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HOUSE OF REPRESENTATIVES—*Thursday, March 10, 1994*

The House met at 10 a.m.

The Reverend Dr. Lawrence R. Veatch, senior minister, First Christian Church, Jefferson City, MO, offered the following prayer:

Mighty God, Lord of History, Ruler of the Nations, we bow before You in the knowledge that we are not our own, for You are the source of our life and the end of our being. We ask Your special benediction for these whom we have elected to make decisions as our Nation confronts many serious and complex challenges. In the crucible of their debate, help them separate the wheat from the chaff, truth from falsehood, good from evil, righteousness from selfishness, and good policy from personal ambition. Give them the courage to choose what is right rather than what is merely popular or expedient. Grant them a strong faith that in pursuing Your will and love, the strength of our Nation is found. 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.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas [Mr. SMITH] come forward and lead the House in the Pledge of Allegiance?

Mr. SMITH of Texas 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.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will recognize seven Members on each side for 1-minute speeches.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1913. An Act to extend certain compliance dates for pesticide safety training and labeling requirements.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1284) "An Act to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. HARKIN, Mr. METZENBAUM, Mrs. KASSEBAUM, and Mr. DURENBERGER, to be the conferees on the part of the Senate.

THE REVEREND DR. LAWRENCE R. VEATCH

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, I take this opportunity to tell this body of the guest chaplain who is with us today, the Reverend Dr. Lawrence R. Veatch, who is the minister of the First Christian Church Disciples of Christ, located in the Missouri State Capital of Jefferson City.

A native of Dayton, WA, Reverend Veatch received his undergraduate degree in sociology from the University of Oregon. He then attended the Christian Theological Seminary in Indianapolis, IN, and was ordained in 1969 at the Oxford Christian Church in Oxford, IN.

His first service was in the First Christian Church in the hometown of another famous Missourian, Samuel Clemens, in Hannibal, MO. He faithfully served that congregation in that community as preacher, mentor, and friend. On May 11, 1991, he was given a doctor of humane letters citation from Culver-Stockton College in Canton, MO, in recognition of his outstanding contributions to Hannibal and the surrounding communities.

The Reverend Veatch gave his first sermon at the First Christian Church in Jefferson City on October 4, 1992. In the time that he has served there, Reverend Veatch has shown his dedication to his congregation and to the community.

Mr. Speaker, this incidentally is the same church that my grandfather, the late John T. Boone, served as pastor some 90 years ago.

Reverend Veatch is an active member of the Chamber of Commerce in Jefferson City and the Rotary Club, and highly respected as a leader in the Christian community.

I am truly proud to have such a distinguished leader of my church give the opening prayer to my colleagues here in the House. He has given joy to people from his hometown of Dayton, WA, to Missouri, the heartland, and now to the Nation's Capitol.

PUTTING FAMILIES FIRST BUDGET

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of Wyoming. Mr. Speaker, this week Congress will have the opportunity to vote on the Republican alternative to President Clinton's budget plan, entitled "Putting Families First." Putting Families First combines two traditional Republican principles—pro-family tax relief and deficit reduction. The 1990 budget deal with Congress brought on $158 billion in new taxes for Americans. President Clinton's 1993 budget deal with Congress imposed $240 billion in new taxes, including higher income taxes, higher Medicare payroll taxes, and the new 4.3 cent-per-gallon gasoline tax, among many other levies.

America needs not only deficit reduction but a different plan than the one that has led it to years of misguided

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

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tax increases. During the last four decades, the Federal income tax burden on a family of four has increased by over 250 percent as a share of family income. Senior citizens are penalized for supplementing their income by working and now face a punitive surtax on their savings and pensions. Finally, investors, entrepreneurs, and risk takers have had their incentive reduced by excessive taxation of capital and income.

The Kasich plan delivers what President Clinton could only promise; a middle-class tax cut. It does not simply shift spending from one program to another, it takes the necessary step of cutting spending.

THE ECONOMY

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, it was expected to be a fiscal failure. It was predicted to create a recipe for disaster. It was supposed to drive the economy in the gutter.

It had been compared to a deadly virus that would kill jobs, stifle economic growth, and suffocate the American people with higher taxes.

Where is this monster of economic mayhem of whom I speak? Mr. Speaker, I rise today to tell you that such a monster does not exist and is purely a myth created in the minds of those who did not believe in the efficacy of President Clinton's budget.

Instead of a monster bent on economic destruction, the President's budget—like a phoenix rising from the ashes of previous administrations—has brought about positive changes for the American people and the American economy.

Leading economic indicators are up. Consumer confidence is up. Job growth, household spending, retail sales, business investments, factory orders and housing starts also are on the rise.

Low interest rates have spurred business investments and made it possible for millions of Americans to refinance their homes.

And to those who seek to divert attention from the realities of this Nation's sound economy, the $255 million budget deficit, the lowest since 1979, should serve as a major indicator of a budget that has proven itself to be right on target.

THE REPUBLICAN BUDGET

Mr. WALKER. Mr. Speaker, later today and into tomorrow, the House will have a choice between two different budgets. One of those budgets, the Democrat budget, expands Government. It does so in their claim to do the country good.

We believe that there is another way of doing the country good, and that is to offer a plan for reform and a plan that helps the American family. If Members look at the two budgets they will find that the Democrat budget is a status quo budget. In fact, it is worse than the status quo. If we would allow the budget to simply grow automatically, we would end up with less spending and less deficit than what is included in the Democrat budget that will come to the floor in the next few hours.

In the Republican budget we offer health care reform, we offer welfare reform, we offer a crime package, and we offer the American people a $500 tax credit for every child in the family. We do so at the same time as reducing the deficit $150 billion below what the Democrats are offering on the floor.

If the American people want true reform and they want the families of this country empowered, they will support the Republicans in what we are attempting to do in this House, and that is to change the direction of America, to bring about real change in the budget process.

CONSTITUTIONAL FORUM

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, the one thing that each of us raises our hand and swears to at the beginning of each Congress is to uphold and defend the Constitution of the United States. Yet, I would speculate that it is a document that almost none of us fully understand in all its complexity, and subtlety and history.

In order to try to remedy our need for further understanding and education in constitutional issues, the gentleman from Iowa [Mr. LEACH] and I are beginning what we are calling the constitutional forum. The forum will sponsor a series of luncheon meetings for Members to discuss in depth, and we hope seriously, constitutional issues facing this body.

The first of these sessions will be this coming Tuesday, and we will feature a discussion of the war powers issue and the constitutional tension between executive and legislative authority over the use of U.S. military power.

□ 1010

We will feature the newly named counsel to the President, Lloyd Cutler, and Harold Koh, a constitutional scholar from Yale Law School, to discuss that issue. We invite all of our colleagues to join us for what we hope will be a very useful series of discussions of constitutional matters.

DON'T BYPASS LEGISLATIVE PROCESS ON HEALTH CARE

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, amid all the speeches about the need to have Democrats and Republicans work together on a bipartisan and cooperative manner on health care, comes the pronouncement for the committee on Energy and Commerce that it intends to bypass subcommittee markup on this issue and go directly to full committee on the President's health care bill.

Mr. Speaker, this is yet another move to push the President's legislation through without full and open debate. Why is the normal legislative process being undermined in this instance?

We have been told that due to time constraints we will not adhere to the normal legislative process. However, the magnitude of this legislation demands that it go through the entire legislative process that is, subcommittees and then full committees prior to being considered on the House floor.

It is imperative that all members participate in the process as we move ahead. It is incumbent upon the leadership, including the chairmen of the various committees involved, that this occurs. I have advised the Energy and Commerce Committee about my desire to see a full legislative review of this issue. I reiterate here again today that the need still exists.

There is nothing to fear from full debate and participation on health care, only a better bill for all Americans can result.

BANKERS GET BIG PAY RAISES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Citicorp boss, John Reed, got a 92-percent pay raise to $4.2 million. Folks, Charles Rice, he busted the bank at Barnett by doubling his pay to $7.3 million.

Now, let me ask you something: What did these fat-cat bankers do to warrant this type of a pay raise, folks? First, they laid off or fired most of their workers. And second, they cheered on Alan Greenspan, who helped them get their fat pay raises.

What bothers me here, Congress, is you need $2 in the bank to make a $1 loan anymore in this country. If you are a small businessman, you have to kiss the banker's ring just to get a meeting. Guess what the bankers tell us: The problem with America is American workers make too much money.

Beam me up, Congress. With bankers like this, we will be lucky if we have any jobs left.

CLINTON'S NEW THREE-STRIKES-AND-YOU'RE-OUT POLICY

(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, there are three issues before the American people today.

Health care is on their minds, Whitewater is on the front page of their papers, and the Federal budget deficit is in their wallets.

The three are not unrelated.

A White House that proposes a deficit-increasing health care plan and opposes a budget-balancing amendment is not being forthright about the budget.

Nothing could more clearly illustrate where the administration is coming from or where they would like to take the Nation.

A White House staffed by people that could not handle the transactions of a small-time Arkansas Savings & Loan—and now cannot handle the investigation of it—cannot be trusted to take over operation of the Nation's entire health care system.

With deficit-increasing health care reform, Whitewater, and opposition to the balanced budget amendment, it appears that the administration is devising a novel innovation of the three-strikes-and-you're-out policy.

Regretfully for the American people, the Clinton administration just keeps on swinging, and missing.

ECONOMY'S IMPROVEMENT SHOWS COUNTRY IS BACK ON THE RIGHT TRACK

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, as we begin this year's budget debate it would be instructive to look back at the Republican rhetoric of last year's debate verses today's economic reality.

Last year, Mr. KASICH said, "The Democrats have the job killer program."

Mr. ARMEY added, "This plan is not a recipe for new jobs * * *. It is a recipe for disaster."

Luckily, for the American people, Mr. KASICH, Mr. ARMEY, and their Republican colleagues were dead wrong.

More than 2 million jobs have been created during the first 13 months of the Clinton administration. Already, the United States has seen 500,000 more jobs created under Bill Clinton and the Democrats than during the entire 4 years under George Bush.

The job creation has resulted in the largest drop in unemployment in 6 years and a 20-percent increase in help wanted advertising.

Mr. Speaker, the economic facts are real. In the face of unanimous Republican opposition and super-heated rhetoric, jobs are being created, the deficit is being reduced, interest rates are down, and the country is starting back on the right track.

BUREAUCRATS SHOULD NOT DECIDE WHAT IS MEDICALLY NECESSARY

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, in defining his health care plan, President Clinton declares that every American that gets sick must get really sick.

They will have to get really sick because under the Clinton plan it will be up to seven high-level bureaucrats in Washington to decide if they really need medical help.

Under the President's plan, the National Health Board will decide what the guidelines will be in judging what they call medically necessary and appropriate treatment.

Mr. Speaker, I can not speak for all my colleagues, but I know I would not want a panel of bureaucrats deciding what is medically necessary and appropriate for me.

If I am sick, I do not plan to call the National Health Board—I do not plan to call a politician—I plan to call my doctor—that is what people outside the beltway normally do when they are sick. It works—let us not foul it up.

PERSONAL MEDICAL DECISIONS SHOULD BE LEFT UP TO PATIENTS AND DOCTORS

(Ms. FURSE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FURSE. Mr. Speaker, I rise today to discuss a part of health care reform that is critical to the American family.

As we debate health care reform, let us not forget who is the doctor and who is the patient. Doctors are qualified to prescribe what is best for a patient, and patients can follow that advice to get healthy. But I am concerned that politicians want to decide what is the right prescription for women.

Right now, 90 percent of all women have coverage for abortion services in their private insurance plans. Whether or not a person agrees with women's right to choose, it is the law, a law which allows women to make this decision with the help of their doctors and families. Politicians have no business in people's private lives. Let us make decisions about how to develop the best health care plan we can, and leave the personal decisions up to patients and their doctors.

WTOP CELEBRATES 25TH ALL-NEWS ANNIVERSARY IN MARCH

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, today I would like to pay special tribute to Washington's only all-news radio station—WTOP 1500-AM. For 25 years, WTOP's dedicated news professionals have been bringing us up-to-the-minute news of important events in the Nation's Capital, the metropolitan region, and from throughout the world.

