIC FAZIO, this afternoon, being a good-natured fellow, VIC said, "There I am in the back row." No, it does not look like VIC at all. One woman in the front has her rosary through her fingers. It reminds me a lot of the nuns and the people I have seen on the front row of some of the Operation Rescue units in front of those mass-killing abortuaries.

Mr. Speaker, here is my problem. They all had this meeting. Not 70 hours later, Bill Clinton, at taxpayer expense, in either a limousine or Marine helicopter, comes down from Camp David, deep in Maryland, where there are plenty of nice churches. He goes to one of the most beautiful churches in this town. The title is a mouthful, but it is fun to say, because it covers the Christian waterfront: The Full Gospel African Methodist Episcopalian Zionist Church. It is a big, beautiful church, and it has a choir as good as any in the entire United States, and there is Clinton in front of that choir, Mr. Speaker, saying that God wants us to vote for this soft on crime, hug-a-thug bill.

Mr. Speaker, I ask you to take a deposition down at the White House from the First Family and ask why they used that beautiful church Sunday.

Mr. Speaker pro tem, since you were at that infamous meeting, I add this article to my remarks:

[From the Washington Times, Aug. 12, 1994]

HOUSE 'RADICAL RIGHT' SUMMIT HAS CONSERVATIVES CRYING FOUL

(By Cheryl Wetzstein and Laurie Kellman)

The "Radical Right Task Force," a closed-door summit of House Democrats, yesterday evoked calls of religious bigotry and misuse of public funds from Republicans and conservative groups barred from the meeting at the Capitol.

"This is a pathetic action of the Democratic leadership of Congress to continue their assault on people of faith and people who want to change Congress," said Rep. Bill Paxon of New York, chairman of the National Republican Congressional Committee.

"Why are they meeting on the taxpayer's dime to develop strategies against people of faith being involved in the political process?" asked Marshall Wittmann, director of legislative affairs for the Christian coalition. "I'm sure there's plenty of rooms at the DNC [Democratic National Committee]."

The meeting was arranged by Rep. Vic Fazio of California, vice chairman of the House Democratic Caucus.

"Given Fazio's well-publicized anti-Christian sentiment, these meetings smack of religious bigotry," said Andrea Sheldon, director of government affairs for the Traditional Values Coalition.

But Rep. James P. Moran, Virginia Democrat, who attended the 40-minute meeting, said it was "to discuss the issues that the radical right has focused on and how it will affect the legislative agenda for the rest of the year."

"We think that religion should not be involved in politics," said Mr. Moran, who is running for a third term. "We're trying to figure out how we can dissuade other churches from getting involved in partisan politics.

"Issues that ought not have something to do with religion are being targeted by these religious coalitions for partisan purposes," he said, adding that the "radical right" is partly responsible for yesterday's scuttling of President Clinton's anti-crime bill.

"They have a responsibility to define who is the 'radical right,'" Mr. Paxon said, adding that the task force's agenda and goals should be likewise clarified.

On Tuesday, Mr. Fazio sent a memo inviting "Democratic colleagues" to the meeting, which was to include "a general update and discussion on recent Radical Right activity."

The meeting was held in a House conference room in the Capitol and was attended by Democratic Reps. Louise M. Slaughter of New York, Mike Synar of Oklahoma, Richard J. Durbin of Illinois, Dick Swett of New Hampshire, Cynthia McKinney of Georgia, David Price of North Carolina and Sam Farr of California, among others.

Democratic House staffers guarded the door to the "members only" meeting, and, by special request, Capitol Hill police patrolled the halls and checked identification badges.

Members of the Traditional Values Coalition and the Christian Coalition waited outside the meeting door.

A spokesman for Mr. Farr, who won a special election for the seat vacated by White House Chief of Staff Leon Panetta, said "the main thrust of the meeting" was "non-profit groups vs. advocacy groups" and "When do [non-profits] cross the line and become advocacy groups?"

Nonprofits receive tax exemptions under the law, whereas advocacy groups do not.

According to House ethics rules, use of "official resources" for campaign purposes is prohibited and use of meeting rooms is restricted to "congressionally related purposes."

In recent months, many Democratic leaders—including Mr. Clinton, Surgeon General Joycelyn Elders, outgoing DNC Chairman David Wilhelm and Mr. Fazio—have denounced broadcasters and groups of the "radical right."

And, Mr. Speaker, to clarify Mr. Clinton's hypocrisy, I include the Washington Times editorial:

[From the Washington Times, August 16, 1994]

GOD AND THE CRIME BILL

So God wants the crime bill passed, does He? President Clinton didn't say where he had gotten the Word, but in an appearance at the Full Gospel A.M.E. Zion Church in Temple Hills Sunday he demanded that Congress "do the will of God" and pass the crime bill. Not a version stripped of the more controversial and wasteful provisions that led to its defeat last week, mind you. No, God, like Mr. Clinton, apparently wants the whole thing.

One can just imagine the outrage that would have resulted if, say, Ralph Reed of the Christian Coalition had headed for the pulpit to announce that his legislative agenda had the Almighty's imprimatur. Obviously, there's a certain amount of hypocrisy involved here. But this holier-than-thou approach to politics, so typical of the First Family, is also another unpleasant reminder that the Clintons simply do not believe there is room for reasonable people to disagree with them. Anyone who does is profane—meaning set apart from God.

For the more secular-minded out there, Mr. Clinton claims that critics have set themselves apart from police. "Now the Republicans say, well, there's too much money for prevention in this bill," he said in his weekly radio address. "They call it pork. Well, all I know is, all the police officers in this country know we need to give kids something to say 'yes' to."

Well, what do God and the police think of the bill's $10 million handout for a new National Criminal Justice Center in the district of Democrat Jack Brooks? It's an important question because the handout won't end there. As a press release from Lamar University, recipient of the $10 million, put it, "In 1986, Brooks and then-Senator Lloyd Bentsen had written into the Superfund Bill language that authorized $5 million to create the Gulf Coast Hazardous Substance Research Center. Since that time, the research center has received more than $16 million in federal funding."

Then there is the $20 million "Hope in Youth" program mentioned in this space previously. Actually the word "youth" appears exactly twice in the entire section, including the title. "Hope in Left-wing Activists" is more accurate, since it would fund "advisory organizations" to provide, among other things, a "multi-issue forum for public policy discussion." This is walking-around money for liberal activists to lobby for still more money.

And what about the $125 million for Juvenile Drug Trafficking and Gang Prevention Grants? The grants are supposed to "reduce juvenile involvement in organized crime." But aside from a few references to sports activities and "artistic enrichment," it's not clear how the $125 million is supposed to do that.

To Washington Post reporter Kenneth Cooper, complaints about pork-barrel spending in the crime bill are just cover for the real objections of the Republicans and 58 Democrats who voted against the crime bill last week. Their real problem is the crime bill's gun-control provisions, he "reported."

No doubt it's true that many lawmakers doubt that taking guns from law-abiding citizens will do anything to reduce crime. But complaints about pork are not new. Wisconsin Republican James Sensenbrenner Jr. wrote an April 6 column in the Commentary pages of this newspaper noting that the "House crime bill has several defects, but perhaps the worst defect is the $8 billion going to social-welfare programs. . . . I say they are a waste of money." Apparently a lot of Republicans agreed because more than 100 voted against the bill that month even though it included no assault-weapons ban.

The respective Senate and House crime bills cost $22 billion and $28 billion. Conferees "compromised" and settled on a total of $33.2 billion. So if anything there was even more pork than before.

If Mr. Clinton wants to turn his moral minority into a majority, he ought to strip out the pork and the gun control measures and give lawmakers a chance to vote on a measure that could really do something about crime. Editors here can't claim a higher authority for such a bill, but one suspects voters would say, "Amen."

URGING MEMBERS' SUPPORT FOR THE OMNIBUS VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. ESHOO] is recognized for 5 minutes.

Ms. ESHOO. Mr. Speaker, I rise this evening to urge my colleagues in the House of Representatives to support

the Omnibus Violent Crime Control and Law Enforcement Act of 1994, Americans know today that this is called the crime bill, and insist that this bill retain the major provisions of penalties and prevention, and, Mr. Speaker, it must include a ban on assault weapons.

Mr. Speaker, as Members of this House, we know the cost of crime in our districts. We see the cost in broken homes, we see the cost in broken bodies, we see the cost of the emotional and physical trauma of the people that we are privileged to represent.

In my district, Mr. Speaker, there is a community by the name of East Palo Alto, in California. In 1992 this small community beat out the District of Columbia as being the murder capital of our Nation, per capita.

Today people are still frightened to leave their homes. There are many other parts of my district that are very well known for their wealth, but this is still part of the 14th Congressional District of California.

Mr. Speaker, just last night this small community of 24,000 people endured an armed robbery, a grocery store shooting, and a shooting in a local tenant complex. We must take every step possible to stop this random, senseless violence which plagues our neighborhoods and our communities, and we can do this by passing the crime bill, which will ban 19 specific assault weapons. These weapons, which include the Streetsweeper, which, by the way, was invented for use in South Africa for crowd control, at, thank God, another time in our history, are designed to kill people, not wildlife, not targets, but people, human beings, and now small children riding their bikes to and from school.

Mr. Speaker, what has this country come to? Does the NRA have no shame? They don't want prevention money in a bill to prevent crime, and they fight and pay for Members here to vote their way to continue to have these assault weapons on our street. I do not think they are on the side of America, and I do not think that is American. That is not something I ever want to stand next to.

Mr. Speaker, I am proud to have supported the rule last week, and I want to make sure that Members stand next to this abiding principle. If there was a time during this second year of the 103rd Congress that I believe the American people felt that their voices had been heard, that a special interest had been passed over, it was when we voted on the assault weapon ban. I think we need to climb that mountain again this week, and I think we need to stand tall and prove to the American people that our own political careers are not what we are here for, but the oath of office that we took when we stood on the floor of this House in this Chamber, that it was for them that we have come here. They deserve better.

Mr. Speaker, we had a press conference yesterday, and they were all women, women Senators and women House Members. We heard the stories of constituents who have lost their spouses as a result of these assault weapons being sold like candy on our streets, available to anyone that wants to use them for whatever insane purpose they may have in mind.

□ 1900

I wish that the NRA was there. I wish that they could have stepped up to a microphone and given an answer to these citizens as to why they would lobby the way they do.

So, America, do not be fooled. This is not about pork. It is about another kind of pork. Prevention is not pork.

If you talk about community centers and what we can do for our children of this Nation, I know what I gave to my children, and you know what? It worked. That may be pork in Beverly Hills, but it is not pork in my community of East Palo Alto. Whether they are black or brown or yellow or white, regardless of what their background is, our children deserve a vote that is going to offer them the kind of prevention that law enforcement from around the Nation have come together and have come to the Capitol this week and said, "This is what we need."

Make no mistake about it, this word pork has had some contagiousness to it. But examine it, America, and listen to really what this is all about. It is about the money that is made on assault weapons. We want to ban them. That must be part of the crime bill. I urge my colleagues to put aside partisanship and what they think is best for their political careers. Do what we were supposed to do in coming here and taking our oath of office. Stand next to every American. Do the right thing and pass a bill that is going to do well by every citizen in America.

TRIBUTE TO OFFICER DENNIS N. GLIVAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. FINGERHUT] is recognized for 5 minutes.

Mr. FINGERHUT. Mr. Speaker, I rise today and invite the Members of the House of Representatives and all people across our country to join with me and the people of the 19th District of Ohio in honoring and paying tribute to the memory of Police Sergeant Dennis N. Glivar of Garfield Heights, OH who was killed in the line of duty August 14, 1994. Mr. Speaker, I also rise today to pay tribute to a civilian who was killed in this awful incident, John Bryant.

In the House of Representatives we are in the midst of a debate about how best to stop crime. While each Member of this body may have a different solution, all of us unite behind the brave men and women who put their lives on the line every day to protect their fellow citizens. Our police forces are the first line of defense against criminals who commit heinous acts of violence.

This past Sunday, Sergeant Glivar was fatally shot during a six-hour standoff with a gunman who was holed up in his apartment after shooting and killing John Bryant. Glivar and his fellow police officer, Lt. Thomas Kaiser, approached the home of the gunman in the hopes of peacefully disarming him. They knocked and ordered the gunman to open the door. The gunman fired several shots, killing Sergeant Glivar and injuring two other officers—Sergeant Thomas Kaiser and Patrolman John Mackey.

Sergeant Glivar, who was 44, joined the Garfield Heights Police Department in September 1972. He was promoted to sergeant in 1990 and was a supervisor for basic patrol. He was a lifelong member of the community, graduating from Garfield Heights High School in 1972. He attended Cuyahoga Community College and John Carroll University. He also served in the Coast Guard and Coast Guard Reserves.

Sergeant Glivar married his wife Debbie in 1983. They had celebrated their 11th anniversary the day before Sergeant Glivar was killed. Glivar always went home for lunch; he was devoted to his wife and family. He is also survived by his mother Helen Glivar, and his sister, Cheryl Janoviak.

Sergeant Glivar loved playing the drums and once played in a band with his late father. He was an avid scuba diver, an amateur meteorologist and had earned a black belt in karate.

Mr. Speaker, this tragic incident began with the shooting of a civilian, John Bryant, who was murdered in cold blood by the same killer who murdered Sergeant Glivar. Mr. Bryant was a 28-year-old man with his life in front of him. He and his girlfriend were walking home from the supermarket when the gunman emerged from a nearby apartment building. The gunman stopped about 10 feet from the couple, uttered a racial slur, and then shot Mr. Bryant in the chest. We cannot find words to express our grief and sorrow at this senseless death.

It is particularly shocking that John Bryant was singled out by this madman because of his race. Mr. Speaker, we know we cannot banish hatred from the hearts of angry men, but surely incidents like this should cause us to redouble our efforts to fight racism of all kinds.

Mr. Speaker, the deaths of Sergeant Dennis Glivar and Mr. John Bryant remind us of our duty to both police officers and civilians in our community. Sergeant Glivar was willing to give everything, including his life, in the line of duty to protect his community. His family, all of Garfield Heights and our community have suffered an enormous loss.

Mr. Bryant's girlfriend, his family and friends, along with Garfield Heights and the entire community have likewise suffered because of Mr. Bryant's death. We mourn with both sets of families and friends.

We can only hope that these senseless acts of violence will teach us all that we must do everything in our power to prevent the killing that we have witnessed in the last few days. We pray with the families of these victims that they will find peace everlasting and that we will work for peace in our own communities on earth.

COMMON SENSE AND THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. TAYLOR] is recognized for 5 minutes.

Mr. TAYLOR of North Carolina. Mr. Speaker, I am here again tonight to talk about the crime bill and the area of common sense.

Some months ago we did a special order on the area of deception, pointing out what many times this body passes is nowhere close to what the advertisement and the press headlines are about that particular piece of legislation. I recalled, for instance, the $8 billion that was supposed to be spent for earthquake relief for Los Angeles and all the hype that was given for the earthquake relief for Los Angeles. All of us felt a great deal of concern about the victims of the earthquake, and that $8 billion was passed. Then we found that almost $4 billion of it turned out to not even be close to Los Angeles, nor even close to a rumble of an earthquake. It went to Arkansas and West Virginia and various other places. I think one television network did, 3 weeks later, a special on that pointing out how much pork had been rushed in under the guise of being earthquake relief for Los Angeles.

We are finding it here again in the crime bill, or the so-called crime bill. Most of us in this country are seriously concerned about crime. The gentleman who just spoke before me gave evidence of a tragic situation where a police officer had been killed and a citizen before that police officer had been killed and I think all of us sympathize with the family of both of those victims, and we sympathize with victims all over the country. But we need to point toward what counts.

If you read a recent article in the National Review, they did a several-page study on the way we are releasing violent criminals. In fact, they pointed out nationally almost one-third of all violent crimes are committed by criminals on parole or pretrial release. They pointed out the shortness of time one gets for murder, the shortness they get for violent crimes such as assault or automobile theft or breaking and entering. They point out that we are 8 times more likely today to be put on parole for a violent crime than we were 30 years ago in this country for crimes committed.

So those are the areas I would like to see us focus on, rather than focus on a $33 billion bill that has such questionable crime prevention measures as a $10 million gift to the chairman of the Judicial Committee's alma mater. It is hard for me to find the crime-fighting aggression there, but it must be. But if you look at the weaknesses of the bill, and that is all I have time to point out at the moment, none of the prison funding in the bill must be spent for prison construction or operation. There is over $8 billion of prison construction money in the bill, $1.8 billion of it is money to alleviate the cost associated with incarcerating illegal aliens, so it is not directly construction for new prisons. But even if you take that remaining, a little over $6 billion, none of that has to be spent for funding prison construction or operation.

Then we look at the truth in sentencing law. The conferees' bill conditions as much as 40 percent of the so-called prison funding on States' implementation in the truth in sentencing and this is what we are talking about in trying to get sentences carried out rather than parole or pretrial release. But they merely have to make progress toward that goal of truth in sentencing, that is, completing sentences. They do not have to really serve the time that they are given.

I think most people in this country want those sentences served, or at least the great portion of them served, and this bill does not do it.

□ 1910

Then, last, we talk about the funding for the 100,000 police officers that has been touted so much. In the first place, that money has already been appropriated this year. It is coming back from conference. It appropriates $13,000 per officer, one shot, $13,000.

Most law enforcement agencies say that it will take close to $70,000 to put policemen on the street. So this $13,000 will go toward that $70,000, and from then on the local police have to pick up the cost.

The past chairman of the National Sheriffs Association, a Democrat, has said, and he is in a metropolitan county, he does not intend for his office to use that process because first of all it provides no equipment. Second, it is too bureaucratic, and third, it provides $13,000 and then leaves them in the county in a lurch for the policemen they may need, and if they had the funds they would already be putting the policemen on the streets, and $13,000 is such a small impact it will hardly pay for the bureaucratic trouble of the national grant. This is from the National Sheriffs Association, the past chairman, a Democrat.

So Members can see why many of us, Mr. Speaker, are skeptical about this so-called crime bill.

THE CRIME BILL

The SPEAKER pro tempore (Mr. FARR of California). Under a previous order of the House, the gentleman from Georgia [Mr. BISHOP] is recognized for 5 minutes.

Mr. BISHOP. Mr. Speaker, on Wednesday, August 10, more than 600 law officers from two States came to my hometown to pay their last respects to a Columbus, GA police officer who was gunned down in the line of duty.

Early that Sunday morning, officer Ed Osborne, a 31-year-old, 4-year veteran of the force, made what originally appeared to be a routine pickup of two youngsters violating the local curfew. As officer Osborne took the young men home, a gunshot shattered through the back of his head and took his life. A 15-year-old stands accused of murder and officer Osborne leaves behind a widow, two children, his parents and other family members. Officer Osborne is the 23d member of the Columbus police force to be killed in the line of duty.

In his eulogy, the Reverend Creede Hinshaw of the St. Mark United Methodist Church said:

> A hero is a person who wears a uniform and drives a patrol car through the streets * * * who after the city has gone to sleep and after the parents care no longer, is there to take two juveniles home after curfew.

I would add to that:

> A hero is a legislator who sets aside political wrangling to provide the necessary protection for police officers who risk their lives each day and night and for the people that legislator serves.

As Members of the House continue to send smoke signals with this bill, we are wasting precious time posturing and playing politics with a crime measure of life-saving importance to each and every individual and neighborhood in this Nation. This is not a measure to be used as a platform on which we should campaign or attempt to weaken the President. This is not a bill we can afford to withhold from the people for even just one more day. As we waste this precious time posturing and politicking, we risk losing more officers like officer Osborne. And we risk losing to our crime-plagued streets more 15 year olds like the one in the back of his patrol car by not banning the sale of handguns to minors who will take somebody's life and at the same time subject his own to a life of imprisonment.

Are the lives of the people we are sent here to represent not sacred enough to set aside the status quo of political posturing and politicking for this life-saving package that will also restore safety and sanity to the streets of America?

This is the first bill of its kind, Mr. Speaker, to evenly distribute funds for punishment, more police officers, and prevention programs. It is the first anticrime bill to come this close to becoming law in 6 years. A balanced approach that evenly provides protection and prevention approaches already tested on the streets will, I am confident, help us reclaim our streets and win the war on crime and is worthy of our approval.

Nevertheless, some Members, particularly from the other side of the aisle, have attacked this bill—claiming its preventive measures are nothing but pork.

For instance, the minority leader, Mr. MICHEL of Illinois, just last week called this measure, and I quote "an unholy trinity of pork, posturing, and partisanship."

During their rounds on this weekend's network talkshows, we heard Republicans blast as pork the prevention programs such as midnight basketball, and gang prevention grants, which I thought—based on what I was hearing—were nothing but partisan proposals put forth by Democrats.

But what is odd, Mr. Speaker, is that the Republicans, in their malicious attempt to divide this House and sink this proposal, favored these programs less than 1 month ago.

Let's look at the facts. Title 10, subtitle E of the Republican anticrime proposal offered just last month called for $128 million for, and I quote "sporting and recreational equipment * * * meals * * * an initial basic physical examination * * * first aid * * * and nutrition guidance." The same subtitle calls for even more money for, and I quote "supervised sports programs."

And there's more. The same section of the Republican's anticrime proposal calls for, and I quote "sports mentoring and coaching programs in which athletes serve as role models for juveniles to teach that athletics provides a positive alternative to drug and gang involvement."

First, I want to applaud my colleagues on the other side of the aisle for including these preventive programs. These initiatives show that Democrats and Republicans are in fact on a more common ground than the public seems to have been hoodwinked into believing in terms of finding solutions to the problems that confront America's youth. However, this language runs contrary to this "trilogy of pork" pontification we heard preached by Republicans throughout the past week. Sporting and recreational equipment? Supervised sports programs? Sports mentoring and coaching programs to teach that athletics provide a positive alternative to drug and gang involvement? The creation of boys and girls clubs in public housing? Sounds like midnight basketball to me! In fact, I don't know whether to be angry or elated. These are the type of programs we democrats have been defending for the last week when in fact they are bipartisan proposals.

Now is the time for Republicans to come out from under the Rocks where they have been hiding—while their leadership has allowed but a few of their leaders to speak their untruths—and accept and endorse the programs they have in fact supported and now run from.

Republicans not only will accept preventive measures like midnight basketball, Mr. Speaker, in fact they have proposed them. However, rank and file Republicans can only support them when their leaders unshackle them from silence and allow them to speak for and embrace what they know is right. To remain muzzled so as to gain political ground and attempt to cripple our President at the expense of our communities, constituents and law enforcement officers is wrong. Republicans, take off your muzzles. Come out and publicly support these preventive measures you have proposed.

Crime is not a partisan issue. Safe communities free from crime and drugs are nonpartisan, and I call on Democrats and Republicans alike to pass this crime bill and restore sanity and security to our streets in the name of Officer Osborne and even the life of the 150-year-old whose life is now lost to life imprisonment.

THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. BARRETT] is recognized for 5 minutes.

Mr. BARRETT of Wisconsin. Mr. Speaker, I will vote in support of the crime bill because it is the right thing to do, and I urge my colleagues to respond to the pressure and support this bill.

I am not talking about the pressure exerted by the President. I am not talking about the pressure exerted by lobbyists or special interests, and I do not mean the political pressure whether passage of this bill will be good for one's reelection. Anyone who makes a decision on this bill based on those pressures does not deserve to be back here next year.

I am talking about the pressure we should all feel because there are kids dying in violent ways in the streets of my hometown in Milwaukee and on streets throughout our country. Members of Congress should feel the pressure because the people of our country sent us here because they have faith in our ability to get something done. They did not send us here to use every procedural trick in the book to stop progress on the one issue they have said is most important: to safely walk the streets at night and to feel safe in their homes.

We all know that this bill or any other bill is no panacea. Congress will never be able to fashion a bill that completely obliterates crime, but a comprehensive approach to crime fighting is our only shot at making a difference, and this bill attacks crime from many important angles.

□ 1920

First, the bill would put an additional 100,000 police officers on the streets of America. For my home State of Wisconsin, that translates into another 2,000 cops walking the streets. It is plain and simple, more police on the beats means safer neighborhoods. We all know that.

Second, the bill increases penalties for violent crimes and puts repeat violent offenders behind bars for life. The "three strikes and you are out" provision counts State crimes as the first two strikes, thereby expanding the number of criminals the law covers.

The crime bill toughens penalties for gang activities and drug crimes.

Third, the bill bans the sale and manufacture of military assault weapons. I have heard the claim that the second amendment rights are being violated, but there is no doubt in my mind that following enactment of this law all the citizens of the United States will remain free to exercise their right to bear arms. The second amendment does not give anyone the right to have a big fighter jet parked in their driveway or a nuclear sub in the backyard pool.

I come from Wisconsin where hunting is very important. In fact, it is an integral part of the history, culture, and economy of my State. I have heard claims these weapons are needed for sport. I have studied this bill carefully. I believe it will not prevent hunters and sportsmen from engaging in legitimate hunting pursuits.

With over 650 weapons specifically exempted by name in this legislation, I am confident there remains ample opportunity for hunting and sport.

I have also heard the claims this provision will do nothing to reduce crime. While these weapons make up less than one-half of 1 percent of the firearms in this country, they account for 8 percent of the firearms that can be traced to crimes. The weapons prohibited under this measure are military weapons. They are not designed as toys. They are not designed for sport. They are designed with only one purpose in mind: killing people.

I talked to a constituent in my office recently who is opposed to the ban on assault weapons. He said the number of crimes committed with assault weapons is statistically insignificant. I told him to look in the eyes of a woman whose husband had been killed by an assault weapon, a police officer near our home, and tell her that her husband was statistically insignificant. He could not do so.

Fourth and finally, this bill also funds important crime prevention programs. We have heard a lot in this Chamber about the basketball program. I will tell you that I think the basketball program is a good program. When I look at basketball and what it can do for young people or any other sport, for that matter, I think it can provide positive outlooks.

I recently held a youth summit with the youth in my district and asked them, as the experts on what we could do for them, what they recommended. What they told me is they need positive outlets for their energy. They need positive things to do where they can work with other teens, and if you look at a team sport like basketball or baseball or football or any other team sport, I look at that sport and it teaches teamwork. It teaches hustle. It teaches determination. It teaches effort. It teaches a young person the value of winning, and it teaches a young person that they can get up after losing and go on.

In my mind those are all-American values that I think we should be pushing as hard as we can so that the young people in this country learn how to work with other young people. For me that is very important.

The United States has a higher incarceration rate than any advanced nation in the world. That tells me that the answer to our crime problem goes beyond just tougher penalties. It tells me there is something fundamentally wrong with the way many of our children are growing up.

Again, we have to provide ways to prevent them from committing crimes in the first place, and by having programs like the basketball program we can do so.

Many of these prevention programs are designed to provide positive alternatives for our youth. Included in these programs are education, job training, drug treatment, mentoring, and recreation initiatives. These activities do not coddle criminals at all. Rather, they seek to prevent children from growing up and becoming criminals.

We owe it to the American people to pass a crime bill. What higher responsibility do we have here than to work together to improve the safety of American families?

I respect the right of Members of Congress to disagree with some of the provisions of this bill. I don't agree with everything in it either. But Members of Congress must not abdicate their responsibility to work together to put new Federal laws on the books that put criminals out of business.

Let's stop playing politics with the crime bill. Let's show the American people we can work together to get something done for them.

THE CRIME BILL: PREVENTION PROGRAMS ARE NECESSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, as we debate the crime bill, it is critical not to lose sight of the purpose—to act upon the causes as well as the effects of crime.

This crime bill is not a perfect bill and there are things in this bill that I do not support—such as the 50 additional death penalty offenses, the three strikes and you're out; and the omission of the Racial Justice Act. But in spite of these limitations this bill has value for the American people and their communities; it includes law enforcement, jail construction, stricter sentencing, and prevention resources.

Some of my colleagues would have you believe that the only way to fight crime is to build more jails and more jails. We do need more jails and at the rate we are preventing crime—we will need many more jails, more jails than the Federal budget can support.

It is all well and good to spend the taxpayer dollars upon construction programs for additional prison space nationwide to house those already convicted of a crime. However, some on the other side of the aisle would have you think that all prevention programs are pork, frivolous and unnecessary, but why should prisons be the only beneficiaries of the Federal funding appropriated through this legislation?

I do not believe that tack to be in the best interest of the Nation. The cost-benefit analysis reflects that the smart and prudent legislator should support prevention programs because they give the most bang for your buck. It costs the State of North Carolina over $24,000 a year to incarcerate a prisoner while it costs the Federal Government over $20,000 dollars per year to incarcerate a prisoner—that $20,000 is more effectively spent, I feel, in efforts to keep our youth from becoming criminals in the first place through educational programs, training programs, after school programs, boot camps, and recreational programs, including basketball leagues during the day as well as the evening.

Given the rate of construction jails—that seven billion dollars designed for prevention only goes so far—it will only pay to incarcerate 350,000 people—a finite number—the funds, if spent on prevention programs, have the potential to reach millions more of Americans—as well as to make them productive members of society, free, contributing to their Nation—not in jail, supported by society. Thus, I believe it is in our Nation's best interest to reach out and help as many young people as we can, and that is through prevention programs.

Ms. FURSE. Mr. Speaker, will the gentlewoman yield?

Mrs. CLAYTON. I yield to the gentlewoman from Oregon.

Ms. FURSE. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, yesterday I looked into the eyes of two people whose loved ones were gunned down by a madman with an assault weapon. Mr. Speaker, we need a strong crime bill.

I would like to ask people: Do not listen to the talk-show hosts. What do they know about law enforcement? What do they know about crime prevention? Do what I do, talk to the experts, the police chiefs, the sheriffs of the First District of Oregon. They support this crime bill. Listen to those who dedicate their lives to protecting our communities.

I ask my colleagues, let us not posture on this bill. Let us legislate. That is what we are paid to do.

□ 1930

HEALTH CARE REFORM: REMARKABLE EROSION OF SUPPORT AMONG MIDDLE-INCOME AMERICANS

The SPEAKER pro tempore (Mr. FARR of California). Under a previous order of the House, the gentleman from California [Mr. COX] is recognized for 5 minutes.

Mr. COX. Mr. Speaker, there has been a remarkable erosion of support among middle Americans, that is to say Americans of middle-income, for the Clinton health care bill and for the Clinton health care bill in its legislative form in the other body, where it is the Clinton-Mitchell bill, and in the House, where it is the Clinton-Gephardt bill. The same phenomenon occurred last year during consideration of the Clinton tax bill. During the 1992 campaign as a candidate he talked about middle-class tax cut, but in fact we know how quickly that evaporated once we got down to brass tacks. Instead this Congress pushed through the biggest tax increase in American history, one that directly impacted the middle class, for example, seniors receiving Social Security making $14,000 got a 70-percent effective rate increase on their Social Security benefits. That is how much their income taxes went up on Social Security benefits.

That record-breaking tax increase passed by the Congress will pale in comparison to the Clinton-Gephardt bill that we are likely to take on here in the House, although it is difficult for us to talk about it as Members of Congress because while we have looked at the press releases and press statements about the bill, we are still waiting, we are still waiting for a bill even though we are just days away from adjournment. And the Congress hopes to act on

health care before we adjourn. But we do not have a bill. The Congressional Budget Office has not been able to give us an estimate of how much precisely in the way of new taxes the bill contains and precisely how much in the way of new spending the bill contains. We simply have not read it. This is more than a trivial point. Health care comprises one-seventh of our Nation's economy. It is also on a more personal level a matter of life and death for every American. One would think that a new health care plan prescribed by the Federal Government for the whole country would therefore be the most carefully studied document since the Constitution. But instead when, as, and if this Congress and House get around to seeing and voting on a bill, we are going to find that Members have not had a chance to read it, that in fact when we vote Members will know more about O.J. Simpson's blood type than they will about the content of our own health care legislation. But we operate necessarily in an environment of uncertainty. We do not have a bill, but we must debate what it is we anticipate because after all the vote will be upon us and that will be it and we will have an election. We must adjourn at some point, and that point is arriving rather quickly.

Why are people skeptical of what they have been seeing? The Heritage Foundation did an analysis of the Clinton-Gephardt bill as it was released. What they found is that the new taxes, and there are many of them in the Clinton-Gephardt bill, would amount to $42.6 billion in the first full effective year of the plan in 1999, on top of the current costs on the system. People who are saying these new taxes are only going to displace existing health care costs or somehow limit the growth of health care costs must face this fact; $42.6 billion in new taxes will be imposed by the Clinton-Gephardt health care bill on top of our current estimates for how much the existing system is going to cost.

Now, the average additional tax burden per individual as a result of the Clinton-Gephardt bill, according to the Heritage Foundation is $430 per individual on average. The Clinton-Gephardt bill unquestionably is going to offer Americans less choice. It does not quite do justice to the fact to say less, almost none compared to what presently an insured American has available.

Congress and the Federal Government are going to prescribe a standard health care plan. And that is going to be the norm for the country, like it or not. If your existing plan is different than the standard plan, if you continue to get those benefits, you will pay a tax, not only will you pay a tax but your employer will pay a tax. The new taxes imposed by the Clinton-Gephardt bill are going to be split 80 percent by the employer and 20 percent by the individual. So 20 percent of these new taxes will come directly out of the paycheck of the American worker. There will be far more bureaucracy in this plan because for a substantial part it is going to rely upon something called Medicare Part C. Medicare Part C is, in effect, a Government-run insurance plan that will extend, together with the existing Medicare program to over half the entire population or to about half the entire population, according to our best estimates. Half of the American people at that point will be getting their health care from a Government plan, as compared to the current system.

The more Americans learn, it seems the more likely they are to realize that instead of providing Americans with greater health security the Clinton/Gephardt plan, Clinton/Mitchell plan over in the other body, and whatever congressional cousins are aboard or are just now being written in so many different staff offices, will create greater uncertainty, especially for middle-income Americans. Middle-income Americans will pay more in both taxes and health care premiums for less in both taxes and health care premiums for less in both quantity, availability of health care and the quality of that care. Why will they be paying more in premiums? We discussed why they pay more in taxes under the Clinton/Gephardt bill, why pay more in premiums, because of the community rating system. That is where factors like age cannot be taken into account. Senior citizens incur about 4 times on average in the way of health care costs as younger working Americans. If you are under 45 years old, you will have a steep increase in your health care premiums under a community rating system. So for all Americans under 45 years old, the Clinton/Gephardt plan, the Clinton/Gephardt health care plan, is going to represent a big increase in premiums on top of the payroll tax increase. It is not surprising then that the strategy of the Democrat leadership is to, in the words of Senator ROCKEFELLER, pass health care regardless of the views of the American people. I would hope we would not handle it that way. I do hope instead of a legislative version of blindman's bluff we will get at least 30 days to read any health care bill that will come forth for a vote.

DO NOT CHANGE THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. MALONEY] is recognized for 5 minutes.

Mrs. MALONEY. Mr. Speaker, yesterday, I was privileged to stand side by side in New York City with the Attorney General of the United States, Janet Reno, the Governor of New York, Mario Cuomo, the police commissioner of New York City, William Bratton, the U.S. attorney for the southern district of New York, Mary Jo White and my colleague CHUCK SCHUMER, to urge the House to pass the omnibus anti-crime bill with the ban on assault weapons.

I want to congratulate President Clinton and Attorney General Reno for their strong fight to pass the crime bill.

Clearly, in New York and across the country, guns and crime are out of control.

Most New Yorkers have feared for their lives at one time or another.

A few years ago, three armed thugs broke into my home, physically attacked my daughter, my husband, and me.

We escaped that attack with our lives.

Others have not been so lucky.

Many of us remember all too well the horrible attack on religious leaders driving across the Brooklyn Bridge.

This attack was carried out by a crazed man with an assault weapon; a weapon that the crime bill would ban.

Crime is so bad that one of New York's daily newspapers publishes a daily count of how many of our citizens were shot and killed the day before; 621 have been gunned down this year; 5 people were killed on Monday. One was a 13-month-old infant shot to death while he slept in his mother's arms.

But last week, the House turned a deaf ear to those victims and their families by rejecting the Federal crime bill on a procedural vote.

The crime bill contained more than $30 billion in Federal aid to localities to fight and prevent crime.

After 12 years of declining Federal aid to the cities under previous administrations, this crime bill is undoubtedly one of the best pieces of Federal legislation for my city in more than a decade.

And I want to congratulate Mayor Giuliani, who was here in Washington today to fight for this bill, for recognizing that there is no Republican or Democratic way to fight crime.

Thanks in part to the mayor's input, the crime bill would provide millions of dollars to upgrade police equipment and computer systems and pay for overtime costs. This will allow more cops to get out from behind desks.

The crime bill will provide millions for new prison construction. This will ensure that the bill's truth-in-sentencing provisions can be enforced so prison will not be a revolving door.

The bill will root out crime with prevention programs, including keeping schools open after hours and on weekends, and providing job training and job creation in high-crime areas.

To fight domestic violence, the bill will fund the Violence Against Women Act. Right now, if you assault a stranger, you go to jail. If you assault your

spouse, you get therapy. The Violence Against Women Act brings an end to this backward system. It provides new Federal penalties for interstate spousal abuse and stalking.

And it includes provisions to train the police in how to deal with domestic violence.

Out of 178,000 radio calls to the police relating to domestic violence, less than 7 percent result in arrests.

Clearly, we need to train our police better then we have been doing. This crime bill will accomplish that goal.

The bill will fund model intensive grants that enable high-crime areas to implement comprehensive and intensive anticrime efforts.

The bill requires mandatory drug treatment for prisoners; almost every expert agrees that drug rehab drastically reduces the number of repeat offenders.

The bill requires drug courts for nonviolent drug offenders, freeing up court space for trying violent crimes.

The bill creates local partnership grants that will provide Federal support for the unique, successful programs developed by each community to combat crime within its jurisdiction.

This is not pork, it is prevention. And those who refuse to distinguish between the two are engaging in the most cynical kind of politicking.

Mr. Speaker, some people say that the crime bill needs to be changed so that it will pass.

Some have suggested stripping the assault weapons ban out of it. I say no, a thousand times no. It is a travesty that a narrow special interest, far out of step with the will of most Americans, is able to block this provision. If this Congress is unable to take assault weapons off the streets, then we should fly the white flag of surrender over the Capitol dome instead of the Stars and Stripes.

I think this bill does not need to change. It is Congress that needs to change.

It would be a crime to vote against it.

□ 1940

PASS THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House the gentlewoman from Georgia [Ms. MCKINNEY] is recognized for 5 minutes.

Ms. MCKINNEY. Mr. Speaker, the crime bill has been kidnaped. The toughest, most balanced plan this Congress can pass has been hijacked and held hostage by the special interest terrorists. I want to take this opportunity to salute the brave Republicans who stood up to an enormous amount of pressure from the NRA and from within their own ranks. They put partisanship aside and did what was right for this country.

I am sure that those who voted against the rule had their reasons. The American people should make the distinction between those who voted against the rule out of moral objection to the death penalty and those who voted against the rule out of fear or partisan politics.

The forces that have kidnaped the crime bill threatened individual Members where it hurts the most, in their bid for reelection. There were threats to cut funding and run real Republicans against any that voted for the rule. The American people need to know that the crime bill is being held hostage by the propaganda of partisan politics.

The kidnapers' ransom note says that they want to cut the prevention money that goes to programs like midnight basketball, gang prevention grants, and other programs that get at the root causes of crime in our young people. The kidnapers believe that the only way to solve crime in America is after the fact. In other words, a crime has to be committed and that person be caught before anything can be done. The ransom note should read, "We don't want children to have a book or basketball in their hands. They should have an Uzi or an AK-47 instead."

By delaying this crime bill the special interests have done more than put our children at risk. They have kidnaped the Violence Against Women Act, the child pornography provisions, rural drug enforcement grants, the death penalty provisions, 100,000 new police officers, and the prevention programs. As many as 100,000 new police officers will be the first line to prevent crime. Police Chief Dan Norris of the Monticello Police Department wrote to me about the need for additional police officers to help turn the tide of the drug war in Jasper County. What am I to say to Police Chief Norris and my constituents that live in the crossfire? Sorry, your policemen have been kidnaped?

There has been a lot of talk about this crime bill being a social spending bill. Let us look at the facts and let the American people decide: 72 percent of the money in the crime bill will go to police and prisons. Another 13 percent goes to programs like the violence against women and drug courts. The prevention programs add up to less than 15 percent of the entire bill. So, contrary to the Republican line, this bill is not laden with pork. This bill is carefully crafted with an ounce of prevention and pound of punishment.

Now I would like to thank the Members of the freshman class of the 103d Congress for joining me here tonight in support of the crime bill. I would like to thank the freshmen who participated in this series of crime bill special orders: The gentleman from Georgia [Mr. BISHOP], the gentleman from Wisconsin [Mr. BARRETT], the gentleman from Ohio [Mr. FINGERHUT], the gentlewoman from North Carolina [Mrs. CLAYTON], the gentlewoman from California [Ms. ESHOO], the gentlewoman from New York [Mrs. MALONEY], and the gentlewoman from Oregon [Ms. FURSE]. I would also like to take a moment to congratulate the gentleman from Texas [Mr. BROOKS], the gentleman from New York [Mr. SCHUMER], Chairman BIDEN and all of the Republicans who worked in good faith to pass this crime bill. This hour has been dedicated to the young people and their parents, to the policemen and to all Americans who live every day and night in fear and who merely want to feel safe once again.

Mr. Speaker, America deserves this crime bill. We encourage our colleagues to hear us, to hear the pleas of average, ordinary Americans and pass this crime bill.

THE HEALTH CARE BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. RAMSTAD] is recognized for 5 minutes.

Mr. RAMSTAD. Mr. Speaker, even though the official debate on health care has not begun in the House, it is extremely important to provide the American people with as much information about this legislation as possible.

American families and businesses will experience a dramatic change in the way they receive and pay for health care if the Clinton/Gephardt bill is adopted.

Despite claims by the Clintons that their proposal—reincarnated in the Clinton-Gephardt package—is designed to help middle-income people, a commonsense analysis of the plan shows that is simply not true.

In fact, instead of improving the health insurance and financial health of middle-income families, the Clinton-Gephardt bill provides expensive and inefficient coverage for a relatively small number of people, charging hard-working, middle-income Americans for the massive program.

As economist Martin Feldstein noted in a recent Wall Street Journal column:

> If President Clinton really wanted to help middle-income people, he would focus on the health insurance issue that he knows is its primary concern: the ability to maintain existing coverage after a job change or the loss of an employed spouse.

Instead, the Clintons and the Democrats in Congress have devised a system that forces the employers of middle-income Americans to provide costly insurance policies designed by Congress or Federal bureaucrats.

Imposing this implicit payroll tax on employers and employees will hit small businesses—which shouldered the bulk of the Clinton tax hike last year—especially hard.

It does not matter whether employer mandates are employed now or triggered at some point in the future—they are wrong.

Even with employers paying 80 percent of premium costs, employees will be left to pay substantial premiums out of their own pockets because the plan mandates such a benefit-rich health care policy.

For the typical married couple, the required out-of-pocket premium would be $872 a year. The administration itself has acknowledged that more than 40 percent of Americans could face higher out-of-pocket premiums under the Clinton plan than they do today.

The high-priced benefit package that the Clinton-Gephardt will would force all Americans to buy would also reduce wages as employers would be forced to find a way to cover cost of the more expensive plan.

But as study after study has shown, the impact on middle-income workers will not end with lower wages. A recent JEC compilation of studies shows that an employer mandate—like the one the Clintons are trying to sell the American people—will kill jobs outright.

While the studies vary widely in their methodologies and assumptions, they all point to massive job loss. According to the survey, those at greatest risk of losing their jobs are low- and middle-income workers.

The cost of the proposal—seen in both lower wages and higher out-of-pockets costs—will hit young Americans just entering the work force and those beginning families particularly hard.

Mr. Speaker, instead of adopting a jobs-destroying, government-controlled health care plan, we should enact meaningful reform which includes malpractice reform, a reduction in administrative costs through streamlining and eliminating unnecessary duplication, and relief from many of the burdensome State mandates.

To expand access, we need to equalize the tax advantages of buying insurance, provide tax credits for low- and middle-income taxpayers, and vouchers for the very poor to purchase insurance.

In addition, everyone should be allowed to save, tax-free, for future medical expenses. Through a medical savings account, individuals and families could save for minor medical costs such as annual checkups and minor illnesses and purchase a catastrophic insurance policy for major expenses.

Mr. Speaker, as we begin the debate on this critical subject, we must keep in mind our overriding goals.

Instead of adopting policies that rob hard-working middle-income Americans through higher taxes and premiums, we need to act responsibly to give all Americans security and work to expand coverage to those who do not have it, without jeopardizing the quality of care now available.

□ 1950

HEALTH CARE REFORM AND THE MIDDLE CLASS

The SPEAKER, pro tempore (Mr. FARR of California). Under a previous order of the House, the gentlewoman from Ohio [Ms. PRYCE] is recognized for 5 minutes.

Ms. PRYCE of Ohio. Mr. Speaker, when the American people voiced support for the President's call for health care reform, I joined then but, they didn't mean they wanted to pay more to receive less. But, that is just what will happen under the Clinton-Gephardt plan to "reform" our Nation's health care system. In fact, this attempt to expand coverage to the 15 percent of Americans who are uninsured, will leave the vast majority of Americans who already have insurance coverage far worse off. These Americans, largely referred to as the middle class, will pay more for less care, less choice, and less quality under the Clinton-Gephardt proposal.

By requiring employers to pay for up to 80 percent of their employees' health insurance premiums, the Clinton-Gephardt bill posses an enormous economic threat to the middle class. Let's be honest. Employees don't get a free ride when employers are forced to pay for benefits they can't afford. As employers struggle to pay for yet another costly government mandate, they will reduce wages for middle-class workers and raise prices for middle-income consumers.

While the middle-income Americans and hardworking employers pay more, low-wage firms and low-income employees will be subsidized under the Clinton-Gephardt plan. Low-income workers might be better off, but the middle class will pay for it in the form of lower wages and increased taxes. Is this the reward for working hard and playing by the rules? We want to restore the American dream, not tear down what's good and right and honest.

Not only will the middle class pay more for their own coverage and the coverage of others, they will get less. The Clinton-Gephardt bill will restrict choice for middle income Americans, requiring every person regardless of age, sex, and income, to purchase a one-size-fits-all, government-defined benefits package. That means the Government will force even those Americans who are happy with their insurance coverage to pay for benefits they may not want or need. Don't we have enough bureaucracy? Our Government is already to big and spends too much. Why are we even considering allowing it to expand?

Perhaps most troubling is that the middle class, and all Americans for that matter, will be forced to accept a reduced quality of care under the Clinton-Gephardt bill. You see, their bill would place a limit on the amount that Americans can spend on health care, including medical and pharmaceutical research and development. Simply stated, there will be less money available to provide more medical care to more people. In order to pay for the increased demand, the middle class will be forced to spend more and receive less.

Canada's attempt to impose spending limits has had tragic results. There are countless stories, but I have in my hand a letter from one of my constituents who recently visited Niagara Falls, Canada. Mr. Anders was unfortunate enough to have had a small stroke during his stay there. He went to the local emergency room but, he received no treatment or care in this Canadian emergency room where he was left alone in seizures totally unattended for over 4 hours. You see, the hospital had more patients than beds and was extremely understaffed. Upon finding out that he was an American, a doctor advised Mr. Anders that he could be transferred to the United States where "they have good health care." In my view, and the view of Mr. Anders, the United States doesn't have a crisis in health care, Canada does.

Mr. Anders says this in his letter:

> I think every liberal that wants a single payer system should spend a night with a stroke in a single payer system.

Mr. Speaker, clearly the President and the democratic leadership are out of touch with middle-class Americans. These folks don't want to pay more to receive less choice, less quality, and less care. They want health care security so that they can keep the care they already have.

Fortunately, there are alternatives to the Clinton/Gephardt bill. These proposals, including Republican and bipartisan bills, address the real needs of Americans, making health care and health insurance more affordable and ensuring that coverage can never be taken away due to illness or a change in jobs. Consumers will continue to have choice and quality without new taxes, without increased bureaucracy, or without rationed care.

THE BUDGET SHOULD BE BALANCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, the budget should be balanced, the treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed, lest Rome become bankrupt.

These words were written by Cicero in Rome in 63 B.C. Yet today they still are instructive to the United States Government. And I would like to tell you that I am an intellectual erudite who reads these kinds of things in his spare time, rather than Michael Crighton and Tom Clancy, but I do not want to say that.

This letter was sent to me by a man named Thomas McCaw, of Corpus Christi, TX. And why a gentleman from Texas would be writing a Representative from Georgia who he cannot vote for and really in most cases letters like this get thrown away, at first puzzled me.

Then when I think about it, I think about the public debt and the country.

You know, we are elected from one district, but we are not elected to represent that district only. We are elected, all 435 of us, to represent the United States of America. And the public debt is everyone's business. There are 435 of us who must have a plan, individually or collectively, or in a unified approach, to balance this debt and do something about it.

Now, Mr. McCaw in his letter said the Roman Empire took four centuries after Cicero's prediction to become bankrupt. With modern communications, the USA will require less than four decades. You can stop this by matching outgo with income, paying off the debt, eliminating your excess expenditures, and eliminating all foreign expenditures.

Well, of course, one of the things we debate about is how we spend money and what is excessive and what is not. I think if you go back to his first point, matching the outgo with the income, one of the things that I have learned as we debate the budget and the debt is that in 1980, the total revenues were about $500 billion. Today I believe they are about one million. During that time, unfortunately, we have outspent the revenues every year, including this one, and this one we are going into. Certainly during that period of time, there were Republicans in control of the White House, but the Democrats were in control of Congress. The Republicans and the Democrats had joint control of the Senate.

So anybody who says it is a Ronald Reagan legacy or it is a Bill Clinton phenomenon is fooling his or herself. This is an American problem. It has been going on in a bipartisan fashion now ever since I believe 1969, when we had the last balanced budget under President Richard Nixon.

We need to deal with this thing. We are dealing right now with crime, it is front and center stage, health care is center stage. But as we make these decisions, we have to say, OK, the crime bill is good or bad, but we also always need to ask who is going to pay for it and how.

Health care, a lot of proposals are on the table right now. Some of them call for massive new taxes, some of them call for cuts in Medicare. But they all call for new spending.

As we look at $4.4 trillion and realize that each year we have a deficit we are adding to that debt, we need to do the responsible thing and make sure that the centerpiece of every bill that we look at, every piece of legislation, is how is it going to affect the deficit and how is it going to affect the debt.

So as we have these important debates going right now, Mr. Speaker, I thought it was important for us to be mindful of our debt, and the people like Mr. McCaw from Corpus Christi, TX, and the fact that I have 589,000 people in the district that I represent is important, but what I guess is more important is the 260 million across America that will be paying that debt, either by being forced to or by default or voluntarily. But we as Members of Congress need to take the lead.

THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. SHAYS] is recognized for 5 minutes.

Mr. SHAYS. Mr. Speaker, I would like to talk about the crime bill during my 5 minutes. I would like to express some real concern that in the process of debating this bill, a lot of misinformation has been discussed that has really I think distorted the issue. Candidly, I have tremendous concern that in the end what we have been doing is bashing up on the cities.

□ 2000

I believe we need a crime bill. I believe we need to have a strong law enforcement component. I believe we need more prisons. I also believe that we need a preventative part to this legislation.

I represent a district that includes some of the wealthiest in the country, and yet it has one of the poorest cities in the country, Bridgeport, CT. A few years ago it attempted to go bankrupt. It simply was running out of resources. And it is coming back from the brink, and we are real proud of what Bridgeport is doing.

But it is really a tale of two cities, a Fairfield or a Greenwich and a Bridgeport. In my suburban communities, it would be hard for many constituents to imagine what it is like to raise a kid in an urban area like Bridgeport. During the Memorial Day parade, I had the incredible pleasure of marching in the parade at Fairfield, and there were so many people on both sides of the street.

It was about 2 miles in length. It was just filled with people. And we were at the beginning of the parade. By the time the parade ended and when I had reached the destination, I got to review the rest of the parade. It went on for about 2 or 3 hours.

The parade consisted of one group of children after another: Indian guides, Boy Scouts, Girl Scouts, soccer teams, little league teams, football teams, just a plethora of organizations for young people.

That would not happen in my city of Bridgeport. There would not be this kind of community involvement. There would not be these kind of activities for my young kids.

In a town like Fairfield, the young children have to decide what not to do. Their problem is getting overloaded. In a city like Bridgeport, when a kid is out after 2:30 at school, there is simply nothing for him to do or her to do. There are no activities at all. If you go to a public housing project, you might see an improved situation because we are improving this public housing. But inside you will see a mother trying to make a home. But on the door will be padlocks and chains. The kids are arrested at night.

I just make the point to you that I believe with all my heart and soul that we need to build more prisons and we need more police. And I argue for that and I want it part of the bill. But I just do not see how we can leave out the preventative side of this legislation. We simply have got to deal with the young people in these urban areas.

So there have been tremendous complaints about what is on the preventative side. I take strong exception to those who talk about it as being pork. The general public has accepted this is more of a pork bill than a crime bill.

In judgment it is a crime bill with some strong preventative measures. I just plead for this country to have some sense that we have got to deal with our young children in our urban areas.

I weep for our kids in our urban areas. And if this debate is about pork and it forgets about the kids in these areas, one of the things that just amazes me, it is true, the bill grew by the time it went for the Senate, from the Senate to the House to the conference. I mean, it was 27.8 in the House. And by the time it came back from the conference, it was 33. But I submit that the 33 was not in the prevention side. It is not on the side that it has been accused of having all these programs that people, some people, particularly in suburban areas, do not want kids in urban areas evidently to have.

I just make the point to you, those numbers did not go up. What went up in the bill from the House to the conference was 5.5 in law enforcement to 13.9. What made the bill more expensive was more law enforcement and not preventative.

I just conclude by saying that I just hope in the next day or two we get to focus back on how we can deal with crime both from an enforcement and a preventative side and what can we do to help our cities. The mayors came down and they presented their case. They are in there. They are working day and night on these issues. Congress cannot turn a deaf ear to it.

EXTENSION OF GSP BENEFITS TO BELARUS AND UZBEKISTAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 103-293)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without

objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I am writing to inform you of my intent to add Belarus and Uzbekistan to the list of beneficiary developing countries under the Generalized System of Preferences (GSP). The GSP program offers duty-free access to the U.S. market and is authorized by the Trade Act of 1974.

I have carefully considered the criteria identified in sections 501 and 502 of the Trade Act of 1974. In light of these criteria, and particularly the level of development and initiation of economic reforms in Belarus and Uzbekistan, I have determined that it is appropriate to extend GSP benefits to these two countries.

This notice is submitted in accordance with section 502(a)(1) of the Trade Act of 1974.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 17, 1994.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FARR of California). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Oregon [Mr. WYDEN] is recognized for 60 minutes as the designee of the majority leader.

HEALTH CARE

Mr. WYDEN. Mr. Speaker, I intend this evening to focus my remarks on health care. But before I go to those comments, I just would like to come back to the extraordinarily gracious and important statement that we have just heard from the gentleman from Connecticut [Mr. SHAYS].

CRIME BILL

It seems to me that in this time of really over-heated rhetoric and extreme partisanship, what the gentleman is really trying to do is heal and bring together Members of both political parties so we can get a good crime bill passed.