The station's alumni include such distinguished names as Walter Cronkite and Connie Chung. But it is the familiar and friendly voices of Capitol Hill reporter Dave McConnell, business editor Larry Matthews, and their many noteworthy colleagues that help to keep us up to date.

Congratulations, WTOP, for a quarter-century as Washington's top all-news radio station.

THE CLINTON PLAN IS WORKING

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, as we prepare to debate the budget resolution for fiscal year 1995 we should remember the debate that took place 1 year ago, when our Republican colleagues predicted that the sky would fall if President Clinton's budget passed. The plan passed, the sky did not fall, and our sky is clear and our economy is growing.

Since the Clinton economic plan was implemented, the growth rate for our economy has risen to 3.5 percent and inflation has remained in check. Over 2 million jobs have been created in the first 13 months of the Clinton administration. At that same time we have cut our deficit projections by 40 percent and enacted the largest budget deficit reduction plan in history.

We need to recognize that the Clinton plan is working and the Republicans refuse to recognize this. By slinging mud at the President and the First Lady over their investment history, the Republicans have shown that they are willing to do anything to sidetrack this Congress and our administration. If we allow that to happen we will be doing our Nation a great disservice.

Despite their efforts we will move ahead and pass health care reform, welfare reform, and a comprehensive crime control measure. They can either choose to be part of the solution to these problems or spend their time chasing shadows. The Whitewater case is being investigated but it should not delay health care, education, or other substantial issues. We need to get back to our jobs and off our soapboxes. We should not let the supporters of stalemate, the proponents of gridlock, and forces of darkness win by diversion.

□ 1020

A TRUE BALANCED BUDGET

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, the previous speaker was a Democrat, and he was bragging about how small these deficits are in the next 5 years under the Clinton program. Let me read them to you, ladies and gentlemen.

In 1995, $171 billion; that is small? In 1996, $166 billion; that is small? In 1977, $183 billion; that is small? It goes on and on.

In 5 years it increases the national debt by another $1 trillion, ladies and gentlemen. You are going to have a Republican alternative offered today that is going to cut those deficits substantially. you are also going to have a bipartisan balanced budget presented to this body around 4 or 5 this afternoon which actually balances the budget and begins to show surpluses at the end of that 5 years. I hope you will pay a lot of attention to this because this is a chance to turn around this sea of red ink which is ruining this country.

THE BUDGET DEFICIT REDUCTION PLAN IS WORKING

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, this is correct, the prior speaker was a Democrat and he talked about the fact that 1 year ago we had a deficit reduction plan and that deficit reduction plan has already begun to work.

Contrary to the banterings of the prior speaker, who is a Republican and said that we can have much more deficit reduction, he was the same party and the same voice that said the deficit reduction plan of 1993 would not work. Let us see what has happened just 1 year later:

Growth in good-paying jobs is accelerating at 4.3 percent, industrial production is up 4.7 percent, real gross domestic product jumped up 7.5 percent; the index of leading economic indicators is up for the sixth consecutive month.

Mr. Speaker, Mr. Clinton's plan has already begun to work, and we need to support it, Republican, Democrat, Americans alike. We must continue to trust in the proven leadership of this administration and the party which has already proven to you that it gives good economic guidance.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 218, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1995

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 384 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 384

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 concurrent resolution (H. Con. Res. 218) setting forth the congressional budget for the United States Government for the fiscal years 1995, 1996, 1997, 1998, and 1999. The first reading of the concurrent resolution shall be dispensed with. All points of order against the concurrent resolution and against its consideration are waived. Initial general debate shall be confined to the congressional budget and shall not exceed two hours (including one hour on the subject of economic goals and policies) equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. After initial general debate, an additional period of general debate shall be confined to the subject of the amendment numbered 4 in the report of the Committee on Rules accompanying this resolution and shall not exceed one hour equally divided and controlled by Representative Kasich of Ohio and an opponent. After general debate on the subject of the amendment numbered 4, an additional period of general debate shall be confined to the subject of the amendment numbered 3 of the report of the Committee on Rules and shall not exceed one hour equally divided and controlled by Representative Mfume of Maryland and an opponent. After general debate on the subject of the amendment numbered 3, the concurrent resolution 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. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for one hour 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 amendment in the nature of a substitute is adopted, only the last to be adopted shall be considered as finally adopted and reported to the House. After the conclusion of consideration of the concurrent resolution for amendment, and a final period of general debate, which shall not exceed ten minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the Committee shall rise and report the concurrent resolution to the House with such amendment as may have been finally adopted. The previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final adoption without intervening motion except amendments offered by the chairman of the Committee on the Budget pursuant to section 305(a)(5) of the Congressional Budget Act of 1974 to achieve mathematical consistency. The concurrent resolution shall not be subject to a demand for division of the question of its adoption.

The SPEAKER pro tempore (Mr. CLYBURN). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes 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.

Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 384 provides for the consideration of House Concurrent Resolution 218, setting forth the congressional budget for fiscal year 1995. The rule provides for 2 hours of general debate, including a period of 1 hour on the subject of economic goals and policies, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

The rule further provides for additional periods of general debate of 1 hour each on the Kasich substitute and Mfume substitute after conclusion of the initial period of general debate. Debate time is equally divided and controlled by the proponent and an opponent.

The rule waives all points of order against the concurrent resolution and against its consideration and makes in order only the five amendments in the nature of substitutes which are printed in the report accompanying the resolution. The rule provides that the five substitutes shall be considered under a king-of-the-hill procedure. Under king-of-the-hill, if more than one amendment in the nature of a substitute is adopted, only the last such amendment adopted shall be considered as finally adopted and reported back to the House.

The substitutes will be considered in the following order and will be debatable for 1 hour each: first, the substitute to be offered by Representative FRANK; second, the substitute to be offered by Representative SOLOMON; third, the substitute by Representative MFUME; fourth, the substitute to be offered by Representative KASICH and; fifth, the concurrent resolution as reported by the Budget Committee. The rule waives all points of order against the substitutes and the substitutes are not amendable and shall be considered as read.

After the disposition of the last substitute, the rule further provides for a period of 10 minutes of concluding debate, equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

Finally, the rule also makes in order mathematical consistency amendments as needed and as provided in section 305(a)(5) of the Budget Act and provides that the concurrent resolution is not divisible.

Mr. Speaker, this year's budget resolution incorporates President Clinton's budget request for fiscal year 1995, and implements the spending cuts mandated by last year's deficit reduction package. Under that package, the defi-

cit is projected to drop from $225 billion in fiscal year 1993 to $175 billion by fiscal year 1995—or $80 billion in a 2-year period. The resolution calls for no new taxes and does not require reconciliation.

The budget resolution sets total discretionary spending for fiscal year 1995 within the caps established by last year's deficit reduction package. Specifically, the resolution sets discretionary spending at $511.2 billion in budget authority, $6.8 billion less than the cap, and $541.1 billion in outlays, also within the cap.

For domestic discretionary spending, the resolution sets a fiscal year 1995 level of $226.6 billion in budget authority and $249.2 billion in outlays. These levels generally assume both the investments and the extensive spending cuts proposed by the President.

The President requested increases of $14.1 billion in budget authority for a number of investment programs, such as Head Start, compensatory education, crime control, WIC, health research, job training, and transportation. The budget resolution includes $13.5 billion for these programs. The budget resolution also adopts the President's reordering of spending priorities, which call for the termination of over 100 domestic discretionary programs and spending reductions in more than 300 others.

For defense, the budget resolution calls for $263.8 billion in budget authority and $270.9 billion in outlays next year. These figures are consistent with the President's request and reflect savings resulting from the administration's proposed procurement reform and reduced rent payments from Federal agencies.

The budget resolution also contains a number of modifications to the President's budget and rejects proposed cuts in the Low Income Home Energy Assistance Program, mass transit operating funds, veteran's medical research as well as the Emergency Food Assistance Program.

Finally, the budget resolution does not prejudge the debate on health care reform and does not include any specific figures for health care reform. Rather it assumes budget neutrality of any such legislation over a 5-year period.

Mr. Speaker, after 4 years of economic stagnation, the economy is once again starting to pick up. Industrial productivity is on the rise as well as business investment. The rate of unemployment is down as is the deficit and inflation. The rate of new housing starts are on the rise while mortgage rates remain low. Although we are still not out of the woods, this budget will keep us on the course to recovery.

Mr. Speaker, House Resolution 384 is a fair rule that will expedite consideration of this important resolution. I urge my colleagues to support the rule and the resolution. I reserve the balance of my time.

□ 1030

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my friend, the gentleman from South Carolina [Mr. DERRICK] for yielding, and I wish to tell him that he will be missed sincerely by all of us. We wish him well in the years ahead.

Members may not realize that, under the Budget Act, budget resolutions are privileged and may be brought directly to the floor without passing through the Rules Committee. Under the normal rules of this House, any Member is supposed to have the opportunity to amend the budget resolution on the floor.

In this case today, though, the normal procedures were set aside and the Rules Committee was asked to structure debate on the budget resolution—placing limits on the involvement of Members in outlining our budget priorities for the next 5 years. Managing the public's budget and bringing down our staggering national debt is arguably one of the most important parts of every Member's job. Yet Members will only have a limited set of preselected options from which to choose as we proceed today. That is not the way it is supposed to work.

The majority seemed to have an especially strong interest in expediting this important step in our budget process today getting to the budget resolution. One might even call it rushing it through even though we are already a full 2½ weeks ahead of schedule. In its haste to move the budget resolution, the majority leadership disregarded another crucial standing procedure in this House—ignoring the normal requirement that budget resolutions be available to Members for 5 legislative days prior to voting.

Why is this important? I am holding the committee's budget resolution—it is a sizable document that contains crucial information about how we intend to parcel out the Nation's resources over the next 5 years. It is heavy reading—and it takes time to digest.

Members should have a chance to read what they are being asked to vote on before they are asked to vote. But this year, the final report on the budget resolution was not widely available to Members until Wednesday, yesterday. Since we are so far ahead of schedule, I am troubled that Members are not afforded time for reflection and study. It does not make much sense and it did not have to be this way.

Today's rule reflects the wishes of our distinguished chairman [Mr. MOAKLEY] who asked that changes to the budget resolution come in the form of complete substitutes. While I understand the reasoning behind this request and the interest in having orderly debate, significant proposals to improve our budget outline will not be heard today because of that limitation.

For instance, under this process I was not encouraged to proceed with an amendment making an additional 76 specific spending cuts for a 5-year savings of $285 billion, the socalled Spirit of '76 proposal.

Still, I could accept this limitation—had it been fairly and consistently applied to all substitutes presented. But this was not the case—in fact there were two very thoughtful, credible, and responsible substitutes that were inexplicably shutout of the process.

One, a proposal by Mr. BURTON of Indiana that I strongly support, is known as the 2-percent solution, and seeks to freeze our budget at this year's levels plus 2 percent. The gentlewoman from Maryland [Mrs. BENTLEY] offered a similar amendment and was also denied.

A second substitute not made in order, offered by the gentleman from Colorado [Mr. SCHAEFER] listed an additional $550 billion in budget cut savings over the next 5 years. Even though I agree with the chairman of the Budget Committee, the gentleman from Minnesota [Mr. SABO] that we have made some progress in reducing the deficit, I am convinced much more can and must be done to cut Federal spending on wasteful, redundant, and low-priority programs.

That is what Mr. SCHAEFER was attempting to do—and that is what my own Spirit of '76 intends to do.

Mr. Speaker, this rule does make in order 4 complete substitutes—including a comprehensive Republican budget offered by the gentleman from Ohio [Mr. KASICH] and the balanced budget approach I am proud to have worked on with my friend the gentleman from New York [Mr. SOLOMON]. In addition, we will consider proposals by the gentleman from Massachusetts [Mr. FRANK] and the gentleman from Maryland [Mr. MFUME] all of which we will hear about in detail in the hours ahead. For that, we are grateful.

I am disappointed, though, that the majority felt the need to add yet another shackle to this process—the arcane procedure known as king-of-the-hill, whereby four or five proposals are considered in a row and the last one to pass wins. Many of us would prefer to let the chips fall where they may—and let the House truly work its will—by voting on each and accepting the one with the highest vote total.

King-of-the-hill tends to reduce Members' accountability by giving them free votes, while allowing the majority a last chance to undo anything that is done and still get their budget passed.

I think I can predict exactly what budget is going to pass, and I can pre-

dict safely that after 9 hours of debate here, which is very orderly, exactly where we are going to come out, and it is going to be called the Budget Deficit Reduction Act budget for this year.

I have got to point something out at this time, as I did yesterday at the Committee on Rules meeting. On the budget deficit for this year much crowing is going on because it is only going to be a $175.3 billion deficit this year. Now we have made it not as bad as it could have been, but a $175.3 billion deficit this year alone is nothing to brag about. But the problem is that is not the true number. The true number is a much bigger deficit than that because we have not included the Social Security savings. We have simply said that those $65 or so billion dollars we are crediting against the deficit, those moneys are already predestined to go to the people who have paid into the Social Security System. They are not available to reduce the deficit, and we all know it, so that gets the deficit up to about $250, $240, $250 billion, and then, then the real problem. We have been told we are going to have health care reform this year.

Mr. Speaker, the President has stood in this very body, in this Chamber, and said that he will veto anything except certain proposals. CBO has given us a cost estimate on the one proposal so far that we know he is not going to veto, the Clinton plan. It is $130 billion. Mr. Speaker, we have two long days of thoughtful discussion ahead of us. There are strong feelings on all sides—and legitimate and deep-seated philosophical differences exist that do not necessarily run along partisan lines. While I am glad that we will have an opportunity to hear five very different visions of where our budget priorities should lie—I wish we could have opened the process up completely. For that reason, I oppose this rule.

□ 1040

Mr. Speaker, I include the following material at the end of my remarks:

ROLLCALL VOTES IN THE RULES COMMITTEE ON AMENDMENTS TO THE PROPOSED RULE ON HOUSE CONCURRENT RESOLUTION 218, BUDGET RESOLUTION FOR FISCAL YEARS 1995–1999

1. Burton (IN)—Substitute. Making each aggregate and functional total equal to fiscal year 1994 level plus 2 percent. Intended to reduce federal spending by $795.6 billion over 5 years. Directs 16 committees to report reconciliation.

Vote (defeated 4–5): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Moakley, Bonior, Wheat, Gordon.

2. Schaefer (CO)—Substitute. Provides $550 billion in spending cuts over the next 5 years.

Vote (defeated 4–5): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Moakley, Bonior, Wheat, Gordon.

3. Talent (MO)—Amendment to increase defense (function 050) by over $19 billion over 5 years, with offsetting cuts in general government (function 800).

Vote (defeated 4–6): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Moakley, Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Bonior, Wheat, Gordon.

4. Bentley (MD)—Amendment that directs each aggregate and functional total be changed to the fiscal year 1994 level plus 2 percent. Intended to reduce Federal spending below baseline spending levels by $795.6 billion over 5 years. Also directs the Committee of the Whole to report to the House a reconciliation bill reducing expenditures by $34.019 billion.

Vote (defeated 4–6): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Moakley, Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Bonior, Wheat, Gordon.

5. Eliminate King-of-the-Hill procedure and provide substitute adopted with most favorable votes reported back to the House.

Vote (defeated 4–6): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Moakley, Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Bonior, Wheat, Gordon.

6. Adoption of Rule—

Vote (adopted 6–4): Yeas—Moakley, Derrick, Beilenson, Frost, Hall, Slaughter. Nays—Solomon, Quillen, Dreier, Goss. Not voting: Bonior, Wheat, Gordon.

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)	58	12	21	46	79

[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 Mar. 10, 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).

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. 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).
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)	

Note.—Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I support the rule, but I will oppose the budget. I mean no offense to the Democrats. I will also oppose the Republican version of the budget. I think both the Democratic and Republican versions are misguided, and I want to disassociate myself from both of them, for the following reasons:

There are some good things in the Democratic budget, there are some good things in the Republican budget, but the truth is that we keep and continue on with the same economic program in America and we are rearranging the deck chairs with all these tax manipulations.

The truth is that we have got to change the way we tax and raise revenue in our country. Everybody is talking about spending, and on one is focusing on revenue.

Here is the way America works, Democrats and Republicans both: No. 1, if you work hard, very hard, you are penalized and you are zapped for it. It is time to at least look at reducing our income taxes with a flat tax on income and coupling them with a tax on spending.

There is a whole second economy called The Street that we are subsidizing with prisons that our working people could benefit from if we would at least look at some alternatives. But the truth is that no one is talking about that. The reason is there is really no difference between Democrats and Republicans.

I listen to the abortion rap, I listen to the gun rap and the death penalty business, but when it comes to taxes and trade and the way we do business, there is not one bit of difference here, and no one is reading the frustration of the American people. No one is even analyzing that frustration, and it is there. The American people are simply taxed off.

Here is where we go: We are now going forward against the rich again. We are going to hit the rich.

We are moving into class wars in this country. We have already chased the rich people's factories and their jobs out of the country. I say, "Now, watch, Congress, that you don't chase their money and their savings out of this country."

We should be incentivizing the Tax Code so the rich people would be putting their money into America in the form of investments and hiring American workers. We are not doing that.

For all of those who are looking at these rosy pictures, I would point out that individual personal income dropped three-tenths of 1 percent in the last quarter while individual spending and borrowing raised one-half of 1 percent. That is not wages, I say to the Congress. It is debt, individual debt, business debt, national debt, and the truth is that we are doing nothing. Democrats and Republicans both are doing absolutely nothing. We are not even studying an alternative to the way we tax in our own country.

I want to close out and basically ask this: Why would you invest in America with the IRS and Social Security down your throats, with Workman's Compensation and Unemployment Compensation, EPA, OSHA, banking regulations, and security regulations?

I say, "Folks, what are we doing?" What is the cost of wages in our country? Why have we driven our people out? It is not because they are not patriots. Congress continues to develop budgets here that rearrange those deck chairs by adding another wrinkle to another 5-year bill.

I am trying to figure this out: Is this the year of the Clinton 5-year bill, or is this the first of another 5-year deal Congress is bringing up?

Where is Gramm-Rudman that was supposed to balance the budget in 1991? It started at $200 billion in 1986. It was $320 billion in 1991. It is not working, I say to the Congress. The American people know it is not working, and it is Democrats and Republicans who are going to argue about some fine print in their different versions, but there is not a damn bit of difference in either budget from either party.

Mr. Speaker, I want to disassociate myself from it. I appreciate the President's action in taking some of the steps he has taken. I would hope that he would not have fallen into the same team of Washington, DC, advisers that have grabbed the last five Presidents. To tell you the truth, I do not know what is in the White House anymore. Democrat or Republican, it makes no difference.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Speaker, I thank the gentleman for yielding this time to me. I rise today in opposition to this rule.

President Clinton may be content with a deficit of only $170 billion next year, but taxpayers are not. To put this Government on the path toward a balanced budget, I offered a substitute amendment to the budget resolution that orders another round of deficit reduction under a reconciliation process. That substitute was not made in order, and I will oppose this restrictive rule.

The Schaefer substitute ordered House committees must find $560 billion in savings over the next 5 years—without tax increases.

Best of all, the reconciliation bill is already written, in the form of H.R. 3958, The Fiscal Responsibility Act of 1994. This bipartisan package of 150 spending cuts, which I introduced last week, specifies line-by-line, program-by-program, how to achieve the savings required by the Schaefer budget substitute.

Although my substitute was turned down, I urge my colleagues to take a hard look at my bill, on which the substitute was based. The Fiscal Responsibility Act is the only bill before Congress that provides the details necessary to finally stem the flood of red ink from the U.S. Treasury.

Mr. Speaker, I do support the Solomon approach which is near the Penny-Schaefer substitute, and I think it is probably the only way to go at this point in time.

Mr. Speaker, I thank the Members for all the hard work they have done on this legislation.

Mr. DERRICK. Mr. Speaker, for the purposes of debate only, I yield 2 min-

utes to the gentleman from New Mexico [Mr. RICHARDSON], the distinguished deputy majority whip.

Mr. RICHARDSON. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, a year ago our friends on the other side were predicting economic disaster if we passed the budget resolution. Alan Greenspan, the Chairman of the Federal Reserve Board, recently commented that we are seeing the best economic outlook we have seen in decades.

The fact is that because of the budget resolution we passed last year, the economy is growing all the way from Wall Street to main street.

This budget is a tough budget. It cuts the deficit to $171 billion, the lowest figure we have seen in 5 years.

□ 1050

It continues the successful spending cuts of the Committee on the Budget last year, cutting more than the President did, initiates over 100 Federal programs being killed and 200 others drastically reduced.

Discretionary spending in 1995 is below last year's dollar level, and total Federal spending is at its lowest level in 15 years. At the same time, we are investing in people; $13.6 billion of the President's $14 billion request for new initiatives are in education, training, research and development, infrastructure, health, and human services.

The reason that we are not having such a heated debate, watched by everybody in the world, is because the economy is in good shape, and this budget resolution is another step in the right direction.

Mr. Speaker, we have a budget resolution that reduces the deficit at a time when the economy is growing, 2 million jobs created in 1993, 70 percent more private sector jobs in 1 year than were created in the previous 4 years. Unemployment is way down. The deficit is down. Interest rates are at a 25-year low, and as a result, 5 million Americans have been able to refinance their home.

Mr. Speaker, let us pass this budget to continue this economic growth in this country.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the Commonwealth of Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, a long time ago the Congress passed a statute to bind itself on a fiscal year to complete its appropriations by September 30 of every year. That is the law. Congress passed the law against itself to bind itself. Almost every year since I have been here, at least 9 years out of the 12 that I have been here, we have failed to meet that deadline. So what does the Congress resort to to try to continue its business? It forms a continuing resolution, a temporary set of appropriations, until the time that the final appropriations can be passed.

Well, that has caused a lot of mischief. No. 1, it permits the people who control the budget, the appropriators, to favor certain projects and to slip in certain appropriations that we never had contemplated in the original consideration of the bills. Mischief.

No. 2, it has permitted 9 times in the last 12, it has allowed, the Federal Government to come to a halt. That is, there was an absence of Government in our country for given periods of time during the after September 30 period until a new budget was allowed.

Worst of all, this occurred one time when our Armed Forces were amassing in Saudi Arabia during Desert Shield in 1990. Here we were, our young fellow Americans were all poised for the big battle that was to come in Desert Storm, all ready with their weapons, and the Government of the United States shut down because the Congress did not pass the appropriations to make the Government run.

Now, that is outlandish, outrageous, and an abdication of the duty of the Congress to the Armed Forces and to the entire country.

What have we done since then? I have introduced time and time again a bill that would call for instant replay. That is to say that on October 1, if appropriations bills have not been passed by the deadline, midnight of September 30, then on October 1, it would be an instant replay, an instant adoption, automatic adoption, of last year's appropriations.

This would guarantee a continuum of appropriations until the Congress is ready to act on the full appropriations. And what is even better, it will prevent forever the Government from shutting down, which is an outrage and an insult to the American people.

Mr. Speaker, this is not a scheme on my part which has no support. The GAO, in its report on this very same cycle of failure to meet the September 30 deadline, issued the report which came to every Member, and, lo and behold, to the great satisfaction of my ego, they mentioned in a footnote that my bill was introduced that could go a long way in curing this malady of our budget process.

Now again, this year I presented it to the Committee on Rules, a sense of the Congress to do exactly that same thing, and I was smacked in the face again. But I am going to get up from my floor position and fight again whenever I can.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think it was the poet Shelly that said that children need to believe in belief. And I think what that means is that our children in America need to be able to believe in their dreams. They need to be able to believe in childhood. They need to be able to believe in that elf that whispers in their ear and talks about Santa Claus, or the beauty of being what ever you want to be when you grow up.

It is too often times in the America of today that we see here in Washington, DC, where young people are shooting each other in the streets, and now in the schools, that our children do not have this opportunity to dream. They do not have the opportunity to believe in belief, and they never are children.