I think what he has done is exceptionally important, because I am of the view that you only get to write a perfect crime bill in your dreams. The fact of the matter is, we will never have a crime bill in this institution that is not opposed from one quarter or another. That is always going to be the case.

So what we are going to have to do is look to the best in the law enforcement area and put a special focus on more police. My community has one of the country's most innovative community policing programs. This legislation lets us build on that.

We ought to focus, as the gentleman has, on additional prison space, because that is an important deterrent. And we also have to focus on preventive kinds of services.

We know, for example, and the gentleman represents an urban area, as I do, that crime feeds on poverty and despair. And so when you have an opportunity for good preventive programs, for example, that train young people, for employment in the private sector, it seems to me, as the gentleman from Connecticut has just indicated, what the Congress ought to do is move and move quickly to pass that legislation and make those resources available to the American people.

We know that the Federal Government does not have all the answers to the crime problem. But what we know is that the Federal Government can be a better partner to local communities.

I yield to the gentleman from Connecticut [Mr. SHAYS] for a few additional moments of discussion on this matter, because what he has done, in my view, is especially important at this time, as Congress looks to possibly adjourning for the summer recess, but doing it in a way that ensures that before Congress goes home, a strong crime bill, built on tough deterrence, so that those who perpetrate violence on our streets are dealt with, but also a bill that focuses, as the gentleman has correctly said, on preventive programs, such as job training that can get our young people in the private sector.

I yield to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Speaker, I thank the gentleman for yielding and also to have a bit of a dialog.

I just do not think we can emphasize enough that there is almost $14 billion for what we would call straight law enforcement, cops on the beat. Policemen went up in the House bill to the conference $5.4 billion.

The overall bill went up 5.6. It is true there was a reduction of about $3.5 billion from prisons, but we still left over $10 billion for the construction of prisons.

My problem in our State is not the building of prisons right now. It is how do we pay to operate them once they are built? We have so many. But we do need to make sure that people who are sent to prison stay there, and we need to help local governments as well as State governments.

I believe strongly, as I know the gentleman does, that law enforcement is essential.

□ 2010

There are some of us who would like to see the sexual predator bill put back in, which passed the House, and the issue of rape penalties, which also passed both the House and Senate.

We would like to see some reduction in this bill, because as the gentleman points out, this is not a perfect bill. We had our day. The rule failed, and there has to be some adjustment. The question is, where do these adjustments go?

I just do not want the whipping boy to be the programs that are preventative, that are absolutely essential to helping young children have meaningful activities. I cannot emphasize enough that our children in our suburban communities have the opportunities they have to lead constructive lives, plus in many cases they have two-parent families, and in our urban areas we see a big difference.

I think both you and I could agree that to some measure the welfare state has failed us. I certainly think 12-year-olds having babies and 14-year-olds who are selling drugs and 15-year-olds killing each other and 18-year-olds that cannot read their diplomas is in part the legacy of the welfare state, but that is not something we can solve in this bill.

We have a short-term need to address activities, meaningful, whether they are employment, recreational, tutorial. After-school programs in Bridgeport do not exist unless we have some help from either the State or Federal Government. If we have that kind of help, the gentleman will see many of these young kids who find themselves choosing to be part of a gang for fellowship and protection choosing to reject it.

Mr. Speaker, my sense is the gentleman's point is well taken. We will not find the perfect bill. In our dreams we will, and we could write it, and probably our bills would differ, but I would just like to see the rhetoric of bashing the municipalities, bashing programs that we know are working—and in some cases, we are not creating these new programs. They exist. We are taking programs that work.

Midnight basketball has taken a great hit. It starts at 9 o'clock. You cannot participate in these programs unless you are willing to hear a lecture from the police chief or a police officer or a social worker or someone who wants to talk about job opportunities, getting these young kids to dream. I would like to think that someone would choose to be in their community with activities, instead of be in jail because there are activities there.

I really thank the gentleman for yielding, and also for being so extraordinarily generous, which is kind of the way in this House, sometimes. I just want the gentleman to know I have tremendous admiration for him and his kindness in having this dialog.

Mr. WYDEN. I thank my friend. Let me just pick up for a moment on a couple of the points the gentleman has made, and continue this a bit.

First, Mr. Speaker, I think the gentleman is absolutely right about the importance of the sexual predator provision that is being discussed. I think many of us are especially concerned about this. We see these kinds of problems across our country. They are not

isolated and rare aberrations. I as a Democrat am very hopeful that it will be possible to get that addressed in the bill.

Mr. Speaker, I would also like to talk for a moment on the point the gentleman has made about the importance of these after-school programs for young people who are at risk and are getting involved in gangs.

What we know, and there is substantial evidence on this, is that a lot of the young people that are getting in trouble, that are getting caught up in the gangs and involved with drugs and violence and sexual promiscuousness and all of the problems that we see our young people facing, they go home to an environment where there is no parent there. Very often these are single-parent households. You have a parent, for example, struggling very often at two jobs until 7, 8, 9 o'clock at night.

Mr. Speaker, at home in my hometown, in Portland, OR, the schools get out at 2:30, 3:00, somewhere in that vicinity. You do not have to be a rocket scientist to figure out that if the youngsters have nothing to do between 3 p.m. and 8 or 9 o'clock in the evening when the parents get off work, that that is an invitation to trouble, an invitation to the kinds of gang activities and drugs and violence that the gentleman is talking about.

Mr. Speaker, I am very pleased that he has hammered at the idea of after-school programs. To tell you the truth, I would like to see this country go far further in terms of after-school programs.

We have in my district a situation where in a number of schools, the students that are doing well, that have been lucky enough to come from good families and good upbringing, they actually stay after school and help the youngsters that have not been so fortunate, help the youngsters with anti-drug counseling and things of that nature. I am told by school administrators that in our district, if they could have a faculty member even part-time to go even further in the after-school programs that the gentleman is talking about, that that would save us a whole lot of money down the road in terms of welfare, public assistance, juvenile justice, these kinds of problems.

I am happy to yield further to the gentleman from Connecticut.

Mr. SHAYS. You have hit it. In the city of Bridgeport we have a school called Longfellow School. The principal, with the community and some of the parents and some of the adult organizations, set up a Saturday school program. They were curious.

They said: "We are going to have some academics and we are going to have some more recreational kinds of activities. They might learn karate, they might do dancing, but they will learn how to look for a job. They will learn skills about why it is important to show up on time and so on, things that some might just take intuitively in your own family environment, you pick it up."

They were amazed with how many young people signed up. There were so many, there were hundreds of young kids who signed up for this program on a Saturday, to come to school. They were in school Monday through Friday, and yet they wanted to come to school on Saturday and do academic programs, but they also did other things, like chess. I have to tell you, one of the great joys was to see this chess team play one of the suburban schools and win. It was really precious to see that.

It is also touching to see a very well-dressed, well-trained suburban football team, and then see one of the urban schools come and play them. They do not have the uniforms, they do not even have a bus. They come in sometimes in cars, or in a few vans, and I saw a few of these kids after they had lost pretty badly to the suburban team have to hitchhike back to their school district.

Mr. Speaker, I just have to tell you, I felt so darned guilty with the fact that we have allowed this debate to deteriorate to the point where we are forgetting what we are talking about. It is like someone, all they have to do is say "pork, pork, pork"; they do not have to document—they do not have to talk about it. They can give people the feeling that this bill became expensive because of pork.

If they are talking abut why it became expensive, the reason it did was all the enforcement side. I am repeating myself, but the preventative side stayed at about $6 billion.

Mr. Speaker, I just thank my colleague for giving me this opportunity to have more than 5 minutes, because I needed that, and I just think that those of us who represent urban areas have got to be more willing to speak out about this. It is almost like because you don't like to spend a lot of money, and I vote to cut a lot of programs, we have got to be willing to step up here and say "enough is enough."

We have got to pay attention to what is happening to our urban areas. We have got to realize that you need strong enforcement, you need prisons for people who break the law, and you need preventative activities to get these kids to be productive members of society.

If I could just indulge a little more on the gentleman's time, I would like to say that ultimately I think the solution of the cities is not all that complex. We need to rebuild them, not bail them out. We need to bring businesses back into our urban areas so businesses can pay taxes and create jobs. That is what we have to do, but we cannot do that overnight.

In the meantime, let us start with some of these programs, which are not new, which are working, which are out there. There just need to be more of them.

Mr. WYDEN. The gentleman is absolutely right. There is no question that effective anticrime programs in the inner city are a prerequisite to growing businesses. It is not very likely that folks are going to locate or folks are going to be willing to put risk capital on the line for expansion if they fear that their employees are going to get clubbed over the head when they try to come in for work in the morning.

To me, what the gentleman has done that is so helpful is, first, indicate the desire to help bring the House together and heal some of the divisions that we have seen over the last few days, and second, and equally important, simply set the record straight.

□ 2020

I was watching one of the CNN shows yesterday, one of our colleagues was debating, and the debating partner said, the majority of money in the crime bill goes for pork and prevention. It was repeated and it was repeated. So I assume millions of viewers got the sense at the end of the show that this was the case and the vast majority of money was spent for prevention.

As the gentleman knows, more than 70 percent of the money in this bill goes for the deterrence side of the law enforcement effort—police and prisons and assistance to local communities.

Mr. Speaker, I hope that folks that are listening and watching the effort to bring Democrats and Republicans together will also pick up on that figure, because I think it is so important. The majority of the dollars in this bill is not even open to question in terms of it being for law enforcement. That is where the money goes.

Mr. Speaker, I am happy to yield to the gentleman for any comments.

Mr. SHAYS. I would just like to thank the gentleman for using some of his time to discuss health care to discuss what truly is an extraordinarily important issue, and to say that who knows what is going to happen in the next few days, but I hope in the end our country wins.

Mr. WYDEN. I think the country can win if the Members just pick up on the spirit and the concerns of the gentleman from Connecticut.

I came tonight to talk about health care. I will spend a few minutes on that. But I think the country is better off because we have heard a little bit more from the gentleman from Connecticut who is so anxious to bring this House together and help us get a good crime bill. I thank him for participating.

Mr. Speaker, let me turn just for a few moments to the health issue. I am fortunate also to have the gentleman from Hawaii [Mr. ABERCROMBIE] here, who comes from a State where they

have universal coverage, where we have seen that it is possible to cover all citizens.

I am going to begin with just a few comments on the matter of senior citizens and how senior citizens fare in the health reform debate.

I think that all of us know, and I have a special interest in this area, going back to the days when I was co-director of the Oregon Gray Panthers at home, we know that Medicare, which was enacted in 1965, was just half a loaf. It did not cover prescription drugs and long-term care and eyeglasses and hearing aids and many needs of the senior citizens. In fact, health costs have gone up so dramatically that now many senior citizens pay more out-of-pocket for their health care than they did when Medicare began in 1965. This is especially the case because prescriptions, a substantial number of seniors, millions, pay more than $1,000 out of pocket each year for their pharmaceuticals, and millions more need long-term care; cannot even get decent care in their own homes.

I think it is especially important in this health reform effort that any bill, and particularly the bipartisan bills which in my view are so critical to getting this job done right, adequately address the concerns of the Nation's senior citizens.

The majority leader, the gentleman from Missouri [Mr. GEPHARDT], has taken an approach which I think has a strong consensus behind it. What the majority leader is saying in his approach to dealing with the concerns of the elderly is that there are savings to be found in the Medicare Program. There are areas where we can make the program more efficient without harming existing Medicare services. What the majority leader, the gentleman from Missouri [Mr. GEPHARDT], seeks to do is to take those dollars saved by making Medicare more efficient and, in effect, reinvesting them in new benefits and new services for seniors, such as long-term care and prescription drugs. I happen to think that that makes a great deal of sense, and I have heard the majority leader, to his credit, indicate that he is very open to hearing suggestions from Members of Congress of both political parties on how that might possibly be improved upon.

There is another approach that is being discussed. It is the one that was drafted and developed by our colleague, the gentleman from Georgia [Mr. ROWLAND]. I have served with the gentleman from Georgia [Mr. ROWLAND] on the Health Committee for a number of years and a more decent and caring individual in my view simply cannot be found than the gentleman from Georgia [Mr. ROWLAND]. But I think we have to do better for our senior citizens than the approach that is being offered in the Rowland bill. What the gentleman from Georgia [Mr. ROWLAND] and a number of our colleagues on the other side of the aisle propose doing in their bill is, in effect, taking a substantial portion of the Medicare trust fund, more than $60 billion, and simply spending it on matters unrelated to the elderly.

So here we are in a situation where we have a very rapidly growing, aging population, the demographics are relentless, we will have many more seniors in our country; yet the approach offered by our colleague, the gentleman from Georgia [Mr. ROWLAND] simply takes $60 billion out of the Medicare trust fund and spends it on unrelated matters. Instead of taking the approach that our colleague, the gentleman from Missouri [Mr. GEPHARDT] has taken, who wants to find Medicare savings and reinvest them in long-term care and prescriptions, the approach offered by the gentleman from Georgia [Mr. ROWLAND] takes the $60 billion out of the Medicare trust fund and at the same time offers not one dime for prescription drug coverage and not one dime for long-term care. As far as I can tell, the only reason one would go and take money out of the Medicare trust fund and not use it for prescriptions and long-term care is you basically subscribe to the theory that Willie Sutton gave for robbing banks. As you will recall, Willie Sutton said, "That's where we're going to look, because that's where the money is."

I can see why someone might offer that kind of theory, but I think we can do better on a bipartisan basis for our country's senior citizens, I think we can do better by our elders who so often are getting clobbered by these rising prescription drug bills, by long-term care costs, and the key to doing better is to build on the efforts of the majority leader who is saying, "Let's find savings in the Medicare Program, there are efficiencies to be found," and in order to help our Nation's seniors when we find those efficiencies, we will take those dollars and plow them back into the Medicare Program to provide some relief to vulnerable seniors faced with crushing long-term care and prescription drug bills.

Mr. Speaker, what I would like to do and wrap up, if I might, is describe a situation where we have one of the Nation's senior citizens who currently receives coverage through the Medicare Program describes how she would fare under the approach taken by the majority leader, the gentleman from Missouri [Mr. GEPHARDT] and describes how I think it would be possible for us in the kind of spirit that the gentleman from Connecticut [Mr. SHAYS] has brought to the House this evening, work together to kind of build a coalition in both political parties to make sure that in health reform, our Nation's senior citizens get a fair shake.

Under the proposal offered by the majority leader, the gentleman from Missouri [Mr. GEPHARDT] the Nation's senior citizens would continue to get coverage through the Medicare Program.

So right away we have a plank that I think both political parties can support, there is no need to frighten the Nation's elderly, no need to tear up the sidewalks and cause confusion, but to start, as the majority leader does, by in effect building on the Medicare Program.

□ 2030

The second part of his effort is to make sure that our senior citizens continue to have a choice of plan with unrestricted choice of physicians or a managed care program. This too is exceptionally important. This too is something that I think Members of Congress of both political parties can support, because I think if there is one thing the American people agree on it is that senior citizens and others in our country must have access to a widespread range of providers. And plank No. 2 that Mr. GEPHARDT pursues in his legislation is also an effort in my view to try to bring together a consensus to make sure that seniors are well cared for.

The third area is the matter of prescription drugs. Under this legislation the majority leader tries to balance the need for concern about cost with making sure that our seniors start getting some relief from the skyrocketing prescription bills. His proposal would add approximately $8.50 per month to a senior citizen's premium so that there is going to be an additional cost. But never again would a senior citizen have to pay more than a thousand dollars a year on prescription drugs.

I would like to emphasize how important I believe this benefit is, because I remember from my days with the Gray Panthers constantly seeing instances where senior citizens could not afford their pharmaceuticals and seeing very detrimental health effects as a result. Many have heard the phrase that seniors are choosing between food and prescriptions. I found in my years working with senior citizens is what was more likely to happen is not that senior citizens would have to give up all of their meals to cover prescriptions, but what would happen is they could not afford to take all of their pills and their prescriptions in a timely way. So if a physician told them to take three pills, for example, for 2 weeks, maybe they would take three pills for the first 3 days of the prescription, but faced with the prospect of not being able to afford their pharmaceutical bills, after 3 days they would then have to cut back to two pills, and then eventually to one pill. Because pharmaceuticals can be so cost effective in terms of a treatment arrangement, when senior citizens are

in that kind of situation, not able to take their prescriptions in a timely kind of way, what is very likely to happen is that their health problems will get worse. Some may eventually need hospitalization, and it is simply not cost effective to ignore the need for some prescription drug relief for our Nation's senior citizens.

So I am very hopeful in the days ahead on a bipartisan basis the Congress will build on the third plank of the majority leader's program for senior citizens, and that is to ensure that is a fiscally responsible way a prescription drug program is started for our elderly.

The majority leader in his plan goes on. There is coverage for annual mammographies. There is mental health benefits. There is not a total limit on the amount senior citizens would have to pay beginning in the year 2003. All of these, in addition to the slowdown in the part B premium are I think very welcomed and measures that Members on both sides of the aisle can support and support enthusiastically.

But I think it is also important to focus on the last part of the proposal for seniors offered by the gentleman from Missouri [Mr. GEPHARDT] and that is the creation of a new home and community-based long-term care program for seniors. I emphasize this again as much out of personal experience as anything else.

During my years of codirector of the Oregon Gray Panthers I had a chance to work with seniors for many years in developing what I think has come to be regarded as really one of the Nation's finest long-term care programs At home in Oregon we have a program known as Project Independence. It is a program designed to keep our seniors at home. As a result of this program we are saving money, we are saving money while at the same time having one of the lowest rates of nursing home stays in the country. We have in effect revolutionized geriatric care, revolutionized health care for seniors, in effect turned the system on its head by putting such a strong emphasis on cost-effective home health care.

What this legislation does, the legislation offered by the majority leader is in effect build on the model developed in Oregon, the Oregon Project Independence Program. The majority leader did not start from scratch. The majority leader did not make this up out of whole cloth. He in effect looked to the models across this country like we see at home in Oregon through Project Independence, and that is what he modeled his home health care program around.

So I am of the view that if the Congress and Members on both sides of the aisle look to a new home and community-based program built around what we have done in Oregon, and now a number of other States have come up with other very sensible kinds of models, we will have a chance to do the best in health care for our seniors, which is to do more of what they want, which is to stay at home and be in the community and do it at a price tag that is less than what we face today when seniors are unnecessarily institutionalized in nursing homes.

So let me wrap up by saying it seems to me we are in effect presented with two kinds of alternatives. One is the approach that we have from Dr. ROWLAND which in effect takes $60 billion over the next 5 years and takes it out of the Medicare trust fund. At a time when we are going to have many more seniors, at a time when the demographics are so clear, it takes $60 billion out of the Medicare trust fund and instead of spending it on prescriptions and long-term care it spends it on matters unrelated to the concerns of the elderly that we are discussing tonight.

On the other hand, we have the approach that the majority leader has zeroed in on which is in effect to find cost-effective savings in the Medicare Program, find savings in the Medicare program that can be routed out without in any ways cutting existing Medicare services. The majority leader has said let us take those savings and reinvest them in the home and community-based services for the elderly and prescription drugs.

I am very hopeful that in a bipartisan way, as the gentleman from Connecticut [Mr. SHAYS], has done for us tonight on the crime bill, I am very hopeful that I and the gentleman from Hawaii [Mr. ABERCROMBIE], and other Members of Congress can work together in a cooperative kind of fashion, in a bipartisan fashion, so that we can make sure that our seniors have a dignified retirement, so they are not wiped out by the crushing costs of long-term care and prescriptions, and we do this in a bipartisan way as the country wants, and we do it in this session of Congress.

□ 2040

Mr. Speaker, I yield to the gentleman from Hawaii [Mr. ABERCROMBIE], who has been such a strong advocate of health care reform, because I know he believes it in his heart, but also because he has seen it work day in and day out in his home State. I am happy to yield to my friend.

Mr. ABERCROMBIE. I thank the gentleman for yielding.

I am very appreciative, and I am appreciative even more so because your last statement is, in fact, what I would like to dwell on for the remainder of the time in this special order hour.

Not everyone has had the opportunity to actually see a health plan in action. The description that the gentleman from Oregon [Mr. WYDEN] has given, Mr. Speaker, I think deserves a bit more attention in terms of the reason for it.

He has very ably given what the plan would be in terms of the kind of coverage, but I think we deserve to have, and the people of the country deserve to have, a bit more of an explanation, a bit more perspective, if you will, minus the heated rhetoric that has been expended on the health care bill. I would like to do that at the present time.

I think that the tone, if you will, that was established in the colloquy that, in effect, existed between the gentleman from Connecticut [Mr. SHAYS] and the gentleman from Oregon [Mr. WYDEN] with respect to the crime bill offers us a bit of a model to address this question of long-term care and the overall health costs.

I want to draw on some material that has been presented by the director of our executive office on aging in the Governor's office in the State of Hawaii, Dr. Jeanette Tacamora, an old friend, an expert in the area of aging, gerontology, and geriatrics, who testified here before the Subcommittee on Housing and Urban Development last year.

What do we mean, in fact, by long-term care? What is it that we are trying to do? I hope some of our colleagues who may be observing and listening in and those Americans who are observing and listening in to what we are saying this evening will give us the opportunity to go into that in a little more depth.

Mr. Speaker, one of the things that I have learned in my political life is that it is the obvious that needs to be repeated most often, because it is the obvious we tend to take for granted and forget first.

The obvious in this instance is that we all know what long-term care means, that we all, after very substantive understanding as to what is involved in long-term care, that we have a response to the phrase "long-term care" that is, in fact, meaningful for us and allows us to have a presentation for the average American that is comprehensible, that is understandable, something that we are able to deal with in a manner that does not need further explication.

I would submit to you, Mr. Speaker, that is not the case. Think about it. Long-term care refers to the full range of rehabilitative, medical, and supportive social services needed by an individual who is dependent upon others for assistance with one or more basic activities of daily living, bathing, dressing, eating, ambulating, toileting. These are in fact, Mr. Speaker, what we are talking about. This is not an abstraction. We are talking about human beings. We are talking about human beings who now have a life expectancy beyond that which was ever thought to be achievable by any other society.

Mr. Speaker, we are, in fact, in an era unimaginable even 50 years ago. As the United States of America approaches the new century, as we approach the turn of this century and enter into a new era, we literally will be having before us a situation in which millions, not hundreds, not thousands, millions of people will be living 10 and 20 and 30 years longer than we ever expected, and many, if not most, will be dealing with the financial condition and circumstance which was fixed 10 and 20 and 30 years ago which did not anticipate in any respect the kinds of costs that will be associated with this new life expectancy.

Mr. Speaker, I was the chairman of the Human Services Committee in the Hawaii State senate and privileged to serve in that capacity for a number of years. I can recall when we made the first attempts to put together long-term-care insurance, in fact, I put out the first bill offering businesses in Hawaii the opportunity to have a tax deduction if they would put forward, as part of the benefit package in our health care plan, a plan which has existed since 1974, more than 20 years now, if they would put into that health plan a long-term-care insurance benefit. Mr. Speaker, you will be interested to know, and Members and the public will be interested to know, that I was defeated in that effort in great measure because, among other things, our own tax department thought that they might lose revenue. They did not want to give the businesses, and we are talking in the mid-1980's now, here we are less than 10 years later, at a crossroads, financial crossroads and social crossroads in our Nation's history, and in fact, the world's history; they thought they were going to lose revenue. My argument then, based more on instinct, and I hope educated projection, as I hope in turn as a responsible chairman of my committee, I said at that time to them, "We are going to have to expend funds beyond that which is now imaginable. If you think you are going to lose revenue now because we would be encouraging businesses to provide an insurance benefit and long-term care," I said, "just think what is going to happen 10 years from now."

Mr. WYDEN. Mr. Speaker, the gentleman is making a very useful and important statement.

Mr. Speaker, I ask unanimous consent that the gentleman from Hawaii [Mr. ABERCROMBIE] may control the balance of my time this evening.

The SPEAKER pro tempore (Mr. FARR). Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ABERCROMBIE. Mr. Speaker, I would be delighted to do that.

Mr. Speaker, I believe I was at a point where I was indicating that as chair of the human services committee in the Hawaii State Legislature I was observing some dozens of people who were reaching an age in which we were, in fact, Mr. Speaker, having to come up with a new category. It was not just the elderly or senior citizens any longer, the euphemisms that were popular in the vernacular of the time. We developed a designation for people as aging elderly.

Mr. Speaker, I want to indicate for those who may not fully comprehend what is involved in that, when you have what we called the Medicaid spenddown, what that meant was that a lifetime's worth of work, generally in partnership with one's spouse, could be wiped out because of the necessity of meeting the criteria established for being poverty-stricken and eligible for Medicaid. In other words, your principal assets had to be expanded, had to be transferred, disapproved. Often that was, for most people, their home.

And there was an additional element, Mr. Speaker. This was gender-related. Women outlived men, and so women found themselves in a situation of having all of the assets expended of the couple, and then finding themselves poverty-stricken, and this category of aging elderly came in not only to existence but into an expanded realm beyond which we had no comprehension previously.

So now we find people, many female, widowed, made poor, their assets stripped from them, now living under circumstances of dependency, medically speaking, in terms of rehabilitation, in terms of support of social services, in the tens of thousands, in fact into the millions.

□ 2050

Mr. Speaker, long-term care may be provided either in an institutional setting or home- or community-based care, as the gentleman from Oregon [Mr. WYDEN] indicated. Long-term care is provided most often by paraprofessionals, such as homemakers, personal care and home health aides, and families.

We now find ourselves in a situation again which I anticipated in the middle eighties, and here we are less than 10 years later having to deal with it, where family leave does not just mean taking care of a child, it may mean taking care of a parent as well. Yet we find situations in which the newspapers are now regaling us with commentary on how people are not just holding down two jobs but three jobs just in order to make ends meet.

How is it possible for people to hold two or three jobs and at the same time take care of their parents let alone take care of their children? This is what is happening in the country. This is why it is needed. This is why the rhetoric has to start meeting reality.

People say, "Who is paying for it?" We are paying for it now. Why should those people who have worked all their lives, sacrificed their lives, particularly those who have come through the Depression—as the President said, played by the rules and worked hard—why should they be stripped of every asset at this point? Why are we as a national legislature not capable of dealing with this in a straightforward way?

Is it your mother, Mr. Speaker, my mother, your father, my father, one of these statistics? They are not statistics to me. No one in this Nation should be a statistic.

We pride ourselves in looking out for the individual. The only way we can do that is on a communal basis. We have to look out for each other. We have a choice of whether we are all in this together or whether we are all on our own.

According to the 1990 census—I will give this, I hope, a human context—31 million Americans, 12.6 percent of the total population were 65 years or older. That is in 1990, 31 million Americans. Think of it in terms of individual human beings and their needs, comprising the fastest growing segment of the American population as well as the segment most likely to require long-term care.

One of the discouraging parts about some of the health plans, all of them put forward in good faith, I am certain, but nonetheless there are still health plans coming forward or amendments coming forward which differentiate whether or not the plans will be more expensive or less expensive, depending on one's age, depending on what the likelihood of disease or incapacity is.

In other words, just at the time when you are most vulnerable financially and physically, we say at just precisely that time we are going to make it more difficult for you to have health care insurance.

What has happened?

One of the reasons I went to Hawaii, Mr. Speaker, was the sense of family. One of the reasons I am proud to represent Hawaii, one of the reasons that I have such deep feeling about Hawaii, is that we have always had a tremendous sense of family, extended family.

We have what we call ohana, and that means family, that is Hawaiian for family. It is an expansive word, we take in everybody. They took me in.

There are no children in Hawaii going to go without a parent, their hanai.

If you have a hanai mother or a hanai father, they take children because they love children. It is the Polynesian way. They love the kapuna.