I went before the Committee on Rules yesterday to propose what I thought was a reasonable amendment to the budget, because the budget is the appropriate place to do this. And my amendment would have done two things: It would have cut the intelligence budget by 5 percent over 5 years, and eliminated the D5 Trident missile program, accumulating to about $11.8 billion in cuts, and taken that $11.8 billion and put it into a Children's Initiative for America, another CIA.

Mr. Speaker, I believed putting this money in initiatives for children, like the Women, Infants, and Children [WIC] Program, the immunization program for children, the Head Start Program for children, would begin to give so many of these children in America this opportunity to live the kind of life and to fulfill the kind of dreams that we think the American dream is about. That is the opportunity to do better than our parents did.

Mr. Speaker, that amendment was not agreed to, and I am disappointed. I also thought there was precedent for that amendment to be agreed to by the Committee on Rules

In 1989 the Committee on Rules allowed an amendment offered by the gentleman from California, Mr. Panetta, now our OMB Director, to offset money, to put more money toward the veterans services. In 1991 the Committee on Rules allowed an amendment by Mr. FORD to offset with cuts roughly a $400 million increase in the education account, a function 500 account. And I am hopeful that we will begin to get more and more of a groundswell. Mr. Raspberry in a column in the Washington Post said that we need a children's movement, a children's crusade. We need a groundswell of Members in Congress to get these kinds of amendments put before this distinguished body, so that we can invest in our most precious human resources, our children.

Mr. Speaker, while I am disappointed that this amendment was not allowed by the Committee on Rules, I do have to say that the gentleman from Minnesota, Mr. SABO, working very closely with President Clinton, has come up with a very good budget, I think a

budget that will increase, although I would like to see it increase even more, funding in programs such as WIC, Head Start, and children's immunizations. I think the gentleman from Minnesota [Mr. SABO] has done yeoman's work on the bill.

Mr. Speaker, the gentleman from Minnesota [Mr. SABO] has worked very closely with the Clinton administration on a host of goals, and done a very very good job with a very very arduous task.

In that light, I intend to support the rule. I intend to work with the gentleman from Minnesota [Mr. SABO] on the appropriations and authorization bills, to try to achieve what my amendment would have achieved on the budget resolution. And I look forward to more members working through the children's working group that I have established here in Congress to try to get more attention paid to these amendments.

Mr. Speaker, I thank the Committee on Rules and thank the distinguished chairman of the Committee on the Budget, and look forward to voting for this rule and working on a budget that is in the best interest of American and the best interests of our children of America.

Mr. GOSS. Mr. Speaker, I yield 3 minutes and 30 seconds to the distinguished gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I thank the distinguished gentleman for yielding time to me.

Mr. Speaker, I understand the need to order debate to foreclose issues when we are discussing a broad budget like this, issues which may be particular to a particular district, which may be particularly political or partisan in nature. That is why I understand the need for the Committee on Rules to exercise some control over this whole process.

The Committee on Rules ought not to be used, however, to foreclose issues which are national in nature, while cannot be discussed realistically at any other point, and which are not political or partisan. I think that has happened with this rule.

It is the reason I will oppose it, because we are not going to be able to fully debate a very vital issue. That is the question of how much this country is going to spend on national defense this year.

Mr. Speaker, it is important to outline what has happened in the last few years. Many Members are not aware of it. Many members of the public are not aware of it. Defense spending has been reduced in this country by 35 percent in real terms since 1986, at the same time as domestic spending has gone up by over 30 percent, at the same time as the need for greater conventional power has increased and not decreased as a result of the collapse of the Soviet Union.

The bipolar nature of the world up through about the late eighties suppressed conventional kinds of conflicts. We would not have had a Desert Storm 10 years ago. Because there were two major powers standing off against each other with nuclear weapons, it was very unlikely that those kind of regional conflicts would emerge or at least would emerge to that kind of an extent. So we are in more serious danger of conventional conflicts than we used to be at the same time as defense spending has been decreasing.

The result of that is the hollowing out of America's defenses, which I have reported on to the Congress in a number of special orders.

My amendment targeted this by taking $20 billion over the next 5 years in the budget resolution from overhead, from the legislative budget, from executive overhead, and putting it into national defense and addressing two of the worst areas in which we are hollowing out. One of them is pay.

As we reduce defense forces, we have got to have high-quality people. The only way to do that is pay them what we need to pay in order to get good-quality people on the forces. We are projecting now 1.6-percent pay increases, which is substantially below inflation, below the formula that this Congress had set for pay increases in the past.

My amendment would have raised it to 2.6 percent or restored what we had been doing in the past.

The other crucial area is modernization. As you reduce the number of troops you have in the Army, it is essential, there is a consensus on this, that each soldier be able to protect himself better and to pack more firepower. We cannot afford either in terms of the lives of our people or the objectives of the country to be losing one person for every person that the enemy may lose in the event of battle. To do that, you have to have modernization.

The Army's budget for modernization was cut 25 percent last year alone for the next 5 years. It was cut 25 percent in 1 year. My amendment would have restored $10 billion approximately over the next 5 years which is the minimum amount necessary.

Mr. Speaker, the only way to consider this defense issue without getting tied up in all the other issues and all the partisan politics is to have a discrete amendment doing nothing to the committee's budget but taking some money from a domestic spending area and putting it into defense. If we cannot do it in that context, the House will never have a chance to express an opinion on it in the course of debating the budget resolution. And this is the only time we can, because as the Members are aware, if we do not change the budget caps during the budget resolution, budget resolution process, we cannot do anything when we debate the actual authorization or appropriation bill later on.

Mr. Speaker, the primary responsibility of the Government is to raise and fund the national defense and protect the lives of our soldiers and the security of our people. I urge the House to defeat the rule so we can consider an amendment that would put that issue before the House.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Minnesota [Mr. SABO], the distinguished chairman of the Committee on the Budget.

Mr. SABO. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise to commend him for this rule. It is a fair rule. It allows a variety of alternatives to be considered and debated by this Congress.

But more importantly, I would like to say to the gentleman from South Carolina how much I and the whole House are going to miss him. The work he does on the Committee on Rules is going to be missed. The work he does as an individual member representing his district, it is going to be missed.

The work he does as a whip is going to be missed. He is truly one of the Members of this Congress that will leave a big hole, and all of us deeply appreciate the thoughtfulness which he brings and has brought to public service. We look forward to working with him for the balance of the year and wish him well in the future.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Speaker, I thank the gentleman for yielding the time to me.

Mr. Speaker, this will be the 12th year in which I have had a very modest role in the deliberations on a budget resolution, and this year is no exception. I have not met a budget resolution I like. I do not like all or any of the alternatives presented, but the fact of the matter is, we must, of course, under our budgetary procedures, have a budget resolution.

I rise today to express my concern primarily over the failure of the Committee on Rules to have made in order an amendment, which I presented to them, which would have allowed to be considered an amendment to the Republican budget resolution alternative, which would have restored funding for the Federal Impact Aid to Education Program, a program vitally important to my district, but also important to perhaps 100 or more other districts throughout America.

Federal Impact Aid to Education is critically important to the financial viability of education systems in numerous school districts within my district in Virginia, as it is to many others that have a significant Federal impact.

It is a program where the Federal Government is doing something which it is only right and appropriate that they do in absorbing the impact of the present Federal activities which detract from the tax base and resources of local communities with which to support the educational system that provides the educational services to Federal, military, and civilian employees.

I think it is a serious mistake not to have permitted consideration of an amendment that has that broad a sweep.

In the budget resolutions that come before us, I am going to be supporting the Republican alternative, not because I like all that is in it. There is much in it I do not like. My understanding of a budget resolution is that it sets parameters. It makes assumptions as to programmatic activity, but it does not legislate programmatic conclusions.

Consequently, I find myself able to support the Republican alternative because I think its major thrust is the soundest of all the alternatives before us. It would have been better had we been able to modify some of its provisions rather than having to appear to be giving an imprimatur to all aspects of it, when there are significant parts of it which could be improved by modification or even some elimination.

I regret very much not to be able to support this rule, and I understand the difficulty of the Committee on Rules in a totally open rule on a budget resolution. But certainly, there are very significant amendments that members have chosen to offer, wanted to offer, but this rule permits them from doing so. I think, therefore, it is dificient.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from greater downtown metropolitan San Dimas, CA [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank my friend, the gentleman from Sanibel, FL, for yielding time to me.

I guess on our side, we are going to have Committee on Rules' members sort of wrapping things up. So I will try not to take all of the remaining time of the gentleman from New York [Mr. SOLOMON].

Let me say that we are opposing this rule, Mr. Speaker, for a number of reasons. And I would like to focus for just a moment on an issue here that we have tried to address in the past and last night when we were marking this rule up. I offered an amendment to try and address it. Unfortunately, it was defeated.

We have this marvelous sounding provision called the king of the hill procedure. The king of the hill procedure, based on the structure that we have, says that the last amendment that passes is the one that actually is implemented. It seems to me that that is not a real king of the hill procedure.

When I was a kid, and I know many of the rest of my colleagues all played that game of king of the hill, it was who got to the top of the hill and was actually able to survive.

Unfortunately, we have this king of the hill procedure which allows basically a bait and switch. We can cast a vote on an item and end up with something else. We can be drawn into a proposal and end up with something else. Why? Well, we have five substitutes that are called for under this rule.

We have proposals that bring about great reductions, the Solomon substitute, the Kasich substitute.

Every Member here will have an opportunity to vote for those, making the claim that they voted to bring about reductions in spending, yet if we end up voting for the last substitute, which does not bring about the kind of meaningful spending cuts that we believe are necessary and that the American people believe are necessary, those earlier votes that they have cast will not count. And the last one is the only one that counts.

So, what will Members be able to do. They will be able to say yes, of course, I voted to bring about those cuts by supporting this Solomon effort to be specific on measures that should be reduced. But they will not be accountable for it.

Mr. Speaker, we should end this king of the hill procedure or at least put into place a meaningful king of the hill procedure so that substitute, the proposal which gets the largest number of votes is the one which we actually pass.

Let us defeat this rule, come back with a king of the hill procedure which is meaningful, and does what we believe should be done and that is bring about the accountability that is necessary, and pass a budget that will be acceptable to the American people. I thank my friend for yielding.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, it is spring, it is budget time, and the minority is going to be run over—again. The majority suggests this is good. I think not.

Today, America will see the President's budget, which includes few cuts and many taxes. The Democrats assure us that the road to prosperity is paved with taxes.

This is an argument I have never understood: How can you and I be more prosperous if the Government takes our money? We have less, so how can we be more prosperous?

The majority claims it is time for hard choices. I agree, but those choices can never be made if they are not brought to the floor.

Mr. BURTON has formulated his freeze plus 2 percent solution which would balance the budget by the year 2001.

My plan is similar to Mr. BURTON's—the only real difference being my reconciliation language instructs the Committee of the Whole to reduce expenditures by $34 billion.

This is a novel approach—permissible under the rules. Such an approach would give all Members a chance to participate in the budgetmaking process—the only way we can take the budget process out of the back rooms and onto C-Span for the public to see.

This is the only time the whole budget would be in front of Congress, and all Members should be allowed to offer their alternatives, to offer specific budget cuts.

But they are not. Instead, Members are required to submit a complete budget document, one that includes CBO projections.

Such a task is daunting when you consider a sample budget is a minimum of 60 pages long—each page replete with endless line items.

So what has happened? Most Members have resigned themselves to spectator status because they lack the staff to draft such a document.

Under the Budget Act, any budget line item increasing spending must be balanced by a corresponding cut from someplace else.

Americans want the merits of honey subsidies, highways, and defense debated—weighed one against the other.

Since I first proposed an across-the-board freeze in 1988, I have talked to many people from farmers to seniors to veterans to Federal workers. They all say the same thing: "The budget should not be balanced on my back alone." All of them have been willing to shoulder the burden—if everyone else also does.

Equity, and equity alone, should drive the budget talks.

Vote down the rule, so all Members can participate in the debate.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, I rise to commend the chairman and the members of the House Committee on the Budget for producing a bill of which they and this Congress can be justifiably proud.

In an economic and political environment in which nothing large or small is attempted without a wary eye toward cost, the committee has produced a budget measure that embodies the same responsible fiscal behavior that Americans demanded of last year's budget.

Although this budget resolution differs somewhat from President Clinton's original proposal to Congress, it continues the fiscal constraint that was reintroduced to Government with last year's budget—the first budget of this administration. As a result, this proposal brings the 1995 Federal deficit

down to $175.3 billion, the lowest level in 5 years. It is more than $100 billion below the projection made by CBO in January 1993.

There is yet another accomplishment in this budget proposal for which the committee is to be commended. It is a difficult accomplishment and one more intimate to individual Americans than are the arithmetic puzzles offered them by Federal number-crunchers. In continuing this administration's precedent of well-targeted outlays, this is a very human budget as much as it is a Government budget.

The budget presented to us today has as its guidance the needs of individuals and families. It contains funding for emergency food assistance, for badly needed mass transit, and for home energy assistance. Although it achieves the lowest deficit since 1975 when measured against the size of the economy, it funds new initiatives in education and training, in health and human services, in crime control, and in community development. This budget is geared to continue the rise in employment that Congress and the administration accomplished with the preceding budget.

The proposal which the House Committee on the Budget has crafted and set before us for consideration seeks not to further burden American citizens, but rather to free them from their burdens.

One of the most loved members of this Chamber, the late Speaker Tip O'Neil, used to caution that "All politics is local." This budget reflects the best kind of local politics. It is a reflection of a Congress that has used as its guidance the needs of the people in the cities, towns, and counties throughout this country. As those people have articulated their needs to us, so the committee has directed the impact of its good fiscal judgment where it will most directly meet those needs.

My congratulations to the members of the Budget Committee for their skilled accomplishment of a most difficult task.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my intent here is to make a remark, use a little of our time, and then yield to the gentleman from New York [Mr. SOLOMON] to close for the balance.

Mr. Speaker, all I want to add to the remarks of my colleague from California, Mr. DREIER, about the king of the hill is this: the trouble with the king of the hill is you do not get the best of the rest, you have a bunch of losers left at the bottom of the hill, and that is why we do not like the king of the hill, because the best of the rest has some good stuff in it.

And the other point I want to make is about the deficit: when we are talking about the ship of state and the deficit, we do not want to brag because the ship sink sank in 1,000 feet of water rather than 120,000 feet of water. The point is not to let the ship of state sink under the deficit at all. And that is why we have to get rid of the deficit.

Mr. Speaker, I yield the balance of my time to the distinguished gentleman from New York [Mr. SOLOMON], ranking member of the Committee on Rules, has an outstanding substitute amendment for us.

Mr. SOLOMON. I thank the gentleman for yielding the time.

Mr. Speaker, even though the rule that we are about to vote on does make in order my personal balanced budget substitute, I do have to oppose the rule because, Mr. Speaker, the House again is not being allowed to work its will.

And we had a number of Members of Congress, all respectable Members, Democrats and Republicans, that came before the Rules Committee yesterday, with good ideas that ought to be brought to the floor of this House. And those good ideas are not going to be allowed.

The gentleman from California [Mr. CONDIT] was one, the gentleman from Indiana [Mr. ROEMER] was another, and on our side of the aisle we have Mrs. BENTLEY who has a different approach to balancing the budget than I do with my specific cuts. Hers would limit line item increases to 2 percent. The gentleman from Florida [Mr. GOSS] has talked about the Burton substitute and Schaefer's and his own specific cuts, and Mr. Speaker, the House is not being allowed to work its will and that is why we really should defeat this rule and let the other credible substitutes be brought on the floor so that every Member is not discriminated against.

□ 1120

Having said all of that, I do want to thank the majority for making in order our balanced budget which will be brought to the floor sometime around 4 or 5 o'clock this afternoon.

First of all, I want to urge every member on both sides of the aisle to vote for the Republican alternative, the so-called Kasich budget. It is an outstanding budget. It goes a long way toward beginning to bring some fiscal responsibility into this body. It cuts these projected deficits on an annual basis considerably more than what the Clinton budget does.

Having said that, also, I would just like to say that it is completely compatible to vote for the Solomon approach as well. And what we do, Mr. Speaker, is we, in the year 1999, actually balance the budget. We end up with a $2 million surplus, and in the year 2000 and 2001 we begin to pay off that debt that has just about bankrupted this great Nation of ours.

So I would just hope that Members come to the floor. We have here a copy of the specific cuts. I might just point out, Mr. Speaker, you know, most of the time when budgets are offered, you get something like this, and this is just a bunch of functions. It does not really mean anything. I would invite every Member to come over and look at it. You could not tell one thing being cut in that, because all it is is just a level of functions.

What we do, which is not very politic, is we actually show you over $600 billion in spending cuts, 500 of them listed right here, and it does this without raising taxes, without touching Social Security trust funds, without touching earned veterans' benefits, and it restores defense spending, because I have had a number of Members from conservative Democrats on your side of the aisle who have come to me and asked me what I do in my budget with defense spending. We restore $50 billion of those cuts that President Clinton recommended.

We still manage to balance the budget in 1999. It is completely compatible to vote for the Kasich Republican alternative and for the Solomon substitute.

Again, if we were not under this king of the hill, we would let the one with the most votes then survive, and that would become the law of the land. However, we will have to wait and see how that plays out.

Mr. Speaker, I would urge every Member come to the floor and vote against the rule so that we can bring back a rule that does not discriminate against any Member.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge the Members of this body on both sides of the aisle to vote for the rule. It is a good rule. It is a fair rule. I urge the Members also to vote for the budget resolution. It is a resolution that, I think, will continue to carry our economy forward with less unemployment, with keeping the economy moving, increasing jobs.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. CLYBURN). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GOSS. 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 245, nays 171, not voting 17, as follows:

[Roll No. 50]

YEAS—245

Abercrombie
Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
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
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—171

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Coppersmith
Cox
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—17

Andrews (NJ)
Andrews (TX)
Brooks
Conyers
Crane
Crapo
Dellums
Gallo
Hastings
Kopetski
Lightfoot
Natcher
Portman
Reynolds
Schumer
Walsh
Washington

□ 1151

Mr. ROSTENKOWSKI and Mr. PICKETT changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PORTMAN. Mr. Speaker, as a result of a family emergency, I was unable to vote on the Rule for consideration of House Concurrent Resolution 218. Had I been in attendance, I would have voted as follows: Rollcall No. 50—No.

HOUR OF MEETING ON TOMORROW

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1995

The SPEAKER pro tempore. Pursuant to House Resolution 384 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for consideration of the concurrent resolution, House Concurrent Resolution 218.

□ 1154

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 consideration of the concurrent resolution (H. Con. Res. 218) setting forth the congressional budget for the U.S. Government for the fiscal years 1995, 1996, 1997, 1998, and 1999, with Mr. SERRANO in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered as having been read the first time.

Debate shall be confined to the congressional budget and shall not exceed 2 hours, including 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from Minnesota [Mr. SABO] and the gentleman from Ohio [Mr. KASICH].

After initial general debate, there will be an additional period of general debate which shall be confined to the subject of amendment No. 4 printed in House Report 103-429 and which shall not exceed 1 hour, equally divided and controlled by the gentleman from Ohio [Mr. KASICH] and an opponent.

Following that debate, there will be an additional period of general debate which shall be confined to the subject of amendment No. 3 printed in the report and which shall not exceed 1 hour, equally divided and controlled by the gentleman from Maryland [Mr. MFUME] and an opponent.

At the conclusion of consideration of the concurrent resolution for amendment, there will be a final period of general debate which shall not exceed 10 minutes, equally divided and controlled by the gentleman from Minnesota [Mr. SABO] and the gentleman from Ohio [Mr. KASICH].

At this time the Chair will recognize the gentleman from Minnesota [Mr. SABO] for 1 hour and the gentleman from Ohio [Mr. KASICH] for 1 hour.

The Chair recognizes the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is indeed a pleasure to be back before you with the Budget Committee's recommendation for the 1995 budget resolution.

Last year at this time, we faced high deficits, and a host of other problems.

By August we had passed the President's comprehensive economic plan and we had improved on his proposals throughout the legislative process.

In that process we reduced the Federal budget deficit by $500 billion over the 5 year period from 1994 to 1998.

And, we redirected scarce Federal dollars to programs that reward work like the earned income tax credit [EITC]; to education and job training so people can find work and continue to remain productive in a changing economy; to research and development so our Nation can remain a world economic power; and to health, nutrition, and human resource programs so that all Americans can enjoy healthy and fruitful lives.

This year, we are seeing the rewards for those efforts.

The deficit is down significantly and projected to continue to decline. In fact from 1992 to 1996 we are seeing deficits decline 4 years in a row. The last time this occurred was 1944–48.

Under this budget, in 1995 discretionary spending as a percent of the gross domestic product will be at its lowest level since 1948. And, it will shrink still further in the next 5 years.

News on the economic front is overwhelmingly positive. Evidence of improved economic performance is everywhere. According to recent testimony by Fed Chairman Alan Greenspan, "The outlook * * * is the best we have seen in decades. Further, according to David Schulman, the chief economist at Salomon Brothers, "The economic recovery is now moving from Wall Street to Main Street."

All the major economic indicators show improvements. Over the last year we have seen the creation of 1.9 million new private sector jobs; an increase in industrial production of 4.7 percent; an 11 percent increase in business investment; a decrease in the unemployment rate from roughly 7.7 percent in January 1993 to 6.5 percent in February 1994; and improvements in the leading economic indicators for 6 months in a row.

Everywhere we turn things are looking up. I think it is safe to say that all these good things would not be happening if we hadn't enacted the President's economic program. And this good news is particularly helpful in dealing with our budget problems.

This year's budget builds on last year's program. It continues the fiscal restraint we began last year and continues to direct scarce Federal resources toward the needs of the nineties.

The resolution we have presented to you follows the President's program with a few exceptions. As you have probably heard, CBO reestimated the President's budget at $3.1 billion over the outlay caps for 1995 so we had to make some adjustments to fit within those caps. We also disagreed with the President on his proposals to cut the Low-Income Home Heating Program [LIHEAP], mass transit operating subsidies, the REA loan guaranty program, and one or two other programs. In order to reject these cuts we had to find the funds elsewhere. Consequently, the budget before you is slightly different from the President's while at the same time reflecting his major policy choices.

A general outline of the plan and the major modifications we made to the President's plan are as follows.

BASIC ELEMENTS OF THE PACKAGE

This budget continues the fiscal restraint that was begun with last year's budget and reorders spending in line with the President's program. It terminates 100 Federal programs and reduces more than 200 others.

This budget brings the 1995 deficit down to $175.3 billion, the lowest level in 5 years, and more than $100 billion below the projections made by CBO in January 1993.

Measured relative to the size of the economy, the 1995 deficit will be lower than any year since 1979.

Discretionary spending in 1995 is below last year's dollar level, and total Federal spending is at its lowest level in 15 years when measured as a percent of gross domestic product [GDP].

At the same time, this budget includes $13.6 billion of the President's $14.8 billion request for new initiatives in education and training, research and development, infrastructure, community development, health and human services, and crime control.

It assumes full funding for the President's crime control initiative at $2.4 billion in 1995.

The proposal does not prejudge the nature of health care reform so it does not specifically include any figures for health care reform. Rather, it assumes that the final health care reform package will be deficit-neutral over the 5-year budget period.

It contains no new taxes and does not require reconciliation.

MODIFICATIONS OF THE PRESIDENT'S PROPOSAL CONTAINED IN THE PACKAGE

This budget rejects the President's proposal to reduce the important LIHEAP—Low-Income Home Energy Assistance Program—by $745 million. Rather, it assumes restoration of $520 million of that proposed cut and it expresses support for the President's efforts to target the program better to those most in need.

This budget rejects the President's proposal to cut mass transit operating funds by $200 million and assumes restoration of these funds to the 1994 level.

It rejects the President's proposed $80 million cut in TEFAP, the Temporary Emergency Food Assistance Program within the Department of Agriculture, and assumes restoration to the 1994 level.

It rejects the President's proposal to cut the Rural Electrification Administration [REA] loan program by $63 million and assumes a restoration of funding to 1994 levels.

This budget rejects proposed cuts in veteran's medical research and assumes full funding at the 1994 level.