Mr. Speaker, I was at our dinner for the kapuna in the valley in which I live, on Malama. We have an organization, Malamao Manoa. Malama is where I live. We honored our kapuna. Our kapuna are our elderly, the people we look to for guidance, the people whom we respect. There were 40-plus

people whom we honored. And the criteria is that you are at least 65 years of age and have lived in the valley for 50 years.

We are doing an oral and written history of the valley by going to our kapuna, going to our elders, to those who have come before us and who are sharing the rich heritage and legacy of life in Hawaii with those of us who are here now so we can pass it onto those who are coming; the sense of balance, the sense of continuance that we have.

The person living the longest, 86 years, speaking to us and speaking about being in the valley for 86 years. Another person, 95 years. My mother, now 86 years of age. They have much to share, and yet we want to differentiate on the basis of age in a way that disadvantages our seniors? How is that possible? How is it possible for us to have that attitude?

No, I want to talk about long-term care and about seniors and about our plans in the human context.

Mr. Speaker, that segment which is growing most and most quickly in our country, most likely to require long-term care, individuals 65 and older, are expected to number more than 67.5 million people, more than 22 percent of the population, by the middle of the next century.

Mr. Speaker, you and I may be—maybe you, but I will not be—here by the middle of the next century. There is no statistical possibility of that, I am sure.

But, Mr. Speaker, are we not required as members of a national legislature, is it not incumbent upon us to provide for those who are coming by the middle of the next century?

No one, no one has a deeper feeling about the privilege of serving here in the House of Representatives, the people's House, than I do.

I am sure we all share that. And I feel every moment that I am on this floor that it is my duty as well as my privilege to be able to legislate in a way that reflects the high honor that has been given to us by the people of this Nation, the opportunity to legislate on behalf of the common good, on behalf of the people of this Nation and in fact the world.

That is what our duty is. That is what we need to do in terms of long-term care in the health bill. We do not need to have the rhetoric of division, we do not need to have the rhetoric of confrontation. What we need is more collaboration, what we need is more cooperation on behalf of those who sent us here, on behalf of all the kapuna, on behalf of all the grandmothers and grandfathers, all of those who are our parents, all of those who have come before us and worked so hard and put their faith and trust in us.

By the year 2010, analysts project that the number of elderly Americans in need of long-term care will have grown from 6.2 million to at least 9 million. I can go on with these statistics.

I want us to see it in human terms. In the time remaining to me, Mr. Speaker, then I want to discuss a bit further what it is we are going to try to do to try to meet this necessity. I want to emphasize that word, this is a necessity, it is a national necessity. It is not something that NEIL ABERCROMBIE thinks would just be desirable in a manner that is electorally something which can be beneficial to me electorally or to any Member here on the floor. It is a matter of trying to be straightforward and honest about what it is we have to do. It is not going to be easy.

It does in fact have to be paid for, and I think we can do that. We can do that in one of two ways. We can do it where everyone, as I said, is left on their own to try to struggle with it as best they can, or we can do it as a Nation, all pull together. We are going to expand the Medicare benefit. We are going to have a prescription drug benefit that would be added to the Medicare program. You have to have it. My mom has to have it right now. We are struggling to find a formula right now to deal with some of the physical circumstances that my mom has to deal with, at 86.

Everybody has got a story. It is only a statistic until it hits you. Then, oh, yes, we as individuals, then we feel it; but we have got to feel for each other. The prescription part of it is one of the things that has to be addressed.

□ 2100

There is not anyone listening to me who does not have, or had at one time, their mom, or their dad, or their grandma or grandpa saying to them, "I don't want to be a burden to you, I don't want to be a burden." Is that what this country has come to? We will have our own mothers and fathers concentrating their emotional and psychological time as they approach the end of their life on not trying to be a burden? Think about it.

Mr. Speaker, that is not the best that is in America. That is not the best that we are as Americans. That is not the best that we can offer as national legislators. Far from it.

An unlimited prescription drug coverage with the cap that has been mentioned by the majority leader, that is what we need as a minimum start. We need to cover long-term care, home and community based, home and community based. We want to keep people in their homes as long as we can, and we want to have such services they need that I have described being provided out in the community.

We can do this by giving people a maximum amount of choice in the process. That is just exactly what our proposal is all about.

Those who have suggestions to make it better, I cannot imagine that we would not be open to it. I know the majority leader well, as my colleagues do, Mr. Speaker, and we both know that he is open to any suggestion with respect to expanding our capacity to provide these services.

I do not really want to get into, although I am quite prepared to talk about, the inadequacy I see in some of the other bills that have been offered: no prescription drug benefits for seniors, the utilization, as the gentleman from Oregon [Mr. WYDEN] indicated of presumed Medicare savings to pay other bills, no long-term-care plans, no out-of-pocket caps for seniors, no protection for continuing to limit cost increases. All of these things have come up, and all of these things can be criticized. I rather concentrate though on what we can do and what we should do in this area.

In Hawaii the population over 65 is expected to grow dramatically in the coming decades. We expect it to go to more than one quarter of our population, possibly as much as 30 percent. Mr. Speaker, this is a sobering statistic when you put it in human terms.

One of the things we are criticized, Mr. Speaker, in Hawaii for is that we are so healthy. In fact, in another special order I will be doing in the near future on small business and health care I will point out some people even refer to our climate as being the principal factor in longevity. The fact of the matter is on a per capita basis we probably have more people living longer and living healthier lives than virtually any place in the Nation, but there is a cost to that where long-term care in Hawaii is concerned. Those who are older than 80 years of age will triple by the turn of the century, triple. The cost, of course, has to be dealt with accordingly. Escalating costs and increasing utilization are a potent and ominous combination for Hawaii and its people and for the United States and its people.

The Federal Government, Mr. Speaker, as I draw to a close this discussion of the need for long-term care and its role in our health program, has been hesitant to this point to deal with this phenomenon, this unprecedented social phenomenon. Long-term costs, if left to drift on their own, Mr. Speaker, will increase expenditures dramatically, and the average family will be unable to cope with the situation. If there is anything, Mr. Speaker, that cries out for a national plan, if there is anything that demands of us that we address something on a nationwide basis, it is long-term care, and the only way we can do that, the only effective, efficient way we can do this in human terms, in social terms and economic terms is to see to it that long-term care is part of a national health plan, something that we can all be proud of

as legislators, something that we can facilitate as national legislators because it is, in fact, our duty and out time to see that that is accomplished.

I appreciate this privilege of being able to address our colleagues this evening.

UNDERSTANDING THE REALITY OF HEALTH CARE LEGISLATION

The SPEAKER pro tempore (Mr. FARR of California). Under the Speaker's policy of February 11, 1994, and June 10, 1994, the gentlewoman from Connecticut [Mrs. JOHNSON] is recognized for 60 minutes as the designee of the minority leader.

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is a pleasure to be here this evening a little late, but it is important to talk about aspects of the health care bills that are before the Congress because people need to know.

I am endlessly fascinated that, as I work in my district, people will say to me, "You know, I don't like what I hear," and, as they talk about it, you can see that they are, A, afraid; B, concerned, and that their fear and concern are for the quality of their health care first and their jobs second.

So, their concerns are real. They are not light. They are not little. They are very deep. And they are very significant, and what interests me is that through what they say to me it is clear they get it, they really understand, that there is something about the macro bills, the big Clinton look-alikes, that does endanger their health care and their jobs. They do not understand quite why, and that is why I am here. I want people to understand the reality of these bills, the impact they will have on our lives to the extent that we currently understand it, and through that I want them to have the confidence that not just they have the intuition of fear but that their concerns are legitimate in this area or perhaps not legitimate in that area.

So, we are here tonight to kind of lay out some of the problems with the Gephardt health care bill. These were problems with the Clinton proposal. They are for the most part problems in the Mitchell proposal. But they are problems that follow from Government mandating health care on employers of all sizes and all levels of profitability.

Now, before we get into the issue of employer mandates, what is being mandated on whom, and what will be the consequences, I want to indicate the level of my concern by illustrating the fact that some of the consequences of the bills before us are going to create profound unfairness, and in 5 years, and 8 years, and 10 years our constituents are going to look at us and say, "You did this? On purpose?" Let me give you one example:

In the Gephardt bill companies under 100 cannot self-insure. Companies over 100 can self-insure. That sounds innocent enough. What it means to you and me and the guy working next to you is this:

If you work for a company under 100, and I work for a company over 100, and we get paid exactly the same wage, and we get exactly the same benefit package, after health care reform I will get paid less because I work for a company who has fewer than 100 employees and, therefore, pays a community-rated premium for its health care package which is high. My friend who works for an employer who has over 100 employees, earning the same wage, getting the same benefit package, still will get higher wages because his premium will be experience rated and, therefore, lower.

□ 2110

So reform will mean to those two people different wages and an unfair impact, an unfair premium cost, just because we did it from Washington.

I think we have to be real careful that what we do from Washington does not make it worse for people in America, does not give you less health care, does not make you pay more for it, does not erode your wage base. It is those unintended consequences, or those consequences that are less easy to see, that are part of what we want to talk about here tonight.

But in order to understand why bills clearly introduced by well-intended people, clearly introduced by people who do care about individual working Americans, could have these effects, we really want to start from the beginning.

I and my colleagues are going to start out by talking a little bit about what is being mandated in these bills, and who they are being mandated on, and what are going to be the consequences.

First of all, what is being mandated. It is not simple.

First, it is a national benefit package. With every committee that the national benefit package goes through, it grows. We are now up to a national benefit package in most of the Clinton-type bills that is more generous than all but 100 companies in America.

Now, that is nice, but there ain't no free lunch. And if you are being mandated to provide that level of benefit package, it is going to have consequences.

The premium of that kind of benefit package is high. Remember, every year Congress is going to enlarge it. But that national benefit package is not the only thing that we are mandating. There are other aspects to this benefit package that are part of the sneak attack that I was talking about.

My colleague from Louisiana was talking earlier about some of the provisions of the Gephardt bill that have the effect of expanding this national benefit package, not for everyone. Not necessarily for your competitor, but possible for you.

JIM, if you would talk a little bit about the maintenance of efforts provision in the bill.

Mr. MCCRERY. I thank the gentlewoman for yielding. In fact, what is not generally known is that there is really a double mandate in the Gephardt-Clinton bill, and that is an employer currently provides insurance for his employees, under the Gephardt-Clinton bill that employer must, for a period of several years, maintain the level of benefits for his employees. Even if that level of benefits is greater than the standard level of benefits set in the bill, which is fairly generous, as you pointed out, that employer, nevertheless, cannot get a policy of insurance for his employees at that level of the standard benefit package. He must continue to provide a more generous package to his employees.

That is regardless of his profitability, regardless of his cash flow, regardless of his income as an employer. That is just not the real world.

As you know, particularly with small businesses, they live on a year-to-year basis, if not a month-to-month basis. And a package of benefits that they purchase for their employees this year may cost too much the next year. And in order to stay in business, because their profit margin is very, very slim, they must cut back on some of the benefits. That may be in paid vacation time, it may be in health care benefits. They may have to reduce the level of benefits in order to stay in business, in order to continue to employ as many people as they now employ.

That is the real world, and those are the types of decisions that employers, particularly small business employers, have to make every year.

So for the Federal Government to tell a small business person, who is really trying to do his best for his employees, who is really trying to attract and keep quality employees, for the Federal Government to tell that employer, I do not care what you have done in the past, how good a citizen you have been, how good an employer you have been, we are going to make you, regardless of your profitability, regardless of how your business fares in the next 5 years, we are going to make you continue to spend exactly what you have been spending on that fringe benefit.

That makes no sense in this society, no sense in a free society, no sense in a free-market economy, and I just think it is important for people to know that not only is there a mandate in this bill for a standard set of benefits, there is a double mandate. And that is, Mr. Employer, if you now provide a more generous package of benefits to your employees, you are going to have to keep providing that more generous package of benefits.

Mrs. JOHNSON of Connecticut. To give an example of that, because it really hit home with me in talking with a small employer in my district who provides some dental and some vision. Now, he does not provide any substance abuse or any mental health, but he does provide some dental and some vision.

Under reform, he will have to continue the dental and vision, but add also in the substance abuse and mental health and all the other things in the national benefit package. And there is one more thing he will have to add.

Now, to show you how difficult this is, as a member of the Committee on Ways and Means, I sat through two series of markups, I read all the material. We were all there, and it was not until the end of the second markup that we happened to ask the right question to find out that in addition to the national benefit plan and any maintenance of effort benefits you are providing, you will also be obliged to provide all State-mandated benefits.

So the cost of this is going to be extraordinary for our businesses. Most businesses now self-insure in order to go around and get out from under the State mandates. In Connecticut we have an organization that is providing packages to small businesses, which has just come out with some new and exciting and lower cost packages. And I said to them, how much could you cut your premiums if you did not have to comply with State mandates? The answer was 25 percent.

So we are going to now mandate a national benefit package. Then we are going to mandate maintenance of effort. In addition we are going to require all State mandates now to be met. So the total cost of this benefit package is going to be larger than most employers understand, and almost all employers will have to pay more for health care, and most will pay a lot more.

We have also been joined tonight by my colleague from Florida [Mr. STEARNS] and my colleague from Michigan [Mr. KNOLLENBERG]. CLIFF, I would like to yield to you.

Mr. STEARNS. Mr. Speaker, I thank the gentlewoman for yielding, and I commend the gentlewoman from Connecticut for what she is doing tonight. We did this some time ago when we talked about the Clinton plan. This might be like Yogi Berra said, deja vu all over again, because the Clinton-Gephardt plan certainly resembles the original Clinton plan.

As you will remember, when I talked about the mandates last time, I talked about some of the outside accounting firms, the outside different interest groups that scored this, not just CBO or OMB. And I asked them, what impact would the Gephardt-Clinton bill have on the amount of people that would be employed? And they looked at it, and I would like to share with you some of the statistics from that.

Consad, a research organization that is reputable, estimates that between 850,000 and 1.3 million jobs will be lost with the Clinton-Gephardt bill. Laura Tyson, the chairman of the President's Council of Economic Advisors, estimates that 600,000 will be lost.

Citizens for a Sound Economy tells us according to a McGraw-Hill study commissioned by the CSE Foundation, such mandates could increase unemployment by as much as 900,000 when fully implemented.

The NIFB, which we all respect, looked at this and projected the State of Florida, my State, would lose almost 67,000 jobs due to the employer mandate. I have state-by-state how many jobs will be lost.

So we hear a lot of talk about the importance of health care and how it could affect our families, but we must realize that if this mandate as projected by the Gephardt-Clinton plan is instituted, we are going to have a huge amount of job loss across this country, and we should take that into consideration.

In fact, I think most of us agree that the Clinton-Gephardt plan is even more draconian for small businesses than the original Clinton plan. So that is hard for many of us up here to understand, how we could have a bill that is more draconian than the Clinton plan, when the majority of people out in the United States say they are against what they perceive as the Clinton plan.

Mrs. JOHNSON of Connecticut. I think that is a very important point. The burden in the Gephardt-Clinton bill is heavier than the Clinton bill on small business. One reason it is heavier is because in the Gephardt bill, they create what is called Medicare Part C.

□ 2120

They are going to put 55 percent of Americans into a government-run health care program. We all know that those government-run programs, Medicare and Medicaid, under-reimburse. They pay less than the cost of care and right now they are the biggest source of cost shifting, that is of putting costs on the private sector from the public sector.

When they put 55 percent of all Americans into government-run programs, they are going to increase that cost shift $16 billion. Which means that all of these businesses we are talking about, they are going to have this very large mandate put in their shoulders, are going to have also the cost of the under-reimbursement for Medicare Part C shifted onto them, that $16 billion. They are going to have the new costs of the stealth repeal of State malpractice reform laws shifted onto them.

In other words, in this bill, surprisingly enough, they actually repeal State malpractice reforms. And when those get repealed, costs will go up, both of defense of medicine and of malpractice premiums. And so that cost is going to be shifted into the premium base.

And lastly, there is a 2-percent tax on all premiums that will again raise the cost of the very employers. That is why the jobs will hemorrhage out of the system.

I yield to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. I thank the gentlewoman for conducting this special order, with her background and expertise in that subject area. It has been invaluable to a whole lot of us in the conference.

I just want to relate to what you just said. My State of Michigan just passed a malpractice reform bill, and you are saying to me that even though that did lower to the satisfaction of most people, of course, obviously certainly the physicians and the medical community, as well as doing, I think, justice for the entire State, what you are saying to me, by virtue of the Gephardt-Clinton bill, there is a repeal mechanism that is calculated or incorporated into this process so that even though they do have a program in effect that that will be repealed or downsized or removed?

Mrs. JOHNSON of Connecticut. Absolutely. In all the years, and people do not realize that actually Congress has been studying this subject for years, not all of Congress, but some significant groups in the Congress and outside groups, there has not been a single health reform proposal from any credible group of Members or outside experts that has not recommended good, solid, extensive, comprehensive malpractice reform at the national level. The President's proposal was very weak in that area. The Republican proposal, to its credit, was very strong. The bipartisan bill is very strong in that area.

But to everyone's sort of shock and amazement, not only is the Gephardt bill not strong, but it actually repeals progressive malpractice reform proposals that have been adopted at the state level. And yes, Michigan would have to abide.

Mr. KNOLLENBERG. I thank the gentlewoman for making that clarification. I know the gentleman from Louisiana had another point.

Mr. McCRERY. I just wanted to follow up on the gentlewoman's point of creating a system in which maybe half the population would be in a Government, direct government-controlled system like Medicare. You and I are not the only ones who fear that.

I want to quote to the gentlewoman from a letter written by two democratic Governors, two Governors who are Democrats, and two Governors who are Republicans. Governor Howard

Dean and Governor Romer, Democrats, and Tommy Thompson and Carroll Campbell, Republicans, wrote Congressman GEPHARDT on August 1 expressing concern about the Medicare Part C program which would put all these additional millions of Americans into a government program.

They said,

> We believe that America's health care system must remain responsive to market conditions and should operate only with selective regulation by both the Federal and state governments. Medicare, a government run, price-controlled system, does not meet that goal. Moreover, expanding the use of Medicare reimbursement rates to major additional portions of the health care system would have disruptive, if not disastrous, effects on the health care delivery system. The Medicare program is also highly bureaucratic and unresponsive to local needs and has been ineffective at controlling overall costs.

That is a quote from two Democratic Governors and two Republican Governors who clearly agree with you that to force maybe half the population of the United States into a Medicare-like program is not the answer to solve our problems in health care.

Mrs. JOHNSON of Connecticut. I hope that one of these evenings we will take a special order and just talk about the implications of Medicare Part C. But for this special order on the impact of mandates, an employer mandate on both the job-creating capability of our economy and the quality of health care for our citizens, as well as the cost, it is important to recognize that just that portion of the Gephardt bill will have the effect of shifting billions of dollars of additional costs onto small businesses. That is why the job impact is going to be so steep.

It is the combination of the mandate, of the maintenance of effort that it puts even more benefits in there, of the State mandates that now come into play, of the cost shifting, which is billions, of the 2-percent extra in premium, 2-percent extra in all premiums, and the malpractice reform implications. What you end up mandating is, indeed, a very big package of costs.

Mr. KNOLLENBERG. I just wanted to, in terms of letting to the States, and Michigan is just one of the 50, but in my first town hall hearing on health care, and I have had 9, I had some 450 business people. It was billed as a business owners, small business-type forum. Over 450 people showed up. That was some months ago. At that time they told me the very same thing that you have been repeating and the gentlemen from Louisiana and Florida, that mandates are really a tax. It is going to do one of several things.

Any employer, small business employer facing a mandate in effect is facing a tax. That works, as I think you pointed out, several ways. It works as, for example, it either means that they have to increase prices to their customers. They have to cut profits. They have to reduce wages or benefits or reduce employees. And then, finally, if all that does not work, they have one option: get out of the business.

Mrs. JOHNSON of Connecticut. That is right.

Mr. KNOLLENBERG. Those folks made it very clear to me that those were the options. And the last one might be one that they would have to consider. Small businesses that are threatened with those kinds of concerns do have to look at their bottom line. Many of the retail operations work on a very slim margin, and that favorite shop or store or restaurant might just go out of business because of mandates of this type that does not help any of us. It does not help any of our people on our States. And it certainly does not help the economy.

We seem to have a little bit of a building economy in Michigan these days, despite whatever might be taking place countrywide. What we should not want to do there, and I know across the country, is establish a mandate that is a tax that will do or create those kinds of problems for the small business people.

I just wanted to cite a couple of things. There was a survey done by Governor Engler in Michigan, who has done, I think, a number of remarkable things. But the survey that they conducted was with a number of businesses, small businesses around the State.

I just wanted to indicate some quotes that came out of the surveys that came back. Incidentally, it was heavily responded to, much more so than average. And these were mailed out to some 1,800 businesses.

Here is one quote from the Michigan Grocers Association:

> The net effect would be fewer employees, both part and full time. Overtime would end up being cost effective or more cost effective than having people work 40 hours only and end up, therefore, with more employees. There will be less jobs, both part time and full time, in our company with these mandates in effect.

And then they also say in another case:

> If all the government red tape restrictions and controls continue to be put on small business, which employ most of the people in Michigan, we cannot pay for it due to the competitiveness of our business.

Pricing, you can just raise the price a little bit, that may distort your sales. It may create some other problems. So it is not as easy as they say.

□ 2130

They are going on to say that "We cannot run our business like government runs theirs because we cannot run a deficit," so you look for those areas that you have to cut, one of which would be wages, or employees.

Mr. Speaker, this is something that came out of a survey, and I think it serves to point out exactly what the gentlewoman has been pointing out.

Mrs. JOHNSON of Connecticut. I want to stay with this issue, so I'm not cutting you off, but I want to stay with this issue of the impact for a few minutes. It is complicated. People know it is a problem. They do not understand why, really, they are so afraid of it, but they know they are afraid of it.

As you go around your district, now Connecticut has been through probably as tough a recession as any State in the post-World War II era in the last 5 years. We have had a truly hard time, because we not only had the recession that the Nation went through, we had the banking crisis, we had defense downsizing, all at the same time.

We have been through very hard times. There are a lot of employers who have said to me "I would not have made it, but I went from a first-dollar-coverage plan to a catastrophic plan." They said "It was really hard to do that, but I saved those jobs, and in 2 years, I'm going to go back up, I'm going to have that full complement of people, and I'm going to be back up to a good, solid health plan for my folks."

One of the things people are not realizing is that if we mandate a rigid plan and an 80-percent employer cost, a recession comes, your orders drop off, and then you cannot reduce your costs by going to a lower cost plan. You can only reduce your costs by laying people off. Finally, you can only reduce your costs by going out of business.

Making a mistake by mandating too big a plan on businesses that cannot bear it will not only cost jobs, which, of course, is true, but more importantly, it will stop the development of the very kinds of small businesses that make that next generation of employers. Connecticut is an excellent example.

Defense is going down. Our big manufacturers are going to be smaller and smaller because they are primarily defense related. Our big insurers are never going to be as big in numbers of employees in the years ahead as they are today, and they are not as big now as they were last year. Banks are not going to be as big employers in the future as they have been in the past.

If we are going to build the companies of the future, you have to let the little guy with 5 employees become some guy of 10 employees, become some guy of 25 employees, and you make it harder and harder and harder when you put a heavy burden on them, and then they cannot make it when orders get down.

Mr. STEARNS. Just to follow along on that point, when you talk about mandating to employers that "You have to pay for it," you touched on the mandate that the employer has to pay for a mandated plan.

This particular plan, as you point out, is rigid and is expensive to the employer. They cannot have the flexibility that they need, particularly depending upon the kind of health service they want to provide across the gamut, so they are forced to pay for this plan, which is really not tailored, maybe, for their small business or for their large business.

When we talk about mandates, we are not just talking about the employer mandate to pay it, but we are talking about the mandate of this rigid package. I think we should touch a little bit on this plan, because this is sort of the main part of it which causes this increased cost.

Mr. Speaker, the NFIB, the National Federation of Independent Businesses, says that "The mandated benefits package is estimated to increase dramatically under the Gephardt-Clinton plan" than it did under the Clinton plan, and it is going to work out to the detriment of businesses. They have put together a comparison sheet. It says "The annual cost is going to go from $2,000 to $4,000 average for a person," for a firm. This is not for the employee, but for a firm.

So when we are talking about Connecticut having a hard time because of the cutback in defense and the other things up there, what is going to happen when you say to the employer, "Regardless, you are going to have to take this rigid plan, you are going to have to pay for it, and the employee is going to pay 20 percent and you are going to pay 80 percent," and they are going to look at this plan. You and I both know that Congress might again come back and mandate a bigger type of plan, a more rigid plan. We have seen Congress do that again and again.

What happens to this employer who has a sound business and he has a good bottom line? That is just going to deteriorate, and what is going to happen is going to be high unemployment, which is going back to the original statistics that I quoted.

Mr. McCRERY. Will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Louisiana.

Mr. McCRERY. I thank the gentlewoman for yielding.

NFIB did a survey of their membership back in 1990 and found out that of their members whose owners took more than $70,000 out of their business, so in other words, if the owner made $70,000 on his business, 90 percent of those provided health insurance to their employees. The ones who did not provide insurance to their employees were business owners who took out less than $10,000 a year for their own income.

So that means that an employer mandate is not going to hurt the small businesses who are successful, because they, most of them already provide health insurance, so they are already providing that cost, meeting it. But it is the small—it is particularly the new small businesses, the ones that are just getting started.

You have a man and his wife who put their life savings into a business and they are struggling to make it work in that first year, the first 2 years. They are not taking much out of it for income, because they cannot. Now here we come and we are going to say "It does not matter that you don't make any money off of your business, we are going to impose another cost of doing business on you." And as you pointed out, it could be as much as $2,000 per employee, or if that employee has a spouse, it could be $4,000, or if that employee has a spouse and a child, it could be $5,700, according to the estimates of the Clinton-Gephardt plan.

Mr. Speaker, it is important to know what kind of businesses are going to be most hurt by this mandate. When you look at it closely, you will find that it is the smallest businesses, the businesses that are struggling, the businesses whose owners do not take very much money out of the business. They are not making very much money, but they are struggling to keep afloat, they are struggling to keep those 2, 3, 4, 5, 10 jobs in their community.

What we are about to do if we pass the Clinton-Gephardt bill is to tell those people "Keep struggling. In fact, we are going to make your struggle even harder, because we are going to impose a cost of doing business on you that you cannot get around. You must pay, regardless of if you make a profit, regardless of what your income is, regardless of your cash flow. You have got to pay this."

What that is going to do is exactly what the gentlewoman from Connecticut suggested. It is going to drive out of business a lot of those small employers, or it is going to cause them to lay off one employee to be able to absorb those additional costs of doing business, or maybe two employees. So then what happens to those folks? They do not have—not only do they not have insurance, they do not have a job. That is no answer. So I appreciate the gentlewoman bringing that up and encourage her to continue.

Mrs. JOHNSON of Connecticut. That certainly is no answer, and it is certainly no answer to controlling costs. Remember, what really is creating our problems is rising costs. When you mandate a plan on the employer and you mandate the employer to pay 80 percent and the employee to pay 20 percent, you create a rigid system that denies us as innovative Americans the opportunity to do, for instance, what Knox Semiconductor did.

Knox Semiconductor of Rockport, ME, has an insurance plan called Health Wealth, which is marketed by Progress Sharing Co., an insurance broker in Saco, ME. Under the plan Knox raised employees' deductibility and copayments, lowering their premium costs. Then it put the money saved into a mutual fund account for each employee. Employees who make matching contributions can use the money in their accounts to pay for their deductibles and copayments. If they don't, they pay taxes on the money and keep it. Knox has had just one rate increase in the past 4 years.

Remember, at the beginning of this I talked about the 100 mark and how in the Gephardt bill, after a lot of fighting in the committee, we at least got the right to self-insure down to 100. This is a 32-employee company, and they are self-insuring through their own pool like this. It is saving them money, benefiting their employees.

I have to give just one more example, because all of these creative, inventive solutions to health care that employees cover costs, but help them do it in a way that reduces the overall costs in the society and rewards people for thinking health, for thinking wellness, will be literally wiped out by Washington, and sometimes our arrogance is simply astounding.

□ 2140

Forbes offered its employees in 1991 a great deal: If during the year an employee filed major medical and dental claims totaling less than $500, Forbes would pay that person double the difference between the $500 and the claims that they filed.

Suppose an employee and his family had $900 in medical expenses. If the employee filed them, the most the insurer would reimburse him would be $900 minus his deductible and copayments, the portion of the bill the employee is responsible for beyond the deductible. He would be out a few hundred dollars and since his claims were over $500, Forbes would pay him nothing.

However, if he filed no claims for those expenses, $500 minus zero for no claims comes to $500 double, that is $1,000. This would put the employee $100 ahead. So he would be ahead if he filed no claims, which means no administrative costs for the company, he pays the whole $900, he gets a bonus of $1,000 and he is up $100, and the whole system has not had to pay the costs of all of the reimbursements that go with insuring, and he has meanwhile shopped around looking to see who will charge me what for what health care service which now the people are beginning to do. They are finding that charges vary in health care just like they vary for sofas and couches and automobiles and everything else.

One of the aspects of the employer mandate and one of its impacts is that it will destroy any plan that is not the national health benefit package plus the maintenance of effort on the State mandates, that is, the wisdom of Government, and is not set up with an 80/

20 split dictated by Government. And really when you think how innovation, how being people-centered, how important one's own personal responsibility is to real health and wellness, we are actually about to adopt, if we adopt a solution like the Gephardt bill or the Clinton bill or the majority leader's bill in the Senate, if we adopt those kinds of plans, we will wipe out the very innovative, creative responses that are controlling costs, reducing the burden on society but providing quality health care. I just wanted to get those two examples on the record because if there is one thing that makes America unique and different, it is her remarkably resilient and creative people.

Mr. ABERCROMBIE. Will the gentlewoman kindly yield for a moment or two?

Mrs. JOHNSON of Connecticut. I would be happy to yield.

Mr. ABERCROMBIE. I thank the gentlewoman very much.

I have listened with some degree of interest to your concerns about particularly where small business is concerned and in employer mandates, and I recognize not only the sincerity of the presentation but the real and vital concern that I think is felt across the Nation. I just simply wanted to share with you just for a moment or two that the employer mandate which we put in really quite frankly at the heart of the bill we passed in Hawaii 20 years ago has not had that effect. In fact, we have increased the number of our small businesses, and the principal concern for staying in business today in Hawaii has less to do with health care than with other circumstances like workers' compensation, et cetera, that might be the basis of a discussion at some other time, some other piece of legislation or even special order.

But I just wanted to indicate that while your concerns, in fact I would say anxieties I think is a fair word, about launching a national program in this respect is, of course, quite pertinent, I can assure you that the health care mandate for employers in small business is not cited by small business people who have dealt with them for a number of years as the principal threat, if you will, to their financial bottom line.

Mrs. JOHNSON of Connecticut. I was very interested in the gentleman's special order before ours and was on the floor and did listen.

Mr. ABERCROMBIE. Yes, I saw you.

Mrs. JOHNSON of Connecticut. I have studied the situation in Hawaii, because Connecticut is a State with 91 percent coverage. According to the Employee Benefit Research Institute, which is I think the most unbiased source of these figures, they put Connecticut at 91 percent coverage. They put Hawaii at 93 percent coverage. Indeed most of the figures showed that Hawaii is not at 100 percent coverage. They are somewhere between 93 percent and 95 percent coverage. Furthermore, Hawaiians have the choice, primarily 80 percent of them have the choice of only two insurers, Kaiser Permanente, an HMO, or Blue Cross-Blue Shield. Most of us who have dealt with Blue Cross-Blue Shield and some of the other big plans find that they are often inadequate. One of the things that keeps them honest on the mainland is that there is a lot of smaller companies and there are a lot of creative employers like I just quoted who frankly provide far better plans.

Then the other thing that is real interesting about Hawaii, two other things I should just mention about Hawaii, is that between 1980 and 1990, total health care costs in Hawaii rose 191 percent. The national average in the mainland was 163 percent. So the Hawaii system has not succeeded in controlling costs.

Lastly, I would comment that 4 in 10 employers had to reduce the number of employees when the mandate first went into effect; 1 in 10 employers hired part-time workers instead of full-time workers because part-time workers were not covered; 55 percent restricted their wage increases; 33 percent reduced other benefits; and 6 in 10 raised prices. But 1 in 5 of the firms knew other firms that had gone out of business because of the mandates. That is the unseen consequence.

So while I respect Hawaii's decision in this regard, I would also point out that Hawaii has a rather different population than the rest of the Nation. I do not think that you can say because Hawaii has an employer mandate that that makes an employer mandate good. It has not provided much more coverage for Hawaii than Connecticut has. It has not provided the diversity of insurers that the mainland has. It certainly does not allow the diversity that the system over here allows in self-insured and, therefore, it has not been the State in which things like medical savings accounts and other approaches have developed.

Mr. ABERCROMBIE. Will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I will be happy to yield since I threw all those things at you that are rather negative to your State.

Mr. ABERCROMBIE. If you would allow me just a moment or two to respond.

One of the reasons I came down, I have heard this, and I must say, you are the mistress of the information that has been given to you and present it very effectively.

One of the reasons I did want to come down because of the small business discussion is that virtually nothing of what you have been told is accurate as far as Hawaii is concerned, and it is important to us for those of us who do live there to at least get the information on the record.

Mrs. JOHNSON of Connecticut. I think it is accurate that you have primarily Kaiser Permanente and Blue Cross-Blue Shield. Is that not accurate?

Mr. ABERCROMBIE. No. If you would just give me a moment or two. By the way, I am very familiar with the Small Business Hawaii executive director because we went to school together and we have been having a discussion about business and business regulation for the better part of three decades. So I know fully what the approach is.

Just very quickly, the original law was never intended to provide full coverage. It was based on employees who worked full time by definition of the law, which was 20 plus or more hours per week. That was to start it. We never did amend the bill for all intents and purposes except for a couple of benefits because virtually right away, with the mandate in operation even when there was a period of time when there was a dispute over whether we were going to have a waiver, the ERISA waiver, coverage was virtually universal. There are several plans that are put forward and choices to be made in addition to Kaiser and HMSA.

What happened almost immediately was many of the other businesses left because they were taking premiums out, and I think you are familiar with the phrase "cherry-picking." They would go in in those areas where they could maximize their profit and minimize their payout, and they left. Kaiser and Hawaii Medical Services Association, which is in fact the Blue Cross and Blue Shield, do in fact have the major part of the business because of the choice of the people. I think if you surveyed the people in the State, they are very well satisfied with it, although other competition has come up. For example, to try and achieve 100 percent coverage in our Health Quest program, there are five different plans including Kaiser and the Hawaii Medical Services Association, and three others that have come into the competition and succeeded and they are part of our plan toward achieving it.

I just want to conclude by citing to you the latest opportunity for small businesspeople to express themselves, and this was August 1 of this year, 1994, in the Honolulu Star Bulletin. The focus is on imperiled entrepreneurs, "Risky Small Business," is the title.

In the entire article, which focuses on three small businesses, as well as an overall portrait of the 29,000 businesses we have in Hawaii, 98 percent of them with less than 100 employees, and the overwhelming majority, less than 50 employees, only once does the question of health care costs come up. And the citation there is that over the past 12 years, the coverage went up approximately $5 a year.

□ 2150

So there are genuine concerns. Let me rephrase that and I will conclude. The gentlewoman has been very generous to give me the time she has. I did not mean to imply at all that your concern was not genuine on the question of employer mandates. Obviously that has to be not only discussed but a conclusion has to be reached.

What I meant to say was that I believe that with respect to the dangers for small business and the difficulties for small business in Hawaii, there is much more of a problem with respect to Workers' Compensation, with respect to location and costs of actually being able to have a lease, et cetera, in Hawaii, factors which do in fact make it different and unique from some other areas, although I think Workers' Compensation is a difficulty shared by virtually all small businesses today. But you will find that being cited virtually 100 percent of the time with respect to the difficulties and health care coverage being cited occasionally or only when people are reminded of it.

So what I would ask is as we continue the conversation I hope over the next few days and weeks that we give some consideration to what the positive effects of health care and employer mandates might be in the sense of achieving cooperation in a national health care bill that we can all if not be happy with, feel that it is at least minimally fair one to another.

Mrs. JOHNSON of Connecticut. I would certainly say that I think there is a good, solid bipartisan health care reform bill that we ought to have on the President's desk this year that would do a lot of things that would be very important to all Americans that would eliminate the discrimination that currently exists against people with preexisting conditions, that would prevent companies from cherry-picking, as the gentleman alluded to that they used to do in Hawaii, and would prevent them from doing that nationwide. So there are lots of good things that we can do.

I also respect and am interested in Hawaii's decision to adopt an employer mandate, and I am glad it is working for them. I do not want Washington to force Connecticut to adopt an employer mandate when we are within two percentage points of Hawaii without one, and when we need small businesses to grow and take advantage of our manufacturing work force and of our plant capacity to produce new products, and when I know perfectly well that the majority of the uninsured in my State are in the big cities where there not only are lots of people without health insurance, but there is not a good health insurance infrastructure. And I know if we create an expanded community health center network so those people can get to providers, and we turn Medicaid from a fee-for-service compensation program into an insuring program so people can have the doctor of their choice and establish relationships that they have chosen, I believe that Connecticut can get to 95 percent every bit as fast as every other State, including Hawaii. So I just do not want Washington to mandate on my State Hawaii's solution, which seems to be working nicely for them in many ways.

Mr. ABERCROMBIE. I appreciate the gentlewoman giving me the time.

Mrs. JOHNSON of Connecticut. It is nice to have you with us, and I thank you.

I would say you ought to go through and compare what the benefits plan is in Gephardt plus the maintenance of effort, plus the State mandates and see how that works out, how many of your employers would actually experience an increase in costs, because I believe it is correct to say that the national benefit plan is considerable richer than Hawaii's plan. We have to check that out.

Mr. ABERCROMBIE. We can discuss that at another time, and I thank the gentlewoman again for the opportunity.

Mrs. JOHNSON of Connecticut. I thank the gentleman from Hawaii.

Mr. McCRERY. Mr. Speaker, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Louisiana.

Mr. McCRERY. Mr. Speaker, I appreciate the gentleman coming to the floor and sharing with us his experience in Hawaii. I too had the opportunity to hear his remarks on the floor in the previous special order, and I know that he is sincere in seeking answers to some of the problems that plague our health care system.

With respect though to the data that the gentlewoman from Connecticut cited, with respect to Hawaii the gentleman should know that the figure of 93 percent coverage comes from the GAO, which is a fairly well-respected government watchdog, and the data that she cited with respect to the impact of the Hawaii plan on businesses, 4 in 10 employers had to reduce the number of employees and so on, that data came from a 1993 Kaiser family foundation study. So these are not things she just pulled out of the air.

Mr. ABERCROMBIE. May I just respond very briefly. You are right about that.

Unfortunately, as with everything else, it requires perspective and context. After hurricane Aniki came through you will find that both the failure of businesses and people being laid off, which was cited there, had virtually everything to do with the hurricane. I will not take your time tonight, but I can assure you that the latest statistics show that our health care costs are going down and our hiring is going back up as our economy recovers.

Mr. McCRERY. I do not mean to criticize Hawaii. I think if Hawaii wants to do that, that is fine, and it has achieved 93 percent coverage. But there is another element to this that we have not talked about tonight, and I think we need to hit it because it is not just job loss that is the result of employer mandate. It is not just an increase to the cost of doing business. It is not just laying off employees or converting from full-time employees to part-time employees to try to avoid the full cost of the mandate. I think more important than all of that is the fact that when the government, the central government, the Federal Government chooses to impose a mandate on all employers in this country to provide health insurance, they are taking the first, the most important, the biggest step toward government control of our health care system. That should not be overlooked in this debate on employer mandates, because only through a mandate, short of a single-payer system where the government controls everything and pays all of the bills, short of that, an employer mandate is necessary for the government to control our health care system.

Think about it. Once the government says, "Mr. Employer, you must give your employees health insurance," then the government says, "Mr. Employer, you must give your employees this health insurance, these benefits," that the government prescribes, and then the government says, "We are also going to impose global budgets on health care spending on a State by State basis." If your State exceeds that global budget, guess what? "We are going to impose price controls and tell you what you must pay for that set of benefits." Then you have government control of health care.

I do not think anybody, well, there are a few in this country who want the government to control health care, but I would submit that the vast majority of Americans, the vast majority of the people in my district for sure do want the government to control their health care system.

So be careful, those of you who promote employer mandates, be careful because that is the first step to government control of our health care system.

Mrs. JOHNSON of Connecticut. I do think that it is absolutely true, and those of us who have been on the committee that have marked up this bill two times now, both the Subcommittee of Ways and Means and in the full committee, we saw how deeply interlocked mandates and price controls are. And once government adopts a price control policy, with it they do things like this: In the Gephardt bill there is a provision in law that says the Secretary of Health and Human Services shall have the power to decide whether a drug is being used appropriately, and if she

does not think that drug is being used appropriately she can deny reimbursement for that drug.

When you look at the future where drugs are going to be more expensive, and there are going to be fewer operations and more use of pharmaceuticals, you can see why the government in this bill is taking control over what drugs you will be able to have reimbursed under your health care plan.

It is the details that reveal the depth of the power shift from people to government that lies behind a bill whose fundamental structure is employer mandates and price controls.

Mr. STEARNS. Mr. Speaker, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to my colleague, the gentleman from Florida.

Mr. STEARNS. Mr. Speaker, I just wanted to add a few comments to the debate from the gentleman from Hawaii. I think perhaps we should take a special order and point out the fallacies in the health care program that exists in Hawaii, because there have been many articles written upon it talking about how it has increased the tax base and how a lot of the research for health care comes from the mainland and the type of economy over there versus the economy that might be in Connecticut.

□ 2200

There are so many comparisons we could do to show that what the gentleman was talking about does not apply here and, in fact, that the Clinton-Gephardt bill is vastly different than that, and so I think at another time we might want to explore that.

But I wanted to make one final argument concerning this employer mandate. And I have heard this by the administration saying, "What is the big deal? You have minimum wage. We have increased the minimum wage, and it did not amount to a flick on the economy." It does.

This is a little different. If I am an employer or employee, the minimum wage applies to a very small segment within that corporation.

Mrs. JOHNSON of Connecticut. Just a few employees.

Mr. STEARNS. Just a few people. Now you are not mandating just that small group of employees. You are mandating all employees, all employers, all across the United States, and the impact is dramatic in comparing it to just raising the minimum wage and making the same comparison is the fallacy, and in the end the employer lots of times cannot control his health care if Government is going to mandate increased standard benefit packages. With all the bureaucracy that comes in with this bill, it is going to affect the employer. He will not be able to control the costs like he could with a small, narrowly segmented group of individuals who are on minimum wage.

I just wanted to bring up the fallacy about comparing this to minimum wage.

Mrs. JOHNSON of Connecticut. Not only are you imposing a cost for each employee, but each employee's spouse and each employee's children. At least, in the Clinton plan, President Clinton was going to have the employer have the spouse pay something and send it back to the employer who paid the family coverage, but this is so typical of Washington. Honestly, you have to have a sense of humor. It is not very funny if you have to pay the bill.

In the Gephardt plan the employer of the spouse is going to pay a premium, but it is not going to go back to the employer who provides the family coverage. It is going to go to the Government to pay the subsidies for small business and low-income workers. So remember, we talked about how small business is going to have to carry the cost of this big benefit plan and of the maintenance of effort benefits and of the State mandated benefits. They are also going to have to carry the costs of the subsidies necessary to subsidize the premiums of low-income workers and small businesses. So you are not going to be paying just for your employees' mandated benefits; you are also going to be paying for other employees' mandated benefits, and that is why the costs are going to go up far higher than they are now.

And then you get into what Europe has gotten into where they said in 1993, when President Clinton got them all together to look how we can make the economies grow, the European Community leaders said, "We must lower taxes on labor to enhance Europe's industrial competitiveness." By that, they meant lower the fringe-benefit costs on labor, not the wages, and in truth, since in the last decade, Europe has created, the last 20 years, Europe has created no new net jobs, no new net jobs. We have created lots of new jobs, because we create them in the small business sector.

Mr. STEARNS. I wanted to interject one thing. Is it not true in some of the European countries the employer health benefits are half of what the labor wage is? In other words, they are increasing so dramatically the labor wage itself is just about twice, but the whole health care is just increasing so dramatically in these countries that it is taking a bigger and bigger share of the employer benefits to the employee.

Mrs. JOHNSON of Connecticut. I thought we had 10 minutes left, but I am told we only have 2 minutes left.

So I yield to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. I will take one quick minute, then you can close. I just wanted to say that one of the things I do not think we had talked about this evening is the fact these mandates do something else beside affecting existing businesses.

Think of the businesses, and I ran a business for years before I came to Congress. I had a small business. I had to borrow money to meet payroll sometimes. That is how it goes. That is how you do it. How about all the businesses that have not started because they cannot or will not be able to fund the requirement of the mandate to buy health coverage for those people in their employment? I would suggest to you that people are not blocks of wood. They behave normally. They understand what the liabilities are of going into business. Believe me, it is tough. I have seen people sweat and strain.

I think the gentleman from Louisiana pointed out that some have less than $10,000 to show for it. That is not a livelihood, I can assure you.

These mandates, this is the hidden factor. I think it does impact greatly the startup of new businesses where all the net new jobs have come from.

I thank the gentlewoman from Connecticut.

Mr. STEARNS. I commend the gentlewoman again for the special order.

Mr. MCCRERY. I appreciate the gentlewoman inviting me to join her this evening, and I think we have done a good job in exposing the employer mandate as nothing but a new payroll tax.

Mrs. JOHNSON of Connecticut. That is important. I do want to just close with this comment that 90 percent of people who take home $70,000 out of their business do provide health insurance for their employees. One-third of those who take home only $10,000 provide health insurance. They want to do it. Those who do not, for the most part, cannot afford to do it, and mandating it on them will not make them able to afford to do it. But it will force them to reduce the number of jobs or go out of business.

So this has big implications both for people's jobs, the strength and vitality of our economy, as well as the quality of health care in America.

I thank the Members for joining me tonight.

A SENSE OF PURPOSE OF OUR COUNTRY

The SPEAKER pro tempore (Mr. FARR). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Indiana [Mr. BUYER] is recognized for 60 minutes.

Mr. BUYER. Mr. Speaker, I come to the House floor tonight because I have pondered and given analysis to a sense of purpose of our country.

Our Nation was dedicated to basic principles of God's will. Our Founders called these rights to be self-evident and forged a great country from the wilderness.

Two hundred and eighteen years later the ambiance of America is defined by the soul of her people. While

many are filled with goodness, there is a lack of godliness, reverence, and direction among the American people.

When pillars of Christianity in a society are weakened, so are the fruits and blessings which flow from such a nation. The liberals mock George Bush for the "vision thing," and they also mocked Dan Quayle for preaching family values. You see, they were both right, the liberal goal is to replace Christian principles of our Republic with humanistic principles in that the human being can do whatever they want so long as they feel good and it does not hurt others.

We must, as a country, ameliorate our society neither by sanitizing her nor by living in her past, but by restructuring our Government and shoring up her originating foundations. These efforts will give direction and reignite the power of the American dream.

It will happen from those of us who are principled and exercise the courage of conviction with passion. You see, we will succeed, because there are so few of us who compete with their whole heart.

The reason I have made that comment is because I would like to discuss crime tonight. You see, all of this passion that a lot of people like to speak about on the crime issue really is about emotion into the issue.

Having been a former prosecutor, a Federal prosecutor, for 3 years out of the United States attorney's office, crime is an issue I know something about. You see, what we should be talking about here is the United States Code. That is what this is, Federal jurisdiction.

You see, there were four great landmarks in the history of the Federal criminal legislation. The first criminal law was enacted by the Crimes Act of 1790. The act defined back in 1790, among others, such offenses as treason; it also had forgery, bribery, and many of these punishments have not even been changed to today.

Then there was a revision in 1866; another revision in 1897; and the most recent revision was accomplished in 1948.

I think what we must remember is in the preface of title 18 a quote by Roy Fitzgerald of June 30, 1926. He said, "The scrutiny of this code is invited, constructive criticism is solicited. It is the ambition of the Committee of the Revision of the Laws of the House of Representatives," at that time, "was to perfect the code by correcting errors, eliminating an obsolete matter, restating the law with logical completeness, with precision, brevity, and uniformity of expression."

You see, the crime issue: We should be talking about the law. A successful judicial system needs a proper balance between restitution, retribution, deterrence, rehabilitation, and prevention.

What has occurred with the crime bill that came out after conference report is that it is completely out of balance.

□ 2210

The crime bill that was defeated here on a procedural vote for the rule, the message sent was to send that bill back to conference to correct it, because this body voiced the will of the American people to say that the bill that was submitted for us was an obscene injustice of public responsibility.

You see, the responsibility that we have as Members is to come forth with political morality. Political morality is whatever bill that you bring forth, whether it is on welfare reform, on crime, whether it is on the space station, whether it is on many different appropriations, we need to begin paying for what we do. When we have approaching a $5 trillion national debt, which is moving forward at a clip of $870 million a day, that is what this deficit is costing us, money that could go to infrastructure of this country, to improvements in education, advanced technologies.

No, we have to pay it on the Nation's debt and our budget deficit. That is what this is causing to us. We cannot ignore it. We cannot stick our head in the sand and say we can continue on.

We must exercise political morality.

For many, many years, you see, there was not a cry among America for a balanced budget amendment, there was not a cry for a line-item veto. Only recently has there been the lack of responsibility.

That act of public responsibility is also involved in the crime bill because when there is not enough funding to go around, we must exercise public responsibility to spend dollars wisely, prudently, effectively, focused so that they are effective programs; not to just on the crime issue, to spend money as if it is a starburst without realizing what impact those funds are being made, if any.

The message I received from the State of Indiana has been very clear, it is to stop the revolving door on violent crime and to, yes, place more police on the streets. You see, the people in Indiana are very pragmatic. They exercise good common sense. They say we realize that 7 percent of the violent criminals in our society are committing between two-thirds to 70 percent of the violent crimes, yet only serving 37 percent of their terms.

So what they are asking for is a tough crime bill with true truth-in-sentencing provisions. Now I understand that the President likes to get out there and say there are truth-in-sentencing provisions in the bill; but, you know, they are tremendously watered down and weakened. The President knows that. But he knows that the American people want to stop the revolving door on crime. So he throws out the terminology at the same time while he knows that States can access prison funding without even having to access—excuse me—having to activate truth-in-sentencing provisions.

You know, since the House defeated the rule, the President did try to seize, Mr. Speaker, the initiative with numerous attacks upon the GOP. And the NRA. Of course, he has forgotten about 58 Democrats who also opposed him on that rule.

I, on Friday, after hearing the majority leader state that he would place the crime bill back on the docket, I immediately wrote a letter to the Speaker of the House, saying, "Let's move forward in a bipartisan fashion." I was one of 38 of the Republicans who voted for the crime bill that came out of the House. I very much would like to vote on a crime bill. But the crime bill that came out of the conference report is not a report of a bill for which I can support. I asked them to meet in a bipartisan fashion to send this bill back to the conference, so that, yes, the will of the American people can be served.

My fears are that rather than negotiate with individuals such as myself, who has not been contacted by the White House, is that they would rather try to find eight individuals, take them to the back rooms and negotiate back there, either by using the Mutt-and-Jeff routines offering enticements and deals or outright punishment, threats, verbal coercion.

I am hopeful that my colleagues will exercise courage of conviction that I spoke in my opening because I see the trust deficit that is real between the American people and this Congress is there because they see a Member of Congress being nonresponsive to the will of the American people.

I also have mentioned what it felt like to be back at home at Monticello, IN, sitting on the couch with my son, to then see President Clinton on TV on the nightly news asking the American people from the pulpit of a church to pray for Members of Congress who voted against his crime bill.

I must say, Mr. President, that that was a tremendous statement to make from someone that, yes advocates the present statements of Christian bigotry that is occurring out there, not only you yourself, but also members of your Cabinet, talking about the unreligious Christian right.

Let me move to the President's comments that have been conclusively stated that the bill contains the "three-strikes-you're-out," 100,000 cops on the beat, prison funding and, as I said earlier, truth-in-sentencing provisions. You see, those are things which appeal to the American people. Clinton has not given the details about the plan in any of his statements. He has only repeated that what defeated the bill was a, I quote, "procedural trick." He has not explained how the bill was so drastically weakened in the conference. And I wonder why.

If the bill was so wonderful, why does he not let the American people in on the big spending secret?

You see, many of us are upset. We are upset because the crime bill got away from its original intent. Many of you are upset because, yes, we want to build more prisons; but what happened to that House version of the bill was that there was a decrease in funding of prisons by 50 percent.

Now, someone on the other side of the aisle would say, "No, STEVE, it is not 50 percent. There is $10.5 billion in the funding of prisons." But, you know, folks, it is less $1.8 billion for the housing of illegal aliens and $2.2 billion of that is non-trust-fund spending, which is a nonappropriated fund. You may as well call it funny money.

Attached to the prison funding were the truth-in-sentencing provisions. Yes, that is a Federal enticement to say to the States, "Let's stop the revolving door." But as I said earlier, now they cannot access the funds without having to enact truth-in-sentencing provisions.

One of the funding mechanisms of this bill I would like to discuss is that there is no true, accurate funding mechanism of the crime bill. The crime bill is to be funded with a trust account.

You see, there is no requirement that Federal spending actually meet all the crime bill funding commitments. You see, what that does is set the stage for possible nonbudgeted supplemental appropriations.

Next I would like to discuss retroactive applicability of the waivers of minimum mandatory sentences for first-time drug felons. Yes, you have heard many talk on the House floor about the possibility of that impact, of the release of up to 10,000 drug felons.

Now, it is difficult to say what the exact number is going to be. But what we do know is the impact of that measure. The impact of the measure is very real.

According to the preliminary estimates developed by the Federal Bureau of Prisons, somewhere between 5,000 and 10,000 Federal prisoners could meet the eligibility requirements, as stated in the bill, section 201. A sentence reduction hearing would likely be required to reduce a prisoner's sentence each costing the judiciary about $2,500 per case. If 5,000 or 10,000 hearings were conducted, the cost to the judiciary could be between $10.5 million and $25 million, which would likely be incurred in the first 2 or 3 years of the enactment of the provision.

□ 2220

So, you know when the President gets out, and he talks about this being a tough crime bill, I do not think the people have in mind the releasing of so many Federal prisoners back into the circulation of society, and you know it is not just the individual that decided to experiment with marijuana for the first time. This also could be the moles, those individuals who are running drugs, and in Indiana that impact is real because they are running drugs up from the South, whether it is from the gulf, or from Miami, up I-75, and cut across I-69, or up I-65 to Chicago or to Detroit, and it is real, and to think we would take those drug felons and place them back on to the street is not my idea of a tough crime bill. When the American people say they want a tough crime bill, I believe they have in their image, in their mind, something of the Terminator, but what we have is something that looks more like Mr. Whipple squeezin' the Charmin.

Part of the bill which has also upset many is the social side. They call it the prevention. Yes, it is heavy in the prevention side, and we do need a balance with prevention. But what we do not need is the out of balance. You see, earlier when I had mentioned that we need a system that balances between prevention, restitution, retribution, rehabilitation, and deterrence, the American people have stood up and said, "Enough is enough. For 25-plus years we have had tremendous focus on the rehabilitative side, poured money into the prevention side, and what has the spending of $5 trillion of social programs since 1965 done for this society? It has escalated violent crimes by almost 500 percent."