It assumes a restoration of $40 million of the President's proposed reduction in Indian health facility construction, primarily for sanitation and other essential public safety requirements.

This proposal cuts the President's budget by $3.1 billion through a variety of changes including the assumption of the full savings from personnel cuts as set by the buy-out bill (H.R. 3345) that recently passed the House and Senate.

Mr. Chairman, I reserve the balance of my time.

□ 1200

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we enter into another chapter of the ongoing struggle in Washington to define our view of how the Federal Government ought to operate.

I want to kind of go back to the beginning of the book and start at the beginning and move up to where we are today. You might recall that last February, the President came to Capitol Hill and stood in the well and he said, "I did promise you a tax cut, but now we are going to have tax increases, and I would like you to be patriotic." He turned to the Republicans and said, "If you do not like my tax increases, give me your specifics."

So the Republicans did give the President their specifics in terms of reducing the deficit by even more than what the President reduced the deficit by, without one dime of tax increase. That document was praised by a number of publications across this country, from liberal to conservative, for its intellectual honesty and its effort to reduce government.

We were rejected in that effort to show the American people how we would eliminate the tax increases and substitute instead the changes in the operation of the Federal Government to achieve significant deficit reduction, more than what the President achieved, but without taxes.

Then the reconciliation bill, the flat tax bill, that came to this House floor. And the President had his taxes and he said, "If you do not like our taxes, give us your specifics." So one more time the Republicans trotted out their list, and we said we have specific recommendations to downsize the operation of the Federal Government, and we do not believe we need these taxes in order to reduce the deficit. And one more time the decision was made, more for Washington, and less for us back home.

So after that ended, we got to the Penny-Kasich bill. Now, the Penny-Kasich bill was the specific recommenda-

tions to reduce the operation of the Federal Government. Of course, the President was aware of our specifics because he worked hard to defeat our specifics. This was a President who had pledged that he would welcome additional spending reductions. So Mr. PENNY and I came to the floor with our specific spending reductions. We offered them. The President opposed us with a majority of the majority party, and we were one more time defeated. And they said no, we wanted more for Washington, and we do not really hear the cries of the people around this country back home. We want to keep the Washington establishment happy. Penny-Kasich was defeated.

Now, ladies and gentlemen, this year the President came into this well again with his budget proposal that he said was flat as a table, the top of a table. And what is interesting to note is if the President had not sent his budget to Capitol Hill, if the President had permitted the budget to increase on automatic pilot, if the President had said that the Government of the United States could go on automatic pilot, and I will not send the budget to Capitol Hill, then the deficit and the levels of Government spending would be less—would be less—than what we have under the President's budget.

So when the President talks about how we have all these major cuts in programs and savings and a tight deficit, the bottom line is if that budget document had not made its way from the White House to Capitol Hill, we would have lower deficits and lower spending.

And the President challenged us. And the President said, "If you don't like my budget, show us what you would do." And Republicans have.

What we have done is we have laid things out on the table that represent a follow through of some promises and some rhetoric that have been articulated by this current administration. The President said he wanted welfare reform. It is not in his budget. The President said we would have health care reform to reduce deficits. It has been withdrawn from his budget. The President said he wanted a comprehensive crime bill. We only find pieces of it in his budget. And we are still waiting for the President to hold good to his promise that we will have middle income tax relief.

What the Republicans did is we went through virtually every nook and cranny of the Federal Government, with a philosophy of downsizing the Federal Government. We have privatized some programs, for example the Federal Aviation Administration, following a number of the practices that are being done by other countries around the world. We think that privatization of that program, privatization of a part of our prison system, makes very good sense.

We have also eliminated some programs, part of our philosophy. Programs like the helium reserve, a whole variety of programs that we think just similarly do not make sense and are outdated, like the Interstate Commerce Commission, originally created to regulate the pulling of ice wagons throughout this country. We have decided we do not need to have those operations of the Federal Government around any more.

We have also decided to do some shifting of block grants to the States without regulation. The reason why we have done that is that we do not think that people back home cannot figure out how to solve problems, if we would just let them have their own money to fix problems the way they feel are the best ways to fix them.

I want to talk about one program that the gentleman from Arizona [Mr. KOLBE] developed, called WIC-plus. We have been able to take all the nutrition programs of the Federal Government, put them in one block grant, send them to the States, double the amount of money that goes to women, infants and children, and save $8 billion for the Federal Government by not letting every bureaucrat in Washington touch this money. Whenever bureaucracy touches money, they burn it up.

So we have used this idea of block granting programs back to states and trusting in people where we live, to be able to solve problems. And I am constantly amazed when I meet with people in the bureaucracy here who do not even know what the time zone is in Columbus, OH. If they do not know what the time zone is right there, I am not quite sure they are going to know how to fix our particular problems.

So we block grant more programs, including mass transport and low priority transportation projects. We also use more consolidating and block granting in the area of job retraining, something the GAO says we are not even sure the job training programs of the Federal Government are working to help people get jobs. That is all of our goals. We think we have a more effective way to do it.

We have gone through every nook and cranny of the Federal Government, down sizing, privatizing, eliminating some, and just reducing the increase in others. And doing that, we have been able to achieve a very comprehensive package that in fact does deliver us comprehensive welfare reform.

In our budget, we not only talked about doing welfare reform, we have in fact delivered a comprehensive welfare reform package. We also have in there what we view as a very strong down payment on both health care and crime legislation, allowing people at home to have more money to build prisons, more money for police on the streets. And in health care, a down payment on fixing the health care system with a minimum of Federal involvement and a maximum of the private sector being involved.

Then we have also decided that we think it makes sense to provide greater efficiencies to our industries. And what we have done is allowed industries to be able to write off plant and equipment faster so that more Americans will get jobs, so that we will be more competitive in the international atmosphere today.

□ 1210

We will be able to put more people to work. We index capital gains that will not only help industry but will also protect people's investments against inflation. People should not have to pay taxes on inflation. And we have also had in here the kind of crowning jewel of the package. That is the $500 tax credit per child per family under $200,000.

When I presented this budget, the press said, "How can you do this and how can you pay for it?" The amazing thing about this proposal is that we not only have deficits that are lower than the President's in every single year of the 5 years that this budget is made up, but it is cumulatively $150 billion less in deficits than the President's budget. Why?

Because we decided to go eyeball to eyeball with change and eyeball to eyeball with the Washington establishment and dig in and give the American people what they want, a downsizing of the Federal Government and real change. And in the course of doing it, in the course of scouring every nook and cranny of the Federal Government, we have been able to achieve lower deficits every single year than the President, $150 billion less over 5 years, and we have been able to give middle-income families tax relief, to the tune of $500 per child per family under $200,000.

It is not smoke and mirrors. It is not some kind of voodoo economics. It is a proposal that makes hard choices about reducing the influence of Washington, reducing the influence of big government, making a down payment on reducing the deficit and, at the same time, allowing the American family to share in some of the savings.

And do my colleagues know what, we do not give anybody anything. It is the American people, the American taxpayer that sends their money to this town. All we are saying is that in the course of downsizing the Federal Government, we believe that the American family, which has been besieged in this country, should reap a benefit. It is not a giant benefit, but it is a benefit. But we do not do it at the expense of future generations, because we have been able to reduce the deficit by more than what the President has done.

So not only downsizing of the Government, not only greater deficit re-

duction, but some tax relief for the besieged American family. If Members are really for change on either side of the aisle, if they really want to see Washington have less influence, there are proper functions of the Federal Government, obviously. But if Members really want to see some privatization, some downsizing, some elimination of wasteful programs, slowing the increase in some other Federal programs, and they want to give relief and a bigger down payment on the deficit, then Members will support the Republican alternative.

I would ask my colleagues, we will probably have a vote on this tomorrow, on the Republican family budget. I would ask my colleagues to take time in their offices, clearly taking a look at the road map that we have laid out. I think that when they look at it, Members will be surprised at how much can be achieved by just trying to be creative and innovative and imaginative with the programs of the Federal Government. I would ask for Members' support.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. STENHOLM], a hard-working member of the Committee on the Budget, a member who has been working immensely hard to reorganize and streamline Government with the emphasis on the Department of Agriculture.

Mr. STENHOLM. Mr. Chairman, I rise today in support of House Concurrent Resolution 218, the budget resolution for fiscal year 1995. I do so with praise for my chairman, Mr. SABO, for the manner in which he always conducts business within our committee. I also do so, however, with mixed feelings about the missed opportunities of this budget.

Last year, in writing about the fiscal year 1994 budget resolution, five Democratic Members stated,

> We are disappointed that we did not address the issue of entitlement spending more than we did in this resolution. Even a cursory examination of our national spending points out the inevitability of dealing with entitlement spending if we are to have money to spend on any other programs while bringing our budget into balance. We must develop meaningful budget enforcement legislation which must include some mechanism to force us to deal with entitlements in future years.

Unfortunately, those views are just as relevant today as they were a year ago. We find ourselves in a position again this year of noting that the budget resolution accomplishes a minimal amount of what should be done on the resolution, but that a far greater portion was left unaddressed.

In particular, we are disappointed with the decision that further deficit reduction, carried out through a reconciliation bill later this year, was unnecessary. While it is true that the deficit is projected to take a slight downturn over the next few years, we remain convinced that sustained deficits of $200 billion a year present a greater economic hazard to our Nation's future.

We are pleased that we were able, at least, to attach report language to the resolution which calls for the provision of enforceable entitlement spending limits, establishing a regular procedure to provide assistance for disasters and other emergencies without adding to the deficit, and granting the President expedited rescission authority over appropriations measures. Obviously, reconciliation instructions along the same vein would have been far preferable.

We also are pleased that there was an agreement with our party's leadership for the consideration of further budget process votes within the House of Representatives. Past experience with the outcome of such promised fair votes does not lead to extreme optimism but we nonetheless look forward to the opportunity to offer amendments not only on the budget process items just mentioned, but also on a reexamination of the Consumer Price Index formula and a measure which would guarantee that all appropriation cuts are dedicated to reducing the deficit.

The omissions in this budget resolution further convince me that only with the constitutional imperative of a balanced budget amendment will the Congress and President finally face head-on the demands of deficit reduction. My hope is that 290 of my colleagues will come to the same conclusion when we take up that issue here in the House of Representatives next week.

The shortcomings notwithstanding, I supported the budget resolution passed out of the House Budget Committee because we were able to add the aforementioned report language and negotiate the agreement for later budget process votes. I commend Chairman SABO for his assistance in this regard, I look forward to continuing to work with him, and I look forward to the budget process votes which will be coming later this year.

I do not want to spend my time talking about what we should have done. I want to talk about what we are doing.

Mr. Chairman, the administration, with the full cooperation of the House and Senate Agriculture Committees, has made, rightly or not, USDA the first great experiment in reinventing government, even though all USDA outlays represent only 4 percent of the entire Federal budget and agriculture programs in USDA are only 1 percent of the budget. Yet USDA, since 1981 has made $60 billion in legislative budget savings. The 1990 budget agreement alone cut farm price supports by 20 percent.

Nevertheless, our committee agrees that USDA must become more efficient and streamlined, not only to better the Department's modern day clients but also because we are budgeting for additional, significant cuts in spending.

Secretary Mike Espy made restructuring a top priority; 1,200 of our 3,700 USDA field offices will be closed. But Mr. Espy wanted to reorganize starting at the top, a very appropriate decision. His proposal, H.R. 3171, introduced last September will grant the Secretary the most sweeping authority to reorganize the Department since the Great Depression.

The full House Committee on Agriculture has already reported legislation and the full House passed it in H.R. 3400 last November. It requires USDA to use existing authority to cut staffing by 7,500 positions and spending by $1.6 billion by fiscal year 1999.

Now we are going even further to refine H.R. 3400. My subcommittee has held more than a dozen hearings here and in nine States nationwide on USDA reorganization. On February 8, we approved and sent to the full committee a bill that grants the Secretary virtually all the authority he needs to streamline the Department, combine agencies and offices, and more efficiently serve our clients, farmers, and consumers. Staff would be cut with the deepest cut starting in the Washington bureaucracy.

USDA itself expects total savings from reorganization to reach $2.3 billion over the next 5 years. We are now pressing the Secretary to keep his promise and begin implementing field office closings. The Secretary does not need final congressional action in order to close or consolidate offices.

The bottom line for today for the budget hearings is, there will be reorganization in the coming year, already budgeted for it. It is within the budget resolution. The savings will be real. And the service to our farmers and consumers will not be deteriorated. The consumer services will be improved. The point here is, we can spend our time criticizing this budget, but there are things in it that show that we are, in fact, taking some very tough positions that have to be done in order to meet our fiscal needs. Not as far as some would like, but much further than our critics say that we are doing.

Mr. KASICH. Mr. Chairman, I yield 30 minutes to the gentleman from New Jersey [Mr. SAXTON] for the purpose of debate on economic goals and policies, and I ask unanimous consent that he be entitled to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, a week or so ago, I was in my office with a group of very hard-working Americans, employees of the postal system. And they came to

explain to me that there were certain things in my voting record that they liked and certain things in my voting record with which they took issue.

They said, for example, that they opposed a balanced budget amendment and asked me to explain why I favor it, which I did. And they informed me that there were ways to get the budget balanced without amending the Constitution.

Then they said they took issue with the vote that I had on a bill that became known as the Penny-Kasich amendment. The Penny-Kasich amendment would have cut the deficit by more than $100 billion without raising taxes. And I said, "Well, that was an effort to balance the budget without amending the Constitution."

□ 1220

So here we are again today. Once again, we have a bill sponsored by the gentleman from Ohio [Mr. KASICH]. Frankly, I told my postal workers I thought he was a hero, because he is the one guy in the House of Representatives who has put together a program demonstrating that there is more than one way to do business here.

I am very delighted to be able to be here today to support his effort, Mr. Chairman. This year, perhaps more than ever, I am amazed at the difference between the two budget proposals. There are two basic proposals that we are going to vote on, one by the folks from the other side of the aisle, which is the basic budget bill this year, and the one that I just mentioned which will be proposed a little bit later by the gentleman from Ohio [Mr. KASICH].

There is a very basic difference. I heard today in speeches, 1-minute speeches on the floor and other speeches more recently here on the floor, that somehow the two biggest tax increases in this country's history, one in 1990 and the next one in 1993, have somehow miraculously helped our economy to grow. I don't know a lot of economists who would buy into that theory. In 1990 we had a tremendous tax increase, and then in 1993, under a different President, we had another big tax increase. There is a lot of talk going on around here this year that says that because of that tax increase, the economy is once again growing.

I brought some charts with me today to illustrate what is really happening with the economy today. After recessions, certain things happen with the economy. If we have good tax policy to support recoveries, good things will happen in terms of growth in GDP.

This chart, for example, illustrates what happened after the recession which took place in the early 1950's. During the 2½-year period immediately after that recession, the economy grew by something in excess of 10 percent.

In the early 1960's, we had another recovery following a recession. During that recovery, the economy grew in a 2½-year period by almost 12 percent.

In 1970 we had another recovery following a recession, and the economy grew again by 10.2 percent. In 1974 we had another recovery after a recession, and the economy grew in a 2½-year period by over 12 percent.

That brings us to the latest recovery which we hear so much about from the other side of the aisle. It is called a miraculous recovery, in fact. Yet in the 2½-year period after the 1990 recession, we have seen a recovery of a scant 6 percent.

Something is different about this recovery. It has been called a number of things, including a jobless recession. That is for good reason.

If we can look at the next chart, which explains in some greater detail what actually happens in growth after recessions, we have taken the average growth after recessions, and we have looked to see how that compares with this recovery.

Throughout the recoveries that I just described, the average growth 1 year out is demonstrated here by this line chart, and at 2 years out and at 3 years out. We can see represented by the blue part of the chart that average growth after recessions has been quite substantial, as compared to the growth that has occurred in the first 2½ years after this latest recession.

If we can go to the next chart, the same can be illustrated in terms of our industrial production. Through the recoveries which I described a few moments ago, we can see, as demonstrated by the blue lines on this chart, what the average growth was during recovery periods, and the red lines, of course, illustrate what growth has been in terms of industrial production, during this recovery period.

Finally, we have one additional chart here, which is very interesting and somewhat scary, because it affects the lives of families all across the country who are still unemployed today. This shows that beginning in March 1991, when we actually came out of the recession, job growth was not only flat after the 1990 tax increase, but that we were actually still losing jobs.

In most recoveries, as demonstrated here by these red bars on the graph, we begin to see some growth in jobs immediately following a recovery.

When the recession ended in March 1991, it was more than a year and a half before we saw any growth in jobs at all. The reason for this is simple: we raised taxes on the American people. More than 4 years ago, I and others stood at this podium and said, "If we increase taxes, we will hurt the economy and hinder any recovery."

We said again in 1993, "You are going to throw a wet blanket on this recovery if you increase taxes again." That is exactly, in my opinion, why this economy is not expanding at the rate of other economic recoveries following a recession.

Mr. Chairman, we also said during those debates that there are some things that changed people's behavior. For example, we changed tax policy to support budgets like the one that is supported by the Democrats' side of the aisle. In fact, the 1993 tax increase changed people's behavior, particularly in terms of hiring and rehiring workers. As the chart beside me shows, these new taxes affected job growth.

For example, in 1984 we had people who worked about 3.4 hours of overtime, on average, for each worker.

Today in 1994, however, almost 10 years later, we see that that average has gone up from 3.4 hours per week to 4.5 average hours per week. Why? Are employers willing to pay overtime but not hire more workers. Because employers do not want to pay higher payroll costs.

They do not want to hire because Social Security taxes went up, because payroll taxes went up, and they do not want to hire because they do not know if new taxes will be forced on them to support some new health care plan. Therefore, tax policy has had a tremendous effect on our economy.

While I am glad that we are finally beginning to see some growth in jobs and some improvement in the economy, it is certainly not the kind of economic recovery that we would hope to have seen by now. All of this, in my opinion, is a result of bad tax policy in 1990 and again in 1993. I am also fearful of what we are going to see when last year's round of tax increases comes into full effect later this year.

For these reasons, Mr. Chairman, the Kasich proposal makes more cuts, reduces more of the deficit, cuts taxes on families, and puts in place a new budgetary program that I hope will pass. I do not have great hope, however, because I can count likely votes. But I hope it will pass, because we need to set this country on the correct course. Our future, our children's future and our grandchildren's future depend on it.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. MONTGOMERY], chairman of the Committee on Veterans' Affairs.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of this budget resolution.

Mr. Chairman, I want to commend the gentleman from Minnesota, the chairman of the Budget Committee, and all the members of the Budget Committee, for bringing this resolution to the floor. As my colleagues know, CBO estimated that the President's budget was $3.1 billion over the discretionary caps we established last year. As a result, almost all of the President's proposals to increase spending

above the 1994 level had to be pared back by the Budget Committee. Proposed increases for the National Service Program, mass transit grants, and energy conservation programs had to be scaled back because of this problem.

But the President's proposed increase of $500 million above the 1994 level for VA medical care was left intact. In addition, the Budget Committee has recommended that the VA's award-winning medical research program be increased by $41 million above the President's request.

I want veterans to know that Chairman SABO and members of his committee had to make some very tough decisions. Not only did they avoid taking any money out of the veterans budget to make up this $3.1 billion difference, they added $41 million for VA medical research.

Although I believe the Budget Committee did what it had to do, I want Members to know that service to veterans is not going to get any better under this budget, and will probably get a little worse. Our committee was frankly troubled by the VA budget picture and felt there was a lot of justification to recommend an additional $779 million for veterans programs above the level recommended by the administration.

The number of veterans who will be able to obtain outpatient care, nursing home care, and hospital care will decline when compared with this year's level. The number of pending claims for compensation, pension, and education benefits is projected to grow to 1 million by the end of next year. It will take almost 2 years to get a decision from the Board of Veterans Appeals.

In summary, even though this budget includes almost none of the recommendations made by our committee for veterans programs, it is a responsible one given the budget caps on discretionary programs. But my colleagues must understand tight budgets certainly will have an effect on our veterans health care.

□ 1230

Mr. SABO. Madam Chairman, I yield 4 minutes to the distinguished gentlewoman from Hawaii [Mrs. MINK], a member of our committee.

Mrs. MINK of Hawaii. Madam Chairman, I thank the chairman of the Budget Committee for yielding me time.

Madam Chairman, I rise in support of the budget resolution. I think it is often confusing to the general public when we debate the budget resolution about exactly what is the budget. As I see the budget, it is probably the most important document that comes from the administration. What it expresses is its policy, its priorities, the things that it wants to see changed, the direction of the Government, and expression of confidence in the future, the things that ought to be done by the various Cabinet offices.

I serve on the Committee on Education and Labor and I am very pleased to see a budget come forth from the White House that articulates the hopes and aspirations of the American people with emphasis on education. The budget resolution underscores its support of this direction, and of all of the functions that we have in this budget resolution, the one that has the highest percentage of increase is in the education and training areas, and I am very, very pleased with that.

The President has staked his future on the programs that he has articulated in the education area. He is for school reform, and we have the Goals 2000 bill currently in conference where the two committees are trying to iron out the differences. We have already started work on the School to Work Program because we know that 75 percent of the students that finish high school do not go on to higher education, do not go on to college, and they are out there looking for jobs, looking for opportunities. And what we need to do is to find a way to meld the 12 years that they are in regular school into something that can provide them the channels for advancement in a job or a career. And so the School to Jobs Programs is critically important.

In this budget resolution we not only see increases in funding generally for education, but we see an increase of $595 million for Goals 2000, which articulate the future of this country and the direction we are urging local school districts and the States to take. And in the School to Work Program we have $100 million for the Department of Education to be matched by the Department of Labor. For the first time in my memory, and I have been in the Federal Government for a long time, we see a Department of Education working together with a Department of Labor to put together a meaningful program wherein the young people can have direction, counseling, and at the end of their high school have a job that leads somewhere and is not a dead end job situation.

There are other points that are important in the bill. We have emphasis in Pell grants to emphasize the importance of students going on. We know that the Pell grants were cut last year. We have now put in an additional $100 for Pell grants so that the support can be $2,400.

We have an additional $560 million for the drugs and safe schools. We debated this yesterday in the authorization, and everyone is in support of further efforts in schools to do something about drugs and violence.

So at the end, Madam Chairman, I think it is critically important for us to recognize that embedded in this budget resolution is the hope for the future of this Nation as expressed by the President's budget, and I urge adoption of the resolution.

Mr. SAXTON. Madam Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Madam Chairman, today's debate on the Humphrey-Hawkins employment review provides an appropriate opportunity to discuss one of the most insidious threats to economic growth and job creation in our economy—burdensome Federal regulations.

In a 1993 study, William Laffer of Heritage noted that Federal regulations cost each American household at least $8,000 a year and may reduce national output by as much as $1.1 trillion a year.

And as you can see by this chart, regulatory costs continue to rise dramatically. If current trends continue, the direct cost of regulations will exceed $650 billion a year by 2000.

Equally alarming, the study showed that Federal regulations reduce employment by at least 3 million jobs.

As the next chart points out, the number of pages in the Federal Register, a publication of new Federal regulations, dropped in the 1980's but is on the rise again. In President Clinton's first year in office, the Federal Register had more pages than any year since the Carter administration—60,950 pages.

And as of January 31, 1994, only 1 month into the new year, the Federal Register had already printed over 4,500 pages of new regulations.

A small but critical industry—medical technology—provides a stark illustration of regulatory overkill.

As the health care debate rages, medical technology, despite facing a bruising regulatory regime, effectively controls health care costs by bringing lifesaving technologies to market.

In addition, exporting medical products has generated a trade surplus that has risen from $1.1 billion in 1987 to $4 billion in 1992.

Unfortunately, the small companies which comprise the bulk of the industry are highly vulnerable.

The FDA, which regulates the industry, has nearly destroyed the sector with an approval process that takes so long that businesses are forced to move production offshore.

This chart depicts the length of time for device approval. In fiscal year 1991, the average clearance time was 102 days. By fiscal year 1993, it had risen to 195 days.

Equally disturbing, there is a current backlog of over 5,100 device applications at the FDA—a 50-percent jump in outstanding applications since 1991.