It is almost like what happened to individual and personal responsibility. Yes, some of the prevention side of the spending is good. I think that the statements by many about the midnight basketball and a lot of those provisions are silly, and the American people view them as being silly. I think what upsets a lot of us here is the placing of $1.8 billion of the Local Partnership Act of the failed stimulus package in a crime bill. It has no place in this crime bill.

You see, earlier when I opened up, when I talked about title 18 and the law, it is because we should be talking about a focus in on the deterrence, the retribution, the law, and then seek the balance on the preventive side. Now I think the message of the American people has been very clear, and their clear message is:

What happened to deterrence?

What happened to retribution?

What happened to victims' rights?

We have had enough about the civil rights of criminals. Let us stop coddling the criminal with hug-a-thug type programs. Enough is enough.

You see, I stand here and view this through the dimension of a Federal prosecutor, and I say, "Will this crime bill, if I were still in the U.S. attorney's office, would this bill help? Would it help me? Would it help members of the community to have the streets, and the schools, and the parks, and the communities safer?" I could not look at an individual back in Indiana in the face and in their eyes and state with the passion and my conviction and say it will.

Let me mention about the funding of 100,000 police because I know many like to talk about the 100,000 police. I know what many have already talked about, that it really does not fund the 100,000 police on the street that the President and many others claim.

I think the American people would like to see more police. I know that there are communities that are strapped in the high tax, high crime areas that have high unemployment. I know that they are reaching out.

Sure, we would love to have better efficiencies of their local government. I do not want the Federal Government to be a bailout for the inefficiencies of the local communities. But on this issue of the 100,000 cops on the beat you almost have to say, "What's the catch?"

You see, I view this provision as an entrapment of police funds. The simple examination of title one of section 1003 of the conference report on page 20779 of the CONGRESSIONAL RECORD shows there is now a way that this bill could possibly fund police for our streets. You see, the bill provides $8.8 billion to be doled out at the discretion of the Attorney General for both new police—now think of that, at the discretion of the Attorney General. You see, there are some of us that believe that not only these cops on the beat, but other preventative programs should be handed out in block grants, not to be spent at the discretion of the Attorney General, or at HUD, or at other Federal governmental agencies.

You see, my fear is that politics will permeate on the issue. Just go to Massachusetts, for example, and go ask two Republican Congressmen in Massachusetts by the name of PETER BLUTE and PETER TORKILDSEN. Ask them what happened to the Federal grants for more police in the State of Massachusetts. You see, the money went to other Congressional districts who are Democrat Congressmen in Massachusetts, and no money went to the two Republican districts in the State of Massachusetts.

Now, I have not analyzed where the funds have gone in other States, but that bothers me a whole lot because what that tells me is that politics are permeating the issue of where moneys will be doled out.

So you say, "STEVE, just allow the discretion of this $8 billion-plus to be held in the hands of the capricious hands of the President's Cabinet." I think not. We have had enough of federalism, federalism, the Federal Government, moving into the States and local communities as if this body has all the answers. I disagree.

You know, I noticed earlier one of my colleagues commented that the

leader of the sheriffs' association here in the United States is a Democrat sheriff from a county in South Carolina who said he is not going to access this. He is not going to access it because the application process will be too bureaucratic and that he cannot, their county cannot, afford the expense.

You see, I was on the phone today also with a president of a county council in Marshall County, IN, by the name of John Zentz. He is president of the county council, and he said, "STEVE, we cannot afford this program." You see, they understand at the local community that it is an entrapment. In order for them to access these funds they must put up 25 percent of the costs of that new police officer, and then they are going to have to pay for, they, the counties, will have to pay for, the benefit package, health care and health care insurance, any kind of life insurance, their retirement programs. They will pick up the expense. So, they fund 25 percent. They are going to have to pay for the equipment if they are going to have to go out and buy new squad cars. The local communities are going to have to pick that up. The Federal Government will kick in the 75 percent. But the kicker is at the end of the 5 years the local communities have to pay it all.

Now at the end of 5 years what magically happens? Vesting. Vest. You see, that police officer has vested.

□ 2230

He becomes a permanent employee. It is a hidden tax increase to the local communities, who cannot afford it, and they know it. That is why I received a call from the president of the county council, to say Steve, I do not agree with that carrot-and-stick approach.

What I am hopeful for is that this body will move forward in a bipartisan fashion to address the crime issue. I think if they listen to the will of the American people, and I am very careful not to judge America by what happens in my district. Sometimes we get caught in that. I have to remember about the concerns of my colleagues that come from big cities. I recognize that this body at times, the Nation's agenda gets driven by the concerns of the big urban centers.

I am keenly aware of that, because I come from the rural areas. The rural areas are individuals who are very pragmatic, who are steeped in traditions and have great reverence. They have known what it is like to do more with less. They are not the ones with their hands out, looking for a handout, when they have poorly run their own local governments. So that is why earlier I said the Federal Government should not be the bailout. I recognize that as we discuss the issue of crime, we must remain responsible, exercise public responsibility, and public political morality.

What I hear from my district has been very clear on the issue thus far. The Fifth District of Indiana, the calls into my district are 16 to 1 against the President's crime bill. When I did a survey of my district, I asked a few questions, and this is how they responded.

Over 5,300 responses, from July 1 to July 31 of this year, to the question do you feel that crime control legislation should include truth-in-sentencing guidelines which require criminals to serve at least 80 percent of their sentences? 4,858, 92 percent, said yes, we want truth-in-sentencing provisions. So you see, when I want to stand up here on the House floor for truth-in-sentencing provisions to stop the revolving door, it is not stating just what I want. It is the will of the people that I represent in the Fifth Congressional District of Indiana.

On the issue of do you support the notion that gun control is crime control? 4,416, 84 percent of the 5,300 responses said no, they do not buy into that notion.

Now, there has been a lot of talk that it is the NRA that is stopping the crime bill. The NRA has played a part, but that is not the sole cause. You see, the crime bill got far away from its original intent. I voted against Brady. I voted against the assault weapons ban. I am a strong supporter of the second amendment.

But, you know, I recognize that what we must go after is the criminal intent. You see, if I hold a knife in my right hand, and I hold a weapon, a gun which they seek to ban in my left hand, can you tell me which is the assault weapon and which is the defensive weapon? No.

You see, what defines them is the criminal's intent. If I choose the knife in my right hand to either maim, disfigure, wound, or kill, and I come at you, and you choose the weapon that they seek to ban, the knife is the assault weapon based only on my intent, and the defensive weapon is the gun.

So the real assault weapon is the thug, is the criminal. That is what defines the assault weapon.

So I get a little upset when I hear the "assault weapons ban." Does that mean we are going to ban anything that is used? Are we going to ban feet? Are we going to ban hands? Are we going to ban an ink pen, if somebody uses an ink pen and stabs it into someone's heart? All of those are assault weapons. Tire irons, screwdrivers, ice picks. There are many things that could be classified as an assault weapon.

So I do not give in to the renaming. You see, there is that notion of gun control is crime control, and I do not question the sincerity of the Members of this body that believe that, because they believe it with all their sincerity. President Clinton believes that with all his sincerity.

But that which really gets me is to have in this crime bill gun control. And at the same time this conference stripped out the Senate provisions to get tough on criminals who use a weapon, a gun, in the commission of a crime.

On the floor of the Senate, PHIL GRAMM offered an amendment requiring 10 years in prison without parole for possessing a firearm during the commission of a violent crime or drug felony, 20 years imprisonment without parole for discharging a firearm during the commission of a violent crime or drug felony, life imprisonment without parole for murder, and the death penalty in aggravated cases.

You see, this was stripped in conference. Now, think of that disconnect. They want to take guns away from law-abiding citizens, but, at the same time, let us not punish criminals who use a gun or discharge it or kill someone in the commission of a crime. Let us not increase that.

Now, you see, the President is not saying that. He is not out there saying that, because if the American people knew that, they would be tremendously upset.

So that is why I am here tonight. I am here tonight to get the American people to understand there are many of us in this body who are upset that the crime bill was weakened.

Now, I understand what happens here. That in order to get a crime bill through this House, it is an incredible juggling act. It is a juggling act because you have Members who do not believe in the death penalty. You have Members who only want to do the social side or the preventive side. You have got those who really believe in the coddling of the criminal. You have got those who say well, that is really not a mugger, that is just a socially disadvantaged person who is reaching out for help. So he is not really a mugger. Allow him to complete his transaction so he can get back to a midnight basketball game.

Come on. The American people have seen through this crime bill. They do in fact want a tough crime bill. And being one of the 38 Republicans who voted for the crime bill, I want a tough crime bill. But I cannot support a crime bill that does not move back to conference and move in a bipartisan fashion. I cannot do it, and go back to Indiana and look at Hoosiers in the face and say "good deed."

Mr. Speaker, I include for the RECORD the following newspaper article.

[From the New York Times News Service, Aug. 17, 1994]

A VOTE AGAINST CRIME BILL IS A LESSON IN NEW POLITICS

(By R.W. Apple, Jr.)

WASHINGTON.—Rep. Lee L. Hamilton carries the look and the sound of small-town America with him. He uses the phrase "visit

with" to mean "talk to," he still wears his hair cut short and he has the same soft Hoosier manner that once made Herb Shriner a popular humorist.

But Hamilton, an Indiana Democrat, has spent 30 years on the Potomac, and he is now a major player on Capitol Hill as chairman of the House Foreign Affairs Committee. He is invited to the bigtime parties in Georgetown and at the White House (he was there for dinner recently with the Emperor and Empress of Japan). He regularly gets approval ratings in the 70s and 80s from most liberal groups and ratings in the 30s from most conservative organizations.

Hamilton is admired for his intellect. President Clinton, it is said, considered him last year for secretary of state and has thought of him, along with Walter F. Mondale, as a candidate to succeed Warren Christopher in that position. In short, he is someone the Democratic establishment considers one of its own.

So perhaps the most surprising element of last week's surprising defeat of the crime bill on a procedural motion was Lee Hamilton's "no" vote. It is understandable only in terms of the two worlds he inhabits and which one exerts the stronger influence in today's politics.

"It doesn't give me any joy to cast a vote against President Clinton or any other president, for that matter," he said Tuesday. "Would I like to see him get a victory when he obviously needs one? Yes. Do I make that my first or my second priority? No.

The basic nature of American politics has changed. I don't get elected because of what Bill Clinton thinks or what the House leadership thinks. The electorate makes up its own mind. That inevitably means that presidents have a lot less clout with Congress than they used to have. All presidents, I mean.

It's also true, of course, that when a president is riding high his influence goes up, and when a president is in the dumps, the way Clinton is, his influence declines."

Hamilton lives in Nashville, Brown County, Indiana (population 873) and represents most of southeastern Indiana, an 18-county region whose biggest town is Jeffersonville, across the Ohio River from Louisville, Ky.

People there tend to be conservative Democrats; many trace their roots back to the "Butternut" Democrats from the South who settled in the area. And they are much more suspicious of government spending and gun control and social engineering than people in Washington or, for that matter, Indianapolis.

"They elect Lee Hamilton," an old friend said, "because they know that deep down, there's a wide streak of Scottish conservatism in there."

Hamilton certainly sounded conservative as he discussed his vote in an interview Tuesday morning. He said he liked some things in the bill, such as the provisions for more police officers and more prisons, but he argued that Congress "can do better" and that if it did not, no bill was preferable to one he considered deeply flawed.

How? Well, the congressman said, he found the financing of the new programs "very shaky," in fact "largely phony," because they would be paid for by savings within the federal bureaucracy that would never be made.

There was "a lot of stuff that doesn't belong in a crime bill," he added, like $300 million for economic development, and "another job training program, when we already have about 20 and the vice president has been running around saying we need to consolidate them."

But he spoke with special emphasis about the ban on assault weapons, which he voted against when it first passed the House, although he had voted in favor of the Brady law, which requires a five-day waiting period before handguns can be purchased.

Such laws are far more popular in cities, he conceded, than in the small towns and rural communities he represents; "in Indianapolis a gun is a threat, but in DuBois or Spencer County it's a security device."

"This is an exceedingly divisive issue," Hamilton said, "but no one has shown me any evidence that a ban would cut the crime rate."

He pictured his vote as a matter of principle, but at the White House, it was seen as a cave-in to political pressure. Asked why Hamilton had voted as he did, a senior adviser to Clinton answered.

"Guns. That's all it is."

In fact, Hamilton appears to be under no great pressure from anyone. Despite widespread talk of stripping him of his chairmanship as a disciplinary measure, something that would have been almost automatic 20 or 30 years ago, he said he had received no threats from House colleagues and no calls from the White House since the vote. (Beforehand, he was called by Vice President Al Gore, whom he told that he had already publicly pledged to vote "no.")

His hold on his district appears solid. He took 69 percent of the vote in 1992 and 70 in 1994, and his opponent this year, State Senator Jean Leising, is given little chance.

There has been no burst of editorial comment on his vote, and John Gilkey, managing editor of The Evening News in Jeffersonville, said that even the assault-gun ban "is not really an overwhelming concern to people here." The main complaints have come from local police chiefs. Dean Marble, the chief in Clerk County, said he was "really disappointed" because additional officers were "desperately needed in the country" and money was not available.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MORAN (at the request of Mr. GEPHARDT) for today, on account of illness in the family.

Mr. BECERRA (at the request of Mr. GEPHARDT) for today, on account of official business in the district.

Mr. DERRICK (at the request of Mr. GEPHARDT) from 2 p.m. today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ZIMMER) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 5 minutes, today.

Mr. DOOLITTLE, for 5 minutes, today.

Mr. SHAYS, for 5 minutes, today.

Mr. TAYLOR of North Carolina, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, on August 18.

Mr. WOLF, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. COX, for 5 minutes, today.

Mr. HEFLEY, for 5 minutes, today.

Mr. RAMSTAD, for 5 minutes, today.

Ms. PRYCE of Ohio, for 5 minutes, today.

Mr. MANZULLO, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. EHLERS, for 5 minutes, on August 18, 19, 20, 21, and 22.

(The following Members (at the request of Mr. BARLOW) to revise and extend their remarks and include extraneous material:)

Mr. HOYER, for 5 minutes, today.

Mr. KREIDLER, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. MCKINNEY, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

Ms. ESHOO, for 5 minutes, today.

Mr. FINGERHUT, for 5 minutes, today.

Mr. BISHOP, for 5 minutes, today.

Mr. BARRETT of Wisconsin, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mrs. MEEK, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ZIMMER) and to include extraneous matter:)

Mr. SAM JOHNSON of Texas.

Mr. LEWIS of Florida.

Mr. PACKARD.

Mr. SOLOMON.

Mr. DELAY.

Mrs. MORELLA.

Mr. SANTORUM.

Mr. CRANE.

Mr. ZELIFF.

(The following Members (at the request of Mr. BARLOW) and to include extraneous matter:)

Mr. NADLER.

Mr. BRYANT.

Mr. OBERSTAR.

Mr. MILLER of California.

Mr. REED.

Mr. MARKEY.

Mr. GORDON.

Mr. HAMILTON in two instances.

Mr. RUSH in two instances.

Mr. UNDERWOOD in two instances.

(The following Members (at the request of Mr. BUYER) and to include extraneous matter:)

Mrs. SCHROEDER.

Mr. KREIDLER.

Ms. BROWN of Florida.

Mr. BUYER.

ENROLLED BILLS SIGNED

Mr. ROSE from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2815. An act to designate a portion of the Farmington River in Connecticut as a

component of the National Wild and Scenic Rivers System.

H.R. 4812. An act to direct the Administrator of General Services to acquire by transfer the Old U.S. Mint in San Francisco, California, and for other purposes.

ADJOURNMENT

Mr. BUYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 40 minutes p.m.) the House adjourned until tomorrow, Thursday, August 18, 1994, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3713. A letter from the Secretary, Department of Defense, transmitting the 1994 Joint Military Net Assessment, pursuant to 10 U.S.C. 113(j)(1); to the Committee on Armed Services.

3714. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement with the Republic of Korea (Transmittal No. DTC-27-94), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3715. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement with Finland (Transmittal No. DTC-26-94), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3716. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed approval of manufacturing license agreement with Japan (Transmittal No. DTC-28-94), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3717. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Robert Edward Service, of California, to be Ambassador to the Republic of Paraguay, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3718. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 94-32: RFE/RL Relocation, pursuant to Public Law 103-236, section 308(k)(2)(B) (108 Sta. 439); to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BEILENSON: Committee on Rules. House Resolution 523. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4603) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies programs for the fiscal year ending September 30, 1995, and making supplemental appropriations for these departments and agencies for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103-709). Referred to the House Calendar.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

Referral of H.R. 2680 to the Committee on Government Operations extended for a period ending not later than August 18, 1994.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. DUNN:

H.R. 4973. A bill to amend title 18, United States Code, to make it unlawful for any person to knowingly possess stolen firearms or stolen ammunition; to the Committee on the Judiciary.

By Mr. EVANS (for himself, Mr. CLAY, Mr. JEFFERSON, Mr. BARLOW, Mr. LIPINSKI, Mr. LEACH, Mr. GUTIERREZ, Mr. COSTELLO, Mr. OBERSTAR, Mr. WHEAT, Mr. BAKER of Louisiana, Mr. SANGMEISTER, Mr. MONTGOMERY, Mrs. LLOYD, and Mr. FORD of Tennessee):

H.R. 4974. A bill to amend the Mississippi River Corridor Study Commission Act of 1989 to extend the term of the Commission established by such act; to the Committee on Natural Resources.

By Mr. DREIER (for himself and Mr. KOLBE):

H.R. 4975. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to exclude changes in tariffs from the paygo scorecard and to amend the Congressional Budget and Impoundment Control Act of 1974 to exempt changes in tariffs from certain points of order; jointly, to the Committees on Government Operations and Rules.

By Mr. HANSEN (for himself, Mr. SKEEN, Mr. BILBRAY, and Mr. PASTOR):

H.R. 4976. A bill to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner; to the Committee on Natural Resources.

By Mr. KREIDLER (for himself, Mr. MURPHY, Mr. FRANK of Massachusetts, Mr. BARLOW, Mr. MARTINEZ, Mr. OBERSTAR, Mr. JACOBS, Mrs. UNSOELD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. TORRES, Mr. VENTO, Mr. WYDEN, Mr. SYNAR, and Mr. JOHNSTON of Florida):

H.R. 4977. A bill to change the appeals process in the workers compensation provisions of title 5, United States Code; to the Committee on Education and Labor.

By Mr. KREIDLER (for himself, Mr. MURPHY, Mr. FRANK of Massachusetts, Mr. BARLOW, Mr. MARTINEZ, Mr. OBERSTAR, Mr. JACOBS, Mrs. UNSOELD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. TORRES, Mr. VENTO, Mr. WYDEN, Mr. SYNAR, and Mr. JOHNSTON of Florida):

H.R. 4978. A bill to require the administrative agency responsible for adjudicating claims under the workers compensation provisions of title 5, United States Code, to follow certain procedures in seeking medical opinions; to the Committee on Education and Labor.

By Mr. KREIDLER (for himself, Mr. MURPHY, Mr. FRANK of Massachusetts, Mr. BARLOW, Mr. MARTINEZ, Mr. OBERSTAR, Mr. JACOBS, Mrs. UNSOELD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. TORRES, Mr. VENTO, Mr. WYDEN, Mr. SYNAR, and Mr. JOHNSTON of Florida):

H.R. 4979. A bill to require the administrative agency responsible for adjudicating claims under the workers compensation provisions of title 5, United States Code, to select board-certified physicians to provide second opinions; to the Committee on Education and Labor.

By Mr. LEWIS of Kentucky (for himself, Mr. BUNNING, Mr. ROGERS, Mr. MAZZOLI, Mr. BAESLER, and Mr. BARLOW):

H.R. 4980. A bill to designate the bridge on U.S. Route 231 which crosses the Ohio River between Maceo, KY, and Rockport, IN, as the "William H. Natcher Bridge"; to the Committee on Public Works and Transportation.

By Mrs. SCHROEDER (for herself, Mr. MARKEY, and Ms. MARGOLIES-MEZVINSKY):

H.R. 4981. A bill to amend certain Federal civil rights statutes to prevent the involuntary application of arbitration to claims that arise from unlawful employment discriminaton based on race, color, religion, sex, national origin, age, or disability; and for other purposes; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. TORKILDSEN:

H.R. 4982. A bill to improve the enforcement of child support obligations in both intrastate and interstate cases by requiring the imposition and execution of liens against the property of persons who owe overdue support; to the Committee on Ways and Means.

By Mr. VOLKMER:

H.R. 4983. A bill to amend title IV of the Social Security Act by reforming the Aid to Families with Dependent Children Program, and for other purposes; jointly, to the Committees on Ways and Means, Education and Labor, Energy and Commerce, and Agriculture.

By Mr. DREIER (for himself, Mr. GINGRICH, Mr. ARMEY, Mr. ARCHER, Mr. CRANE, Mr. KOLBE, Mr. ROBERTS, Mr. SAXTON, Mr. EWING, Ms. DUNN, and Mr. KNOLLENBERG):

H. Con. Res. 284. Concurrent resolution expressing the sense of the Congress with respect to funding for the Uruguay round of GATT negotiations; to the Committee on Ways and Means.

By Mr. DELLUMS:

H. Con. Res. 285. Concurrent resolution directing the Secretary of the Senate to make technical corrections in the enrollment of S. 2182; considered and agreed to.

By Mr. BALLENGER (for himself and Mr. HAMILTON):

H. Con. Res. 286. Concurrent resolution recognizing the contribution of President Alfredo Christiani of El Salvador to achieve peace and national reconciliation in El Salvador; to the Committee on Foreign Affairs.

By Ms. DUNN (for herself, Mr. DEAL, Mr. HYDE, Mr. SMITH of New Jersey, Mr. KYL, Mrs. FOWLER, Ms. MOLINARI, Mr. ZIMMER, Mr. CUNNINGHAM, Mrs. ROUKEMA, Mr. SAXTON, Mr. FRANKS of

New Jersey, Mr. MANZULLO, and Mr. CRAPO):

H. Res. 524. Resolution providing for the consideration of the bill (H.R. 3990) to provide protection from sexual predators; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

460. By the SPEAKER: Memorial of the General Assembly of the State of California, relative to Norton Air Force Base; to the Committee on Armed Services.

461. Also, memorial of the General Assembly of the State of California, relative to women's health care; to the Committee on Energy and Commerce.

462. Also, memorial of the General Assembly of the State of California, relative to the Federal Safe Drinking Water Act; to the Committee on Energy and Commerce.

463. Also, memorial of the General Assembly of the State of California, relative to human rights violations and political oppression in Vietnam; to the Committee on Foreign Affairs.

464. Also, memorial of the General Assembly of the State of California, relative to law enforcement; to the Committee on the Judiciary.

465. Also, memorial of the General Assembly of the State of California, relative to the imprisonment of undocumented alien criminals in Federal prisons; to the Committee on the Judiciary.

466. Also, memorial of the General Assembly of the State of California, relative to deportation of the spouses and children of permanent U.S. residents; to the Committee on the Judiciary.

467. Also, memorial of the General Assembly of the State of California, relative to hate crimes; to the Committee on the Judiciary.

468. Also, memorial of the General Assembly of the State of California, relative to illegal aliens; to the Committee on the Judiciary.

469. Also, memorial of the General Assembly of the State of California, relative to gaming on cruise ships; to the Committee on Merchant Marine and Fisheries.

470. Also, memorial of the General Assembly of the State of California, relative to the New River; to the Committee on Public Works and Transportation.

471. Also, memorial of the General Assembly of the State of California, relative to recognition of capital loss on the sale of a principal residence; to the Committee on Ways and Means.

472. Also, memorial of the General Assembly of the State of California, relative to the Federal income tax personal exemption; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 127: Mr. BEREUTER, Mr. COPPERSMITH, Mr. FROST, Mr. COYNE, Mr. MILLER of California, Mrs. VUCANOVICH, and Mr. DE LUGO.

H.R. 1110: Mr. DELAY.

H.R. 1164: Mr. KENNEDY.

H.R. 1190: Mr. DORNAN.

H.R. 2420: Mr. SOLOMON.

H.R. 2586: Mr. SYNAR.

H.R. 2910: Mr. BEREUTER, Mr. CANADY, and Mr. HANSEN.

H.R. 3251: Mr. CRANE, Mr. SENSENBRENNER, and Mr. BARCA of Wisconsin.

H.R. 3270: Mr. ANDREWS of Texas.

H.R. 3722: Mr. UNDERWOOD.

H.R. 3782: Mr. KLUG, Mr. DEUTSCH, Mr. ZIMMER, and Mr. WYNN.

H.R. 3897: Mr. FINGERHUT.

H.R. 4116: Mr. JOHNSON of South Dakota.

H.R. 4210: Ms. MARGOLIES-MEZVINSKY, Mr. HOLDEN, Mr. HUFFINGTON, Mr. RIDGE, and Mr. MANTON.

H.R. 4260: Mr. GUNDERSON.

H.R. 4375: Mr. EVANS.

H.R. 4411: Mr. VISCLOSKY.

H.R. 4449: Mr. ACKERMAN, Mr. BARRETT of Wisconsin, Mr. BOEHLERT, Mr. DELLUMS, Mr. EVANS, Mr. ENGEL, Mr. FOGLIETTA, Mr. HILLIARD, Mr. HOCHBRUECKNER, Mr. HUGHES, Mr. OWENS, Mr. SERRANO, and Ms. VELAZQUEZ.

H.R. 4541: Mr. HAMILTON, Mr. BURTON of Indiana, Mr. ACKERMAN, Mr. HASTINGS, Mr. EDWARDS of California, Mr. ENGEL, Mr. BERMAN, Mr. GEJDENSON, Mr. LANTOS, Mr. BACCHUS of Florida, Mrs. MEEK of Florida, Mr. PENNY, Mr. BARRETT of Wisconsin, Mr. DELLUMS, Mr. WYNN, Mr. OBERSTAR, Mr. WASHINGTON, Mr. HUGHES, Mr. MCCLOSKEY, Ms. BROWN of Florida, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. RANGEL, Mr. DE LUGO, Mr. HOUGHTON, Mr. HILLIARD, Mr. REYNOLDS, Mrs. CLAYTON, Mr. CONYERS, Mr. JEFFERSON, Mr. HALL of Ohio, Mr. WALSH, Mr. KLEIN, Mr. RUSH, Mr. LEACH, Ms. FURSE, Mr. MFUME, Mr. BONIOR, Mr. DURBIN, Mr. WATT, and Mr. SYNAR.

H.R. 4548: Mr. ABERCROMBIE.

H.R. 4643: Mr. SMITH of Oregon.

H.R. 4699: Mr. MINGE and Ms. DELAURO.

H.R. 4780: Mr. ORTON, Mr. MORAN, Mr. PRICE of North Carolina, Mr. KLINK, Mr. PARKER, Mr. DINGELL, Mrs. KENNELLY, and Mr. MILLER of California.

H.R. 4792: Mr. GUNDERSON.

H.R. 4802: Mr. SANDERS, Mr. SCHUMER, Mr. GENE GREEN of Texas, Mr. CALVERT, Mr. POMEROY, and Ms. KAPTUR.

H.R. 4810: Ms. VELAZQUEZ and Mr. FILNER.

H.R. 4851: Mr. PARKER, MR. APPLEGATE, Mr. CLAY, Mr. MCNULTY, Mrs. COLLINS of Illinois, Mr. ACKERMAN, Ms. FURSE, and Mr. REYNOLDS.

H.R. 4860: Mr. VISCLOSKY

H.R. 4902: Ms. PRYCE of Ohio.

H.R. 4944: Mr. DORNAN and Mr. RICHARDSON.

H.J. Res. 338: Mr. MCDERMOTT, Mr. ROEMER, and Mr. VISCLOSKY.

H.J. Res. 362: Mr. MEEHAN, Mr. JOHNSON of South Dakota, and Mr. THOMPSON.

H.J. Res. 382: Mr. BISHOP and Mr. MURTHA.

H.J. Res. 397: Mr. EMERSON, Mr. THOMPSON, Mr. PASTOR, Mr. FROST, Mr. TOWNS, Mr. MCNULTY, Mr. FOGLIETTA, Mr. COPPERSMITH, Mr. REYNOLDS, Mr. REED, Mr. QUINN, Mrs. MEYERS, of Kansas, Mr. MCKEON, Mr. MANN Mr. LAROCCO, Mr. PETE GEREN of Texas, Ms. WOOLSEY, Mr. SCHIFF, and Ms. WATERS.

H. Con. Res. 148: Mr. GILMAN.

H. Con. Res. 251: Mr. LANTOS, Mrs. MEYERS of Kansas Mr. ROHRABACHER, Mr. MCCLOSKEY Mr. SMITH of New Jersey, Mr. OBERSTAR, Mr. TRAFICANT, Mr. HALL of Texas, Mr. SERRANO, Mr. MILLER of California, Mr. LIPINSKI, Mr. PORTER, Mr. MORAN, and Mr. MCNULTY.

H. Con. Res. 255: Mr. SHAYS and Mr. DUNCAN.

H. Res. 430: Mr. GINGRICH, Mr. MENENDEZ, and Mr. MANTON.

H. Res. 472: Mr. WELDON and Mr. BALLENGER.

H. Res. 485: Mr. LEWIS of Florida, Mr. TALENT, Mr. GRAMS, Mr. COOPER, and Mr. FRANKS, of New Jersey.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 140: Mr. ZIMMER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

118. By the SPEAKER: Petition of the attorney general of the State of Arizona, relative to State health care fraud control units; to the Committee on Energy and Commerce.

119. Also, petition of the attorney general of the State of Texas, relative to State health care fraud control units; to the Committee on Energy and Commerce.

120. Also, petition of the attorney general of the State of Michigan, relative to State health care fraud control units; to the Committee on Energy and Commerce.

121. Also, petition of the attorney general of the State of New Mexico, relative to State health care fraud control units; to the Committee on Energy and Commerce.

122. Also, petition of the Department of Public Safety of the State of Utah, relative to State health and care fraud control units; to the Committee on Energy and Commerce.

123. Also, petition of the attorney general of the State of Minnesota, relative to State health care fraud control units; to the Committee on Energy and Commerce.

124. Also, petition of the attorney general of the State of North Carolina, relative to State health care fraud control units; to the Committee on Energy and Commerce.

EXTENSIONS OF REMARKS

HOW TO START REFORMING THE OWCP

HON. MIKE KREIDLER
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. KREIDLER. Mr. Speaker, in Colorado, there is an injured Federal employee who is contemplating suicide because he sees his insurance policy as his only apparent means of providing for his family.

In California, a Vietnam war hero came close to bankruptcy twice, lost a chance at buying a home, relinquished his military reserve pay, and lost thousands of dollars in wages—thanks to a dog bite while delivering the mail.

In New Jersey, a Federal employee went 3 years without pay or compensation, liquidated all his financial assets and "sold anything I could" to get money, and was then fired, over a herniated disk.

In Washington, a trusted naval shipyard employee is threatened, lied to, humiliated, interrogated, called names, spied on, and fired, because he injured his back on the job.

In Georgia, the undercover agent who cracked the biggest bribery case in IRS history saw 11 doctors who declared him totally and permanently disabled, linking his problems to the stress of undercover work. And still the Government insisted he see more doctors. "This [harassment]" he said, "is killing me."

In Michigan, a Federal employee requires ongoing physical therapy to have a relatively pain-free life following an on-the-job injury. Denial of therapy leads to severe pain, but her therapy is constantly hindered by the Government's failure to approve continued treatment.

This is the dark side of the Federal Employees' Compensation Act, a side filled with tremendous amounts of pain and suffering, with inexcusable chaos, with an overwhelming and under prepared bureaucracy, a tangle of procedures, overly protective managers, and a clientele all too frequently living on the very edge of harrowing personal tragedy.

It is also a side the Department of Labor would prefer you to ignore.

The Department of Labor, which administers the Federal Employees' Compensation Act, instead wants you to focus on the generosity of a program which pays out nearly $1.7 billion a year in compensation, death and medical expenses. The Department is proud of the role it plays in helping 260,000 Federal workers with job-related injuries or occupational diseases, and that 88 percent of all workers' compensation cases are approved either initially or on appeal.

But all across our country, congressional caseworkers know there is an entirely different story of how the Department administers the program through its Office of Workers' Compensation Programs.

Through my office, I've been communicating with caseworkers who say, with unmistakable clarity, that the OWCP has serious structural and procedural problems that need to be reformed. They say the OWCP is structured and administered to receive a high volume of relatively routine cases expeditiously. The OWCP, they say, is competent at this task, and the vast majority of its work force handles this function with a high level of professionalism.

But once a case evolves beyond the routine, the OWCP's procedures and administration disintegrate to the point where many caseworkers, and many medical specialists, believe the rights and the needs of injured Federal employees are routinely placed in jeopardy.

I've prepared three bills to begin addressing this situation. These bills are only a beginning; a comprehensive package is required, but should be preceded by oversight hearings into the entire scope of OWCP operations—hearings which we haven't seen for years. These bills get at a variety of problems, including:

First, appeals and judicial review: The bill makes statutory changes in the operation of the Federal Employees' Compensation Act, generally by borrowing from the Social Security program a series of statutory and regulatory policies designed in part to accomplish the following:

Shorten the time it takes to pay compensation.—One of the major flaws in the current administration of OWCP is the time it takes to begin payment of compensation. For far too many claimants, the wait is from 6 to 12 months for approval, with an additional 3 months to receive retroactive compensation. Some cases I know of are approaching 4 years in length for a decision on the initial claim—incredible, but not unusual. Because of these delays, many injured workers have their cars repossessed, their homes foreclosed upon, and their credit reputation ruined. Several provisions of my bill shorten this period.

Expedite appeals.—The Employees' Compensation Appeals Board has jurisdiction over any appeal filed by a person adversely affected by a final OWCP decision. However, according to a 1992 memorandum from the House Education and Labor Committee, the Employees' Compensation Appeals Board "seems to lack both the will and authority to impose its decision on OWCP." Further, the committee memo said, "the perception of unfairness in the FECA program is exacerbated by the fact that appeals are conducted by the same organization [OWCP] that initially reviewed and denied a claim." My bill eliminates the Appeals Board and replaces it with hearings before Administrative Law Judges.

Judicial review.—Federal employees are the only employees in the United States who are not entitled to access the courts to contest an adverse denial of workers' compensation claims. My bill gives the fundamental right of judicial review to Federal employees. The right to access the court will provide finality and clarity in the OWCP claims process. And it would serve as a check on arbitrary decisions by the Employees' Compensation Review Board.

Physician fees.—The OWCP pays high fees to the Government physicians who evaluate the claims for the agency. In many cases, these fees are four to five times as high as the fee paid to the attending physician. My bill requires that the fees paid to Government physicians shall not exceed the fees paid for the claimant's physician. It also requires the Government to make payments to claimants' physicians within 60 days; currently, many physicians wait over a year to be paid.

Second, hand picked doctors: The General Accounting Office, in a February 1994 report, noted that when the OWCP assigns a physician to conduct an initial examination of an injured Federal employee, it is legally required to use an impartial selection process. This, however, is not the case for a second-opinion examination. Instead, the GAO found that while there is no conclusive evidence of bias, three out of five OWCP districts "used either a manual card file, their own automated database systems, or other sources to select second-opinion physicians." These practices give rise to the belief that in some cases the OWCP handpicks physicians in the hope of achieving predetermined outcomes to the detriment of the claimant.

The second-opinion physician plays a crucial role in the OWCP process. Following a review of the second-opinion physician's report, a claims examiner may find that the second-opinion physician and the claimant's physician agree and, in these cases, continue with the adjudication process. If, on the other hand, the views of the second-opinion physician and the claimant's physician disagree, OWCP is required to appoint yet another physician to resolve the medical issues.

My second bill, therefore, requires the OWCP to use a strictly impartial system for the selection of all second-opinion physicians, to eliminate any allegation that a second-opinion physician had been handpicked by the OWCP. Indeed, the GAO wrote in February that unless the OWCP moves to an unbiased selection process there will be "continued perceptions of bias by claimants whose benefits are terminated."

Third, medical certification: When an OWCP examiner has questions about medical evidence following case file reviews, the examiner can request additional information from a claimant's physician or by scheduling the claimant for exams by second-opinion physicians. Second-opinion exams may also be conducted first, when surgery is recommended for certain medical conditions, and second, to determine the extent to which an injured worker has lost the partial or complete use of a body part.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Remarkably, considering the important role played by the second-opinion physician, the OWCP does not require second-opinion physicians to be certified by a board of medical specialties. My third bill requires this certification.

Again, these bills represent only a start—but a much needed start—at reforming the Office of Workers Compensation Programs.

I introduce these bills today with an outstanding group of original cosponsors, and I very much appreciate the support of Representatives AUSTIN MURPHY, BARNEY FRANK, TOM BARLOW, MATTHEW MARTINEZ, JAMES OBERSTAR, ANDY JACOBS, JOLENE UNSOELD, EDDIE BERNICE JOHNSON, ESTEBAN EDWARD TORRES, BRUCE VENTO, RON WYDEN, MIKE SYNAR, and HARRY JOHNSTON.

TRIBUTE TO VINCENT BRUNHARD, SR.

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. LEWIS of Florida. Mr. Speaker, today it is my pleasure to honor a distinguished citizen from my district. Mr. Vincent Brunhard, Sr., of Lake Worth, FL, has made many outstanding contributions to all of Palm Beach County, particularly in the Polish-American community.

His entire life, Mr. Brunhard has actively contributed to American society and the entrepreneurial spirit by establishing and operating many successful businesses.

As an active member of the Polish Cultural Society of the Palm Beaches, he served as one of the first presidents of the society. His commitment extended to serving as an officer for the next 10 years. In addition, he has been an active member of the Knights of Columbus, and many other civic organizations, contributing to the quality of life for all Palm Beach County residents.

One of his most notable achievements is the organization of the first gala event, "A Night in Old Warsaw," which is recognized as a special event throughout Palm Beach County.

Mr. Brunhard will be honored this November 13, 1994, for his lifetime of accomplishments. The Polish Legion of American Veterans honors Mr. Brunhard with a national honorary membership.

Mr. Speaker, I am proud today to recognize Vincent Brunhard, on behalf of Post 202 of the Polish Legion of American Veterans, U.S.A. He is truly an exemplary citizen, and I am proud to represent him in the House of Representatives.

TRIBUTE TO NELLO BIANCO

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. MILLER of California. Mr. Speaker, I rise today to pay tribute to an old friend and supporter, Mr. Nello Bianco, who is retiring in November as the longest-serving Bay Area Rapid Transit [BART] director on the current board.

Nello has been a fixture, a voice for mass transit and for creative management and planning since he was first appointed to the board by the Contra Costa Board of Supervisors in 1969. He has won election after election since.

Nello has resided in the bay area for over 50 years, where he has made contributions as a businessman, community leader, and as an exemplary citizen. Nello has been associated with the Richmond Boys Club, the National Safety Council, the Salvation Army Advisory Board, and the American Public Transit Authority.

Nello also served on the Richmond City Council, as well as on numerous citywide commissions. His contributions to the bay area have been substantive and lasting, but none more so than his 25 years of public service on the BART Board of Directors.

Nello has served in a variety of capacities for BART. He has served as the president and vice president of the BART Board of Directors five times during his quarter century on the board. During his tenure on the board, Director Bianco has been the chair and vice chair, and served on every BART committee.

He has been instrumental in implementing many changes to the BART system, particularly the extension projects that will bring service to eastern Contra Costa County and portions of Alameda County. He headed the committees that negotiated San Mateo County's unique $200 million buy-in to BART, which initiated construction of the long awaited BART extensions in east bay cities—Martinez, Pittsburg, and Antioch—and the San Francisco International Airport.

Nello was also instrumental in bringing the Morrison-Knudsen BART car construction plant to Pittsburg. Once the company won a contract to build new BART cars, Bianco encouraged the company to manufacture the cars in an old steel plant in Pittsburg. This will create hundreds of jobs in the Pittsburg community, as well as a needed economic boost.

Director Bianco's long reign as BART director comes to an end in November with the expiration of his term. His dedication and commitment to the people of the bay area will be missed by all. The contributions he has made have affected nearly every resident of the area, as well as many others. His efforts and hard work will be missed, but his many accomplishments will be enjoyed by bay area residents for years to come.

Nello Bianco and I have been engaged in local politics in the east bay for many years together, sometimes in opposition, but generally working together in mutual support of candidates and initiatives to improve the lives of the residents of the bay area. I treasure Nello's friendship and I salute his decades of service to BART and to California.

HEALTH CARE REFORM

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. PACKARD. Mr. Speaker, like those old-time snake oil salesmen, President Clinton and the liberal leadership hawk the Clinton-Gephardt bill as a health care system cure all. But just like snake oil, their remedy for reform is a sham.

They claim that the Clinton-Gephardt bill is a cost-containment measure. But if you look at the ingredients, you find the same old prescription the liberals in Congress always dole out: More government bureaucracy mixed in with higher taxes.

If the American public is forced to swallow this brew, the side effects could be deadly: health care rationing and reduced quality. This is hardly, what the American people want from health care reform.

The proposal calls for a national health cost commission to monitor the growth of health care expenditures. A group of unelected bureaucrats would decide what care they feel is appropriate for Americans. Mr. Speaker, I always thought that was the doctor's job.

The cost of global budgets and price controls would fall squarely on middle-class patients. Meeting the Clinton-Gephardt global budget goals would require a 24 percent reduction in available health care resources by the year 2000—effectively rationing one quarter of our health care system.

This will reduce quality and access to care. Doctors and hospitals would no longer provide the best, most advanced, most sophisticated care. Instead, patients can look forward to long lines and delays, if they can get health care at all.

Mr. Speaker, what the American people need is not more feel-good tonic, but real medicine. They need health care reform that will work. I urge my colleagues to read the Dole plan and the Michel plan. They contain real cost-containment measures which will not threaten the quantity and quality of our health care resources.

SALUTE TO GEOFFREY B. AVILA

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Geoffrey B. Avila of Troop 6 in Bristol, RI, and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout Award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 merit badges, 11 of which are required from areas such as citizenship in the community, citizenship in the Nation, citizenship in the

world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Geoffrey located homes in Bristol, RI, that had no number designation for 911 rescue purposes.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Geoffrey B. Avila. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 64 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, two dozen of whom now serve in the House.

It is my sincere belief that Geoffrey B. Avila will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

INTRODUCTION OF CIVIL RIGHTS PROCEDURES PROTECTION ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mrs. SCHROEDER. Mr. Speaker, last week, the House voted 427–4 to extend to congressional employees coverage under Federal labor and civil rights laws, correcting a longstanding deficiency in these laws. Today, together with Representatives EDWARD MARKEY and MARJORIE MARGOLIES-MEZVINSKY, I am introducing legislation to address another serious problem that deprives many Americans of the legal protections Congress intended them to have when these laws were passed.

Our legislation, the Civil Rights Procedures Protection Act, would prevent the practice of requiring employees to agree to submit any claims of job discrimination that may arise to binding arbitration. The willingness to sign such an agreement is often made a condition of hiring, continued employment, or promotion. The practice of mandatory arbitration, which is already in widespread use in the securities industry, is growing in popularity among many individual corporations especially in the construction, insurance, banking, and information technology industries.

The Wall Street Journal profiled the handling of a sexual harassment case by the securities industry on June 9. The article described the case of Helen Walters, a secretary subjected to obscene name-calling, physical threats, and unwanted gifts of condoms from her boss—actions most reasonable people would agree constitute a hostile work environment. Her case was ultimately dismissed; not by a court or the Equal Employment Opportunity Commission, but by a three-member arbitration panel hired and paid for by the securities industry. A recent GAO report on the subject found that arbitrators employed by the securities industry are typically white males, averaging 60 years of age, with little or no specific training in employment law. In Ms. Walters' case, she did not realize that the agreement she signed when she became a registered securities agent contained the mandatory arbitration clause, nor did she know that barring fraud the arbitration panel's decision could not be overturned in court.

The Civil Rights Procedures Protection Act would amend seven Federal statutes to specify that the powers and procedures provided under those acts could not be overridden by any contract, Federal statute of general applicability or other mechanism. Our legislation specifically permits employees to voluntarily elect to resolve an employment claim under arbitration after the claim has arisen.

The Federal statues amended by our bill are: title VII of the Civil Rights Act of 1964, section 505 of the Rehabilitation Act of 1973, the Americans With Disabilities Act, section 1977 of the Revised States, which encompass the damages provided under the Civil Rights Act of 1991, the Equal Pay Act, the Family and Medical Leave Act, and the Federal Arbitration Act. The amendment to the FAA extends the protections of the bill to claims of unlawful employment discrimination that arise under State or local law as well as to any other Federal statute under which similar charges of job discrimination may be brought.

Congress passed each of these laws with the intention of extending its protections to all Americans. No one wants to believe at the time of hiring that he or she may one day be in a position to bring an employment discrimination claim against an employer. Mandatory arbitration represents a disturbing trend in employment law, one that forces many workers to choose between a job or promotion and their civil rights. This is a choice no one should be forced to make. I hope my colleagues will join us in cosponsoring the Civil Rights Procedures Protection Act.

INTRODUCTION OF THE CIVIL RIGHTS PROCEDURES PROTECTION ACT OF 1994

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. MARKEY. Mr. Speaker, today I am introducing, along with Congresswomen SCHROEDER and MARGOLIES-MEZVINSKY, legislation that responds to a growing threat to American employees' civil rights. Specifically, our bill would prevent employers from forcing their employees to give up their right to pursue employment discrimination and sexual harassment claims in courts of law. This bill responds to the burgeoning practice, engaged in most prominently by the securities industry, but also increasingly relied on by employers in information technology and other fields, of compelling employees to sign contracts that require all employee-employer disputes to be resolved through binding arbitration. This practice has resulted in an important—and, by all accounts, growing—segment of corporate America simply opting out of the anti-discrimination laws on the books.

Signing away one's right to pursue a discrimination claim in court may be a condition of employment or advancement, or may be required in order to gain certain employee benefits such as stock options. In the securities industry, securities firms require that certain employees, as a condition of their employment, register with one or more stock exchanges, thus becoming registered representatives. As part of that process, they must submit a so-called U–4 application, which is a standard contract used by each of the securities exchanges. The U–4 agreement requires, somewhat elliptically, that all disputes or controversies with the employee's firm be arbitrated if the rules of the exchange with which the employee is registered requires them to be arbitrated. The exchanges, in turn, have rules that require registered representatives and member firms to arbitrate all controversies that arise between them.

Thus, in order for brokers to have a license to do business as employees of brokerage houses, they must sign or resign. The employee has no choice in the matter, and indeed, even if he or she were to have offers of employment from more than one firm, shopping around to find one that does not require arbitration would be to no avail: it is an industry-wide practice, with no opportunity for individual modification.

This practice, however, flies in the face of the spirit of the antidiscrimination laws passed by Congress and on the books of States and municipalities across the country. When Congress passed the various civil rights and fair employment practices laws, it established access to the courts as the means of enforcing the fundamental rights those laws sought to safeguard. The judiciary is the objective arbiter of these rights; without access to the courts, the employee has no clear means of establishing them. The employer, in turn, has less incentive to follow the letter of the law. The existence of an unassailably neutral forum in which to vindicate these basic rights is therefore critical to their vitality. For private employers to forcibly interpose instead a substitute forum—with a distinct set of procedures, no access to a jury, no right to appeal, and no requirement that the arbitrators even follow the letter of the law in rendering their decision—constitutes a constructive denial of the right to a nondiscriminatory workplace.

No industry has practiced such constructive denial of rights as consistently as the securities industry. Not only is the practice pervasive, but the impartial and independent judicial forum envisioned by Congress is exchanged for a captive one where neutrality and independence are in serious doubt. Securities industry arbitration is run by the industry selfregulatory organizations [SRO's], with industry members represented on each arbitration panel, and with arbitrators with little or no expertise in the area of employment law sitting in exclusive judgment. As the GAO discovered in its recent report to my subcommittee, the vast majority of arbitrators at the major SRO's are white males, above the age of 60. At best, such a setting has the appearance of unfairness; at worst, it is a tainted forum in which

an employee can never be guaranteed a truly objective hearing.

Procedurally, securities arbitration is a far cry from adjudication, with substantial limitations on discovery and no obligation on the part of the arbitrators to even explain the reasons for the final outcome. The secretive nature of the proceedings, combined with arbitrators' ability to follow whim rather than precedent, and not have to justify their decision either in writing or to an appellate tribunal, result in a system poorly adapted to the vindication of fundamental civil rights. Moreover, the broad public policy purpose behind individual enforcement of the civil rights laws is undermined. In addition to their remedial function, the antidiscrimination laws serve an important deterrent function. This purpose requires both a public forum and one that can bind employers through precedent, the fore of law, and moral suasion. Forcible industry-sponsored arbitration provides none of those.

At its best, arbitration is an efficient and low-cost alternative to the courtroom. If conducted fairly, both parties to the arbitration proceeding can benefit. But even at its best, arbitration is not suited to disputes over fundamental rights unless both parties, once a claim has arisen, decide that it is an appropriate means of resolving the dispute. The bill we are introducing today would invalidate all predispute agreements to arbitrate claims raised under Title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act of 1967; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; section 1977 of the Revised Statutes of the United States; the Equal Pay Act of 1963; and the Family and Medical Leave Act of 1993. It would also amend the Federal Arbitration Act by rendering it inapplicable with respect to a Federal, State, or local claim of unlawful discrimination based on race, color, religion, national origin, age, or disability. Together, these changes will ensure that all employees can enjoy the fundamental protections offered by the civil rights laws.

TRIBUTE TO UNITED MINORITY MEDIA ASSOCIATES

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. RUSH. Mr. Speaker, I rise today to honor the achievements of the United Minority Media Association as it celebrates its 20th anniversary.

The UMMA has been a leader in calling for increased minority participation and ownership in the telecommunications, print, broadcast, advertising, and public relations industries. For over 20 years, through many and varied programs such as professional skill enhancement and recruitment opportunities, UMMA has worked tirelessly to bring about changes that benefit black Americans.

Mr. Speaker, I am proud to salute and honor the kind of commitment and dedication shown by the UMMA.

SURGICAL PROCEDURES PATENTS

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. BRYANT. Mr. Speaker, putting aside for a moment all of the problems which exist in our Nation's health care delivery system—and they are legion—most of us would agree that the United States leads the world in the development and practice of state-of-the-art medicine.

Unfortunately, the U.S. Patent and Trademark Office may be erecting a barrier to providing the most up-to-date surgical procedures.

The American Society of Cataract and Refractive Surgery has brought a serious matter to the attention of Congress: the approval of patents for purely surgical procedures. For most of our history, medical procedures, independent of a medical device, were not considered patentable. In 1952, new and useful processes were added to the list of subject matter that could be patented, a move that was intended to codify existing policy, not change it. At the time, surgical procedures were not considered patentable.

In more recent years, however, the Patent and Trademark Office has issued process patents for purely surgical procedures and the holders of those patents have actively sought to enforce them. One example is a 1992 patent issued to a doctor for a particularly shaped incision for eye surgery. No patentable devices, instruments, or drugs were claimed. I have been told that this doctor is now suing and threatening to sue other surgeons for using the same or similar incisions.

Such patents pose a serious problem, both in terms of health care costs and medical treatment. License fees and infringement litigation would increase the cost of providing health care. In addition, the threat of litigation places a pressure on doctors to refrain from using surgical techniques or delay using surgical techniques, for non-medical reasons. Many foreign countries do not permit surgical procedures to be patented.

The American Society of Cataract and Refractive Surgery has presented to Congress its view that medicine has long had an alternative incentive system to promote surgical innovation and sharing of information: the recognition and prestige that flows from publishing in medical journals and presenting papers at medical conferences. The Society has pointed out that the extraordinary progress in surgical procedures during the past century has been accomplished with virtually no encouragement from the patent laws and that injecting patent law into this field is unnecessary and harmful.

Mr. Speaker, I would like to encourage my colleagues on the House Judiciary Committee to look into this matter. There is little to be gained and a great deal to be lost from a policy that discourages physicians from practicing state-of-the-art medicine.

AMENDMENT TO ANTI-HEAD TAX ACT

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. OBERSTAR. Mr. Speaker, the recently passed conference report on the Federal Aviation Administration Authorization Act included (section 112) an amendment to the Federal Anti-Head Tax (49 U.S.C. section 40116 (d)(2)(A)) to make it unlawful for States or their political subdivisions to levy or collect new taxes, fees, or charges imposed exclusively upon any airport business, if the tax, fee or charge is not used wholly for airport or aeronautical purposes. I would like to clarify that this provision was not intended to limit the grandfather authority of airports under 49 USC section 47107(b). That section permits qualifying airport operators to spend airport revenues for certain off-airport purposes. The recently passed amendment to the Federal Anti-Head Tax Act was not intended to prohibit airports from spending new taxes, fees or charges in accordance with the grandfather provisions of 49 USC section 47107(b).

RECOGNITION OF THE SERVICE OF E. GENE KEIFFER

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today to recognize and commend the accomplishments of an exceptional individual who has worked for the strengthening of our national security and aerospace industry for 44 years.

On August 25, 1994, Mr. Gene Keiffer will retire as chairman of the board of E-Systems. E-Systems is headquartered in Dallas, TX and is vital to the national intelligence community in protecting our country.

He joined E-Systems as an antenna and microwave design engineer and was subsequently promoted to the vice president, general manager of the Garland Division located in the Third Congressional District. His managerial skills were further recognized in 1989 when he was elected to the position of chairman and chief executive officer. The selfless character and innovative skills that he has brought to the management of highly classified programs have made our country a safer and more democratic nation.

His service is exemplified in his support and participation in the Institute for Electrical and Electronic Engineers, American Defense Preparedness, the Association of the U.S. Army and the Space Advisory Board at Texas A&M University.

Keiffer is a graduate of Southern Methodist University with a degree in Electric Engineering where he went on to receive his Master's degree in the same discipline. In 1989 he was the recipient of the SMU Distinguished Alumni Award.

Fortunately, he and his wife Carole, who has been very supportive during his quality

years of service to our country and industry, will continue to reside in the third district. I thank him for his dedication and commend him on a lifetime of invaluable service to America.

COLLEGE FACILITY TO BE NAMED FOR COMMUNITY PILLAR HY ROSENBLUM

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. SOLOMON. Mr. Speaker, I think it would be appropriate for this body to add its voice to the chorus of tribute being prepared in honor of Hy Rosenblum of Rensselaer County in upstate New York.

Hy Rosenblum was born in East Schodack in 1911. This one-time product of a one-room schoolhouse graduated from the St. Lawrence University School of Law in Brooklyn and began his legal practice in 1937.

For over 50 years, Mr. Rosenblum became increasingly involved in community life. He was attorney for many years for the towns of East Greenbush and Schodack and the village of Castleton. In 1943, he created the Consideration Award, which he presents to local high school students judged by faculty members to have shown the highest regard for the personal and property rights of others.

In 1946, he incorporated the Hudson Valley Broadcasting Corp., the forerunner of WROW radio and WROW–TV. For many years he served on the company's board of directors.