That is why even the smallest companies are establishing research and production facilities in Europe first to begin clinical trials in time to keep up with their competition.

A constituent company of mine, InStent, is still awaiting action on a

device approval application it submitted in August 1992.

The device it makes for treatment of pancreatic cancer has been approved for sale in every major developed country except the United States.

Even Canada, which has perhaps the most bureaucratic health care system in the world, has approved InStent's device.

The company—which has 18 employees in my district—was forced to open 2 overseas offices, 1 in Israel with 17 employees and 1 in Holland with 6.

Madam Chairman, in 1993 alone, more than $500 million in stock offerings for medical device and drug firms were canceled because of overregulation and the threat of health care price controls.

Madam Chairman, we cannot afford to lose our medical technology jobs. We can't afford to lose more jobs in any sector because of excessive regulations.

While the massive budget deficit is alarming, to promote long-term economic growth we must address the cancer of regulatory overreach that is killing our key industries.

□ 1240

It is costing thousands and thousands of lost jobs.

Mr. SABO. Madam Chairman, I yield 3 minutes to the gentleman from California [Mr. MINETA], the distinguished chairman of the Committee on Public Works and Transportation.

Mr. MINETA. Madam Chairman, I rise in strong support of House Concurrent Resolution 218 on the budget for fiscal year 1995.

At the outset, I want to commend the distinguished Chairman of the Budget Committee, the gentleman from Minnesota [Mr. SABO], for his outstanding leadership and hard work in crafting this important resolution and for bringing it to the floor in such an expeditious timeframe.

Mr. Chairman, House Concurrent Resolution 218 is a good budget resolution—good in the sense that it assumes the proper priorities, is fiscally responsible, and continues the trend toward deficit reduction begun last year.

Generally, the fiscal year 1995 budget resolution incorporates the heart of the President's fiscal year 1995 budget request, thereby implementing the savings mandated by the 5-year deficit reduction package enacted by Congress last year.

In doing so, the resolution conforms to the spending caps for discretionary spending established by the deficit reduction package, setting discretionary spending in fiscal year 1995 at $541.1 billion—the first time since 1969 that discretionary spending will actually fall. The resolution also cuts outlays in fiscal year 1995 by $3.1 billion more than the President's proposals in order they meet the cap on outlays set last year.

Under the resolution, the deficit for the coming year would total $175.3 billion, $115.1 billion less than 3 years ago and the lowest level in 5 years. In fact, the deficit under this resolution represents the smallest share of the U.S. economy since 1979.

Furthermore, Mr. Chairman, the budget resolution assumes no new tax legislation and no changes in entitlements, and does not contain any reconciliation instructions to committees.

While the resolution embodies the President's budget, it does subtract from and add to about 40 areas of the President's budget in reshaping and improving the plan, and in achieving the overall spending reductions.

Some substantial changes included a $225 million reduction in defense spending, a $115 million cut in foreign aid, and $796 billion in savings from a proposed Federal employee buyout plan.

At the same time, the resolution restores $520 billion in spending for low-income home energy assistance, $200 million for mass transit operating assistance, $80 million for emergency food assistance, and $63 million of spending authority for Rural Electrification Administration loan guarantees.

For most major public works and transportation programs, the resolution assumes the President's budget request except in four important instances which I would like to address.

First and foremost, I am pleased to report that House Concurrent Resolution 218 assumes full funding for highways at the levels authorized in the Intermodal Surface Transportation Efficiency Act of 1991.

There certainly can be no question of the need for full funding of ISTEA highways. There are some 235,000 miles of Federal highways that are in poor or mediocre condition and need repair.

The cost to eliminate backlog highway deficiencies is about $212 billion, and the annual cost to maintain Federal-aid highways in their 1991 condition is $48.4 billion—in 1991 dollars.

In addition, there are approximately 118,000 structurally deficient bridges whose conditions would cost $78 billion to correct. The annual cost to maintain bridges in their 1991 conditions is $5.2 billion—in 1991 dollars.

The President's budget assumed an overall obligation ceiling of $19.969 billion for highways. This included $18.32 billion for the so-called highway core programs and $1.6 billion for both minimum allocation—MA—and way demonstration projects program. An additional $100 million, outside the $19.969 billion ceiling, was assumed for the emergency relief—ER—program. The President's budget assumed recission of highway projects, first effective for fiscal year 1994.

The budget resolution, in assuming full-funding of ISTEA highways, also assumes a core obligational ceiling of $18.332 billion. In addition, per ISTEA, it assumes approximately $1.2 billion each for MA and demos. Thus, the resolution totals about $20.7 billion for highways—plus the $100 million for ER—or $800 million above the President's request. In making these assumptions, the resolution does not assume the rescission of any highway demonstration projects.

A second and equally important area of difference with the President is transit operating assistance where the resolution restores $200 million to the President's request, thus equaling the fiscal year 1994 appropriations for operating assistance. While this still falls far short of full funding of ISTEA transit, it does represent continued commitment on the part of the Congress in addressing a key funding component of our Nation's transit system. Even though the $200 million restoration comes as a result of reducing section 9 capital grants by $400 million, the resolution still includes an overall section 9 assumption of about $223 million more than the fiscal year 1994 appropriation.

Mr. Chairman, a recent survey conducted by the American Public Transit Association estimates that more than $7 billion in Federal funds could be quickly obligated over and above existing transit program funding levels. This number only represents the immediate backlog of unmet transit needs—to restore transit to its pre-1980's level would require an investment of $11 billion per year. In addition, the passage of the Americans With Disabilities Act placed new financial demands on transit operators across the country.

A third difference between the budget resolution and the President's budget is funding for the airport improvement program. The President's budget assumes $1.690 billion for this program; that is a freeze at the fiscal year 1994 appropriated level. The budget resolution assumes $2.165 billion or nearly one-half billion dollars more than the President to reflect the authorized level of House-passed H.R. 2739, the Aviation Infrastructure Investment Act of 1993. This critical piece of legislation has been awaiting Senate action since October 13, 1993.

Mr. Chairman, the infrastructure needs of the Nation's airports continue to grow. We now have 23 so-called problem airports. These airports are each experiencing more than 20,000 hours of aircraft delay annually. Without remedial action, that number is expected to rise to 36 by 2001. The capital needed to alleviate airport congestion and flight delays averages $10 billion a year for the next five years.

Such projects, if funded, would increase airport capacity and reduce system delays. This is important in that the Nation's economy would become more productive and competitive if the air transportation becomes more effi-

cient. We need at a bare minimum for fiscal year 1995 the authorized level passed by the House and assumed in House Concurrent Resolution 218.

The budget resolution also assumes a $221 million reduction from the President's budget or new construction and acquisition activities of the General Services Administration. Notwithstanding this reduction in budget authority, outlays are assumed in the resolution to be $125 million more than in the President's budget. While we support increased funding for GSA in this critical area, we are concerned about the possible source of those funds.

In prior years, new construction funds came from the Federal Buildings Fund [FBF], with a modest direct appropriation to cover projected shortfalls. GSA customarily did not request this shortfall, and relied on the appropriation process to add the necessary funds. However, in the fiscal year 1995 request, the administration has chosen to request $1.479 billion in general fund appropriations to fund capital investment activities. The FBF is financed by rental payments by Federal agencies and it has been these payments which have, in the past, supported GSA construction and acquisition activities.

Funding these via general fund appropriations is contrary to law, specifically the Public Buildings Act of 1972, which established the FBF, and tne committee has concerns regarding any changes to the FBF.

Mr. Chairman, as I said at the outset, House Concurrent Resolution 218 is a good resolution. It is realistic and responsive. It deserves our support and I urge its adoption.

Mr. KOLBE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I will be brief, because I do want to reserve some time for the rest of our debate and also we have a number of Members who want to talk about our budget.

But I would like to begin by talking about the Republican budget alternative that will be proposed, and we will have another hour of debate very specifically on the Kasich alternative.

I would start by first of all commending the chairman of the Committee on the Budget and his staff for the work that they have done and also tell them how much I appreciate the courtesy that he has extended to the minority members of the Committee on the Budget.

I think the discussion that we had, the debate we had, and our opportunity to present our points of view and our ideas on the budget were fairly heard. It is not a surprise, I am sure, to any Member of this body to hear that, however, we have serious disagreements with the kind of budget that we are looking at here.

I think that we have a fundamental philosophical difference between the two budget alternatives before us. I say the two; I recognize the others, and I think they are important to have them debated. But I think in the end we are going to come down to a Republican budget alternative and the budget alternative of the budget that is proposed by the chairman of the committee on behalf of the administration and the Democrats in this body.

There is a fundamental difference, and I think there are three things that the Republican budget alternative does that, I think, are very important, that are not largely done in the Democratic alternative.

The first and the most important is that we give significant tax relief to Middle America. We give it through the $500-per-child tax credit. Madam Chairman, that is one of the things that President Clinton, then candidate Clinton, campaigned on was giving tax relief to Middle America, and today we find the American family increasingly under assault. They are under assault in a very physical way. They are under assault as they find that their families are threatened, the security of their families is threatened, but they are also under assault economically. It is harder and harder for the American family to make ends meet.

All of us as Members of this body have heard that from our constituents about how difficult it is to make ends meet, given the taxes they face today at the Federal level, the State level, and also at the local level, the high costs of owning a home, the high costs of health care, the high costs of educating their children.

We believe the American family needs tax relief. If we had just given an inflation adjustment over the years to the exemption, the deduction that we have for each child, today under the income taxes, it would be much higher, several times what it is today.

We believe this tax deduction, this tax credit, that is in the Republican alternative is a way to give relief to the American family, and we do it now, and we can do it quickly. But we can do it without increasing the deficit or making it worse.

Madam Chairman, in fact, we can do it and still make a more significant reduction in the Federal deficit than is made under the Sabo budget initiative that we are going to be considering later. We do that. We make almost $150 billion more in cuts in spending, and that is the second point I would make about our budget alternative.

There is less spending in it. We do it by hard cuts, by making significant reductions in the actual spending that we do. We do it by making some hard decisions about programs for the future, and that is the third point that I would make.

When we talk about reinventing government, as we have heard this administration talk a great deal about, we are actually doing something in that area. We are actual changing program. We are saying we are not going to have the programs, the new programs, at a time when our first priority has to be deficit reduction and getting this deficit under control.

So in those three areas, I think we have made some fundamental changes.

There is a fourth area that I think, and you might call it honesty in government; the Republican budget alternative actually accounts for the cost of the programs that we have been talking about around here, the health care reform, the welfare reform, and the crime initiative. All of those, or at least our alternatives on those reforms, are included in our budget alternative.

The Democratic budget is silent on those. There is nothing in here for health care reform.

I know, I know, we have heard it said, it is a pay-go, it will have to pay for itself. But you are talking about the most massive change in the legislation. The law of this land of a fundamental program that we have ever talked about in this body in modern history.

□ 1250

And none of that is included in the budget as to how that would be accommodated and how that would be accomplished. Ours does do that. Similarly, with welfare reform, we include the cost of that. Similarly, with crime, we have the money in there for those initiatives.

So our initiatives are included in here. We think this is an honest budget. We think it is one which bears looking at. We believe it is one which bears careful consideration.

Madam Chairman, I reserve the balance of my time.

Mr. SABO. Madam Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. BLACKWELL], a distinguished member of our committee.

Mr. BLACKWELL. Madam Chairman, I thank the gentleman for yielding this time to me.

Madam Chairman, the choice in today's discussion, debate, and vote is very clear.

It is a choice between the future and the past. It is a choice between failed policies that took this Nation to the brink of financial ruin and forward-looking policies that can restore America to its rightful position.

It is a choice between what is good for a few in America or what is best for all of America. It is a choice which we must prudently and carefully make. At issue is the destiny of this country and its people.

For 12 years, we increased military spending, gave tax cuts to the wealthy, and caused a dramatic shift in resources from the hands of many to the hands of a few.

During that 12-year period, the deficit grew, while investment in human

needs fell sharply. We are now in a period when it is time for investment to go up and for the deficit to go down. The President is committed to that goal.

We have a choice today between a budget that proposes a $6.4 billion increase in defense spending, while cutting spending