In 1953, Gov. Thomas Dewey appointed Mr. Rosenblum to the original board of trustees for Hudson Valley Community College, a board he served for many years as secretary.

Mr. Rosenblum has also chaired the Rensselaer County Park Committee, during which time he played a major role in developing what became the Grafton Lakes State Park.

In addition, Mr. Rosenblum worked hard to secure additional state troopers for improved highway safety, to prevent the closing of the Fort Orange Paper Co. in 1973, saving hundreds of jobs, and the drive to close the Dunn Memorial Bridge during rush hour. He also served on the town of Schodack's advisory committee to develop a master plan for the Castleton Island State Park. And finally, he is a former assistant attorney general for the State of New York.

Mr. Rosenblum is a member of the Rensselaer County and New York State Bar Associations, the Kiwanis Club and Schodack Businessmen's Association, and a former member of the civic affairs committee of greater Albany Chamber of Commerce and the board of directors of the Daughters of Sarah Nursing Home.

In honor of his vital contributions to Hudson Valley Community Center, a former local monastery will be named the Hy Rosenblum Administration Center. The dedication will take place on Friday, September 9, 1994, and I hope to be there to pay my respects.

Meanwhile, Mr. Speaker, I ask this House to join me so that we may forward our respects as a body to a great American and good friend, Hy Rosenblum, who has worked tirelessly to improve the lives of his neighbors.

BEWARE OF U.S. TROOPS ON THE GOLAN HEIGHTS

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. DELAY. Mr. Speaker, despite repeated assurances by administration officials that any discussion of deployment of United States soldiers to the Golan Heights is premature, there is reason to believe that in the event of a peace agreement between Israel and Syria, American troops will be dispatched to the Middle East. In fact, when Secretary of State Warren Christopher was asked whether United States troops on the Golan might be part of any Israeli-Syrian agreement, his response was, absolutely. This would be the first major stationing of U.S. forces there since the catastrophic 1983 Beirut deployment.

The possibility of such a deployment raises serious concerns about the safety of United States troops, the sustainability of such a mission, and the longterm security of Israel. I would like to submit for the CONGRESSIONAL RECORD an article that appeared in the Houston Chronicle on August 5 by Yoram Ettinger entitled, "Doubt a U.S. Presence on Golan is Sustainable." I encourage my colleagues and administration officials to read it, as it makes a number of very important points about the risks of such a plan.

[From the Houston, Chronicle, Aug. 5, 1994]

DOUBT A U.S. PRESENCE ON GOLAN IS SUSTAINABLE

(By Yoram Ettinger)

Former U.S. Defense Secretary Les Aspin suggested at a June meeting in Tel Aviv that a current proposal to deploy U.S. troops on the Golan Heights—following total evacuation by Israel—will have to be in the magnitude of a brigade in order to be significant. Under current Pentagon guidelines, he noted, such an initiative would constitute a strain on the U.S. military, since it would require preparing a division—one-tenth of all American forces. Aspin indicated that if the scope of the deployment would be limited to the monitoring presence in Sinai, "then it would be trivial."

In addition, Rep. Lee Hamilton, D-Ind., chairman of the House Committee on foreign Affairs, has recently indicated that a survey is already under way to determine the specific locations of a U.S. peacekeeping force on the Golan.

Such a force would, supposedly, constitute an essential reassuring component. It would ostensibly be essential in light of:

(a) Syrian leader Hafex Assad's military potential and his record of brutality and unpredictability.

(B) The short-lived tenure of hundreds of Mideast inter-Muslim political agreements.

(C) The violently abrupt nature of their abrogation.

(D) Israel's risk-taking by giving away the Golan.

However, in order to bolster a potentially vulnerable accord, a U.S. presence on the Golan is required to be a durable, long-term and political/military sustainable undertaking. Moreover, it is required to be compatible with U.S. interests, lest it be summarily withdrawn, thus upsetting a fragile arrangement and undermining the prospects for real peace. Is the deployment of U.S. peacekeepers (monitoring or combat, unilateral or multinational) consistent with such requirements?

A Washington power broker agreed with me last week that the question of a complete withdrawal from the Golan should be decided by Israel voters. He stated, however, that the fate of U.S. peacekeepers and their implications for U.S. national security should be debated by the American public and the appropriate congressional committees, independent of Israel's stance. I believe that public debate should go forward with the following in mind.

Unlike U.S. observers in Sinai (22,000 square miles of empty desert), U.S. personnel on the Golan (450 square miles) would be situated about 25 miles from two of the most notorious training/operational centers of international terrorism and narco-terrorism: Damascus and the Damascus-controlled Beqá Valley ("Medellin Drug Cartel East"). Unlike ordinary U.N. forces, U.S. servicemen on the Golan would serve as a lightning rod for these terrorists.

U.S. observers in Sinai are located on the Red Sea across from Saudi Arabia, a relatively predictable ally of the United States. On the other hand, a Golan contingency—stationed in a neighborhood the size of a small U.S. congressional district—would border Lebanon, a microcosm of Mideast volatility, violence, fragmentation and Islamic and Arab nationalist, anti-U.S. sentiments.

Moreover, the Sinai presence is situated between Israel and Egypt, which is ruled by a pro-U.S., relatively moderate Arab regime. However, a Golan contingency would separate Israel from Syria, a traditional ally of Iran, North Korea, Cuba and Somalia's Col. Mohammed Aideed. Damascus has also demonstrated its capability to defy the United States, as evidenced by the devastation of the Marine headquarters in Beirut, the bombing of Pan Am Flight 103, etc.

Furthermore, the safe location of the Sinai monitors and their distance from Israeli and Egyptian military forces, puts them out of the line of fire should a clash occur. On the other hand, the Golan forces would be geographically sandwiched between Israel and its mightiest Arab neighbor, Syria, a few miles away from its armory, infantry and artillery.

Moreover, terrorist proxies of hostile, radical regimes (Syria, Iran, Iraq, Libya, etc.) could target U.S. servicemen. They could also preserve the element of deniability, while intimidating Washington, constraining its ability to respond to provocations elsewhere (e.g. the Persian Gulf area) and extorting political concessions.

In the absence of an effective U.S. combat force (which is precluded—even theoretically—by the diminished overall size of the U.S. military), one may predict a possible withdrawal of the peacekeepers in the face of hostage-taking and casualties. Such a withdrawal would be perceived as another retreat following Beirut, Somalia and Haiti. It would further erode the U.S. posture of deterrence, shrinking its public support for future well-thought-out and globally essential overseas military involvement.

While on the Golan, U.S. presence would constrain Israel by forcing her to coordinate preemptive and reactive operations with the United States, thus inadvertently shielding terrorists operating outside the Golan. It

would also deny the United States the benefits from Israel's "unauthorized actions" (e.g., the 1981 bombing of Iraqi's nuclear reactor).

In fact, requiring Israel to seek prior approval in countering belligerence would strain U.S. relations with Israel. At the same time, appearing to have enabled Israel to act freely would damage U.S.-Arab ties. However, as demonstrated by the precedent of the 1982/83 U.S. episode in Lebanon, and as is evidenced by Mideast complexities, one can expect the undermining of the relationship between the United States and both sides, which is essential to the achievement of a genuine peace.

In addition, a U.S. presence at a stormy junction bordering Israel, Lebanon, Syria, Jordan and numerous terrorist groups, could draw the United States unwillingly into regional and costly inter-Arab and inter-Israel disputes, expanding the scope of these conflicts, otherwise confined to local significance (e.g., Somalia). It would certainly deepen the involvement of Russia (which has resumed strategic cooperation with Syria), France (which still views Lebanon as a French auxiliary) and other powers, further exacerbating global and regional tensions at the expense of U.S. concerns.

Keeping in mind the American public reaction to the U.S. military involvement in Lebanon and Somalia, and recognizing the likely pitfalls of a U.S. force on the Golan, such an undertaking would probably be neither durable, nor long term, nor politically/militarily sustainable. Thus, a political arrangement predicated upon such a tenuous component would ultimately imperil regional stability, threaten U.S. interests and jeopardize the quest for a solid, long-term peace in the Middle East.

TRIBUTE TO HOWARD H. PENUEL

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. GORDON. Mr. Speaker, I rise to thank a devoted resident of my hometown of Murfreesboro and a great friend, Mr. Howard H. Penuel, for his 16 years of outstanding service as Rutherford County trustee and to congratulate him for serving longer than any other trustee in the history of Rutherford County.

A lifelong Middle Tennessean who was born in Wilson County, Mr. Penuel moved in 1941 to Murfreesboro, where he began his public service by driving a school bus and then serving the community as a salesman at Haynes Hardware Company.

Seeking self-employment, Mr. Penuel later formed a partnership and opened a business that he would later own, Seventy-Nine Auto Body Repair. After selling this business, Mr. Penuel opened Penuel's Surplus Sales, a furniture and general merchandise store in Rutherford County.

Mr. Penuel was an active force in State and county Democratic campaigns for several years, working tirelessly and selflessly for causes and candidates he believed in. This experience paid off for Mr. Penuel himself when he ran for—and won—his first political office in 1978: Rutherford County trustee.

His service made quite an impression not only on natives of Rutherford County but on all Tennesseans, who elected him "Trustee of the year" after he served just one term. The County Officials Association of Tennessee, for which he served as president, also named him Outstanding Trustee of the Year.

Mr. Penuel displayed both foresight and vision as a trustee. Because he developed the county's first idle money investment program, the only debt Rutherford County owes is a debt of gratitude to Mr. Penuel. His initiative held the property tax rate low by earning the county millions of dollars in interest.

Rutherford County is indeed losing a valuable leader who has shown all of us what it means to serve and undoubtedly will continue to do so. Rutherford County's loss, however, is a big gain for Mr. Penuel's seven grandchildren and two great-grandchildren, who will be the new beneficiaries of his energy and attention. The golf course beckons him as well.

Please join me and all other Middle Tennesseans in wishing him well in his retirement.

EDUCATION IN THE 103D CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 17, 1994, into the CONGRESSIONAL RECORD:

EDUCATION IN THE 103D CONGRESS

This is an exciting time in education. Major reform efforts are underway at all levels of government. The 103d Congress has approved several initiatives with broad support from educators, parents' groups, and members of Congress from both parties. The federal government has always played an important role in postsecondary education, but these efforts focus on elementary and secondary education. Congress has made two things clear: its commitment to education reform, and its belief that state and local governments must continue to take primary responsibility for education.

NEW INITIATIVES

Congress has passed bills aimed at improving educational opportunities for students in preschool to high school:

Head Start: This program, which provides educational and social services to disadvantaged preschool children, has been widely acclaimed. However, there have been concerns about the quality of some Head Start programs, and Congress enacted a law aimed at improving their effectiveness. The law sets aside a portion of Head Start funding for quality improvements, and requires evaluations before Head Start providers can expand services. Head Start programs will now identify highly skilled teachers to supervise and advise less experienced ones. The law also requires the creation of more stringent quality standards for Head Start programs, and evaluations of each provider at least once every three years. Providers are now required to make greater efforts to involve parents in the development of their children's program. Moreover, the law seeks to expand services for children under three, and calls for a study on the need for full-day and full-year Head Start instruction.

Goals 2000: Considered the centerpiece of President Clinton's education reform efforts, Goals 2000 establishes a framework for federal support of stats' comprehensive reform efforts. Participation in the program is strictly voluntary. The law codifies the National Education Goals, first drafted by President Bush and the nation's governors. It continues the National Education Goals Panel, which will monitor the nation's progress toward meeting the eight goals by the year 2000. In addition, a new board is charged with identifying the skills that students will need to pursue certain occupations so that they can better plan their course of study. A separate panel will develop recommended curriculum content, pupil performance, and opportunity-to-learn standards, which states can use as guideposts for their own reform efforts.

States wishing to participate in Goals 2000 must develop plans for systemic reform, and are not required to adopt the national standards. Most of the funding for reform must be passed along to local school districts. Goals 2000 fosters flexibility by allowing states and local schools to apply for waivers of federal regulations and by permitting the use of reform funds for public school choice.

Elementary and Secondary Education Act (ESEA): The House and Senate have passed different bills to reauthorize the ESEA, the law through which elementary and secondary schools receive most federal aid. Originally enacted almost 30 years ago, the ESEA primarily provides assistance for four purposes; to help meet the special needs of disadvantaged students; to improve instruction in certain subject areas, such as math, science, and drug abuse prevention; to support teacher training and development; and to provide aid for a variety of other resources, such as library books and computers.

By far the largest portion of ESEA funds are devoted to programs for disadvantaged students. Most congressional debate has focused on the degree to which funding should be concentrated on those schools with the highest proportion of poor students, and on allowing these funds to be used for schoolwide programs. Both the House and the Senate have sought to expand on the flexibility initiated in Goals 2000 by allowing schools to seek further exemptions from federal regulations. Greater emphasis is also placed on providing more extensive professional development for teachers.

School-to-Work Transition: Targeted at the 50% of students who do not go to college, this law provides aid to develop programs to prepare students for the workplace. Students will be able to integrate school-based and work-based learning in a course of study providing them with a high school diploma as well as additional certification in an occupational area. The program will be operated by local partnerships including employers, educators, and labor.

ASSESSMENT

I have never been pessimistic about the education system in the United States. There is always plenty of room for improvement, but I believe that we do a reasonably good job of educating our young people and preparing them for work. There isn't any doubt that we have to lift the performance of youngsters coming out of schools so that they have the skills required in today's world. No one of us should be satisfied with an educational system that is average or even just above average. The test is really whether we have the knowledge or skills to prosper in the arena of increased global competition.

The last thing we need is federal control of schools. But we do need to give expression to

legitimate national concerns about revitalizing and supporting local efforts to improve schools. Developing ideas about what constitutes high-quality education does not entail a national curriculum or standardization curriculum or standardization. Standards represent goals, and imaginative teachers will find a wide variety of ways to reach them. All of us want to see every student have a qualify education and achieve proficiency in basic skills. We want every student to be economically productive and a good citizen. And we would like every school to have a healthy climate for learning. All of us want to give more dignity and status to our teachers. And we want each school to be free to shape creatively its own program.

I believe that states and localities are primarily responsible for providing the services that will help us achieve our educational goals, but I also believe that the federal government has an important role to play. All levels of government need to contribute to making America a nation of learners. The new education initiatives continue the ongoing national conversation about what our children will need to know in the 21st century.

COMMENDING CAPT. JUAN TUDELA SALAS

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. UNDERWOOD. Mr. Speaker, I would like to commend Capt. Juan Tudela Salas of the U.S. Coast Guard, a native son of Guam and a distinguished graduate of the U.S. Coast Guard Academy, for the exemplary manner in which he has discharged his duties as commander of the Marianas section and as the marine safety officer of the U.S. Coast Guard on Guam.

Since assuming this post 2 years ago, Captain Salas efficiently dealt with an unusual heap of natural and manmade disasters which have struck Guam and its neighboring islands. Five typhoons, including typhoon Omar, which passed directly over Guam with winds in excess of 150 miles an hour, battered the island within the span of 3 months in 1992. The careful precautions that Captain Salas took assuming command of instructing his personnel and their families in typhoon preparations helped hold to a minimum the damage to Coast Guard personnel and facilities during this exhausting period. Under his command the Coast Guard was able to respond promptly and efficiently to the typhoon related emergencies in Guam's Apra Harbor. These included the grounding of 2 U.S. Navy vessels, the sinking of 13 fishing boats, oilspills caused by damage to these various vessels and damage to various navigational aids. Additionally, Captain Salas was able to alleviate the strains of water and power outages experienced by Coast Guard personnel and their dependents after Typhoon Omar by making arrangements for the use of shower and laundry facilities and obtaining portable generators from California and Hawaii.

The Coast Guard headed by Captain Salas responded once again on August 8, 1993, when a substantial portion of the island was damaged by an earthquake measuring 8.1 on the Richter scale. Water and electricity was again cut off and the same prompt and immediate response of the Captain and his team directly helped in the island's swift recovery. He and his personnel were duly recognized with the award of special certificates for volunteer service by the First Lady's Committee for Special Projects in 1993 and 1994 for the assistance they gave their Sister Village of Merizo in the aftermath of typhoons and the earthquake.

Captain Salas has also proven himself a formidable commander beyond the scope of these natural disasters. The Marianas section, under his command, has responded to more than 300 search and Rescue missions during the past 2 years. Seventeen persons who had abandoned their ship at sea were rescued on one of these missions leading to the winning of the Controller of the Year Award for the entire Coast Guard in April 1993 by the Operations Center staff under Captain Salas. In the same respect a Reserve Coast Guard unit proposed to be disbanded just a few months before the captain assumed command was revitalized by this leadership to such an extent that it was nominated for the ROA Congressional Unit of the Year Award. The active command was also nominated for the Total Force Award and a Certificate of Appreciation was awarded to Captain Salas in May 1994 from the National Committee for Employer Support of the Guard and Reserve.

Advances in the field of environmental protection and maritime safety were also implemented through the Captain's efforts. Efforts initiated by him in the Coast Guard's enforcement of maritime and other Federal laws have led to the detection of numerous violations of the Lacy Act and the collection of substantial fines through the U.S. attorney's office for illegal fishing activities by foreign vessels within the U.S. Exclusive Economic Zone. Marine life, a valuable natural resource to the people of Guam was afforded significant protection as a result of this. Oilspill contingency plans for Guam, the Northern Marianas, and Palau, under the Captain's direction, have also improved. He has chaired and establishment of an oilspill response organization in Guam that had acquired 1.5 million dollars' worth of oilspill response equipment for Palau and Rota, formerly isolated and neglected locations. On top of these, he has assisted the Guam and the Northern Marianas legislatures in the preparation and enactment of oilspill responder immunity laws. He also has implemented with the governments of Guam and the Northern Marianas memoranda of understanding that delineate responsibility in the case of major oilspill, the first and third of such signed in the entire United States.

I commend Captain Salas for these accomplishments and the service he has given to the U.S. Coast Guard, the people of Guam and the Marianas. We all look forward to all the good things that will surely materialize during the next 2 years under his leadership.

THE 200TH ANNIVERSARY OF THE TOWN OF BROOKFIELD, NH

HON. WILLIAM H. ZELIFF, JR.

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. ZELIFF. Mr. Speaker, this weekend is a special time for the town of Brookfield, NH, as residents there are celebrating the town's 200th anniversary.

The people of Brookfield can be proud of the strong heritage they have created over the past 200 years. Their town has been a positive example to others of a cohesive working community. And, these traits have made the town a landmark and a welcome home to people of all ages.

Without the benefits of carriages or wagons, families such as the Lyfords, Wiggins, Chamberlains, and Robinsons made their way to what was then wilderness and now the establishment of Brookfield. These pioneers of New Hampshire carved their permanence from Governor's Road to the mighty slopes of Tumbledown Dick; a mountain named for Oliver Cromwell's ill-fated son.

This town relishes its ancestry and honors its history. In fact, the proud citizens of Brookfield still hold their annual town meetings and other community functions in the town hall that was built in the 1820's. Moreover, the National Register of Public Buildings retains Brookfield's town hall in its listing of historic places. Indeed, the residents of Brookfield find their future firmly rooted in the past.

Mr. Speaker, the good people of Brookfield have reason to take pride in their heritage and I join with them in paying tribute to the spirit, hard work, and vision of the towns ancestors. I'm confident that when Brookfield celebrates another 100 years, our grandchildren and great-grandchildren will look upon this time with optimism and prosperity.

SOUTHWESTERN PENNSYLVANIA GIRL SCOUTS

HON. RICK SANTORUM

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. SANTORUM. Mr. Speaker, I rise to recognize an outstanding organization in our country today—the Girl Scouts of America.

Since 1912, when Juliette Gordon Lowe founded the Girl Scouts, they have actively developed self-esteem, values, and leadership skills in America's young women. As the preeminent organization for school-aged girls, the Girl Scouts bring together young women from all walks of life and introduce them to new and dynamic experiences. for a Girl Scout, receiving the Gold Award, their highest achievement, is no easy task. Along the way, girls are required to complete difficult tasks to prove their abilities in leadership, citizenship, and outdoor skills.

Girl Scouts practice and offer the skills they learn by volunteering in local schools and organizations, and by enriching the community in which they live. Currently, the Girl Scouts of

southwestern Pennsylvania have achieved a membership of 21,063 girls and 6,155 adults. Additionally, their membership has risen consistently since 1986. On September 8, the Girl Scouts of southwestern Pennsylvania will celebrate the grand opening of their new headquarters in Pittsburgh. I rise today to acknowledge this upcoming event.

Mr. Speaker, I ask you, and my colleagues in Congress, to salute the valiant job the Girl Scouts have done in promoting the maturation of America's young women. In its 72 years, the Girl Scouts have consistently promoted leadership skills, and a commitment to public service in America's young women.

It is my sincere belief that the Girl Scouts will continue their service to our communities and further distinguish their members. I join all those in southwestern Pennsylvania and across the Nation in saluting the Girl Scouts of America.

CELEBRATING THE WORK OF SCULPTOR GREGG WYATT

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. NADLER. Mr. Speaker, last year, a constituent of mine, Greg Wyatt, sculptor-in-residence at the Cathedral Church of St. John the Divine, New York City, was honored to exhibit his bronze sculptures in the Senate Russell Building rotunda. Three dimensional works by studio apprentices under Mr. Wyatt's tutelage were also displayed at that time. Mr. Wyatt previously exhibited his works in the Cannon House Office Building where I maintain my Washington office.

CBS–TV has informed Greg Wyatt that on Sunday, August 21, 1994, on "Sunday Morning," WCBS–TV will rebroadcast the interview by Charles Kuralt, filmed in the cathedral crypt studio in Manhattan. The program will show Mr. Wyatt's famous work at New York's Cathedral of St. John the Divine, the 40-foot-high "Peace Fountain," and feature his apprenticeship for art students. I am proud to have this accomplished artist living and working in my district.

At this time, Mr. Wyatt's bronze sculpture entitled "Eternal Spring" is featured at the Kennedy Galleries in New York City. Additionally, he informs me that a retrospective exhibit of his bronze sculptures was selected by the Newington-Cropsey Foundation trustees to join the permanent Jasper Cropsey painting collection at the foundation's new Gallery of Art at Hastings-On-Hudson. As you may know, Jasper Cropsey was the American master of the 19th century Hudson River School of Painting.

As the representative of New York's vital arts community, it is my privilege to commend the outstanding work of an inspirational artist. I believe that every Member of this House will recognize, after viewing Mr. Wyatt's work, that the arts matter, and merit continued support by Congress.

YOUNG BETHESDA ENTREPRENEURS EXPERIENCE ADVERTISING WORLD

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mrs. MORELLA. Mr. Speaker, starting a small business has been the first step on the path to success for tens of thousands of Americans, but seldom is that first step taken when the entrepreneur is only 10 years old. However, two of my constituents, that age, have decided this summer to take a leap forward into the world of small business and, specifically, into the world of advertising.

Rachel Marx and Elizabeth Whitman of Bethesda, MD, have chosen to start an advertising business as their summer venture, and this has earned them not only profits in the bank and publicity in the Washington Post, but also a letter of encouragement from Hal Shoup, vice president of the American Association of Advertising Agencies [AAAA]. In his letter to the young entrepreneurs, Mr. Shoup applauds their creativity and invites them to apply, when they are a little older, for the AAAA's LEAP program. This initiative, the Loaned Executive Assignment Program, provides for young advertising executives to spend a year in Washington learning about public service and Government operations.

These two young advertising executives and budding small business women will no doubt consider this future invitation seriously, but for now, they are experiencing an exciting summer. Excerpts from their story in the Washington Post follow:

TWO GIRLS PURSUE AD VENTURE, AND THE PERFECT JOB

[By Caroline E. Mayer]

Rachel Marx and Elizabeth Whitman are just 10 years old, but when it comes to making money, they don't kid around. They've tried the traditional lemonade stand. "But there's no money in that," said Marx. The two Montgomery County six-graders are after bigger bucks. So three months ago, the pint-size entrepreneurs launched a grown-up advertising business, called Kidz' Koupouns. The venture got started when Marx was sick with chicken pox. One afternoon, when Whitman visited the convalescing Marx, the friends decided they needed more spending money. Marx came up with the advertising idea. They would buy a page of advertising from a weekly community paper, then divide the page into smaller advertisements and sell space to local retailers who wanted to offer discounts. With a childhood enthusiasm that didn't take "no" for an answer, the two began calling businesses frequented by kids.

The product of their first endeavor was published in Washington Parent newspaper. The cost was small said Katherine Newell Smith, vice president of communications for Sutton Place Gourmet. What's more, Smith added, the money went to "a good cause—developing entrepreneurial spirit." "The girls were as efficient as any person I've ever dealt with," said Deborah Benke, Washington Parent's editor. "The copy arrived on time, in an envelope with a check and with camera-ready art. It was great—no hassle. I have many writers and advertisers that I have to call more than once." Sutton Place owner, Debora Shalom, was impressed with Marx and Whitman. "It's amazing to me what they accomplished," she said. "they were able to do something a lot of adults can't pull off."

CONGRATULATING CAPT. EULOGIO C. BERMUDES ON HIS APPOINTMENT TO THE U.S. NAVAL SHIP REPAIR FACILITY, GUAM

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 17, 1994

Mr. UNDERWOOD. Mr. Speaker, I would like to commend and congratulate Capt. Eulogio Bermudes of the U.S. Navy on his command appointment to the U.S. Naval ship repair facility on Guam.

The distinguished captain is the son of the late Juan L.G. Bermudes and Maria Concepcion. He is married to the former Carmen Meno Paulino and is the father of five children: Florina, Tanya, Vincent, Eloy, and Renee. He graduated from George Washington High School as valedictorian of his class in 1965 and subsequently attended the University of Guam. Receiving his appointment from the late Governor Manuel F.L. Guerrero, he had the prestigious honor in 1970 of being the first Chamorro to graduate from the U.S. Naval Academy in Annapolis where he was awarded a degree in mechanical engineering. He also holds a master of science degree in mechanical engineering from the U.S. naval postgraduate school.

Captain Bermudes built upon his educational training through a wide range of assignments. Prior to his present assignment on Guam, Captain Bermudes served at the Pearl Harbor Naval Ship Yard, the Mare Island Naval Ship Yard, the U.S. Naval Ship Repair Facility at Subic Bay in the Philippines, the U.S.S. *Samuel Gompers*, the CINCPACFLT at Pearl Harbor in Hawaii, the Naval Reactor's Representative's Office at Pearl Harbor, the U.S.S. *Henry W. Tucker*, and the U.S.S. *Benecia*. Upon his recent appointment, Captain Bermudes became the first Chamorro to take command of the U.S. Naval Ship Repair Facility on Guam, the only U.S. facility in the Western Pacific to provide vital repair, maintenance, overhaul, and shore support to naval ships, to the Government of Guam, and to other agencies.

Through his distinguished military service and outstanding achievements, Captain Bermudes has brought recognition upon himself, the island, and its people. On behalf of the people of Guam, I congratulate and welcome home an exceptional native son.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily

Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, August 18, 1994, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 29

10:00 a.m.
Environment and Public Works
Clean Air and Nuclear Regulation Subcommittee
To hold hearings to examine the potential health effects resulting from radium nasopharyngeal irradiation treatment.
SD-406

SEPTEMBER 13

2:00 p.m.
Veterans' Affairs
To hold hearings on the nomination of Kenneth W. Kizer, of California, to be Under Secretary for Health of the Department of Veterans Affairs.
SR-418

SEPTEMBER 14

2:00 p.m.
Veterans' Affairs
To hold hearings on pending legislation.
SR-418

SEPTEMBER 21

2:00 p.m.
Veterans' Affairs
Business meeting, to consider the nomination of Kenneth W. Kizer, of California, to be Under Secretary for Health of the Department of Veterans Affairs.
SR-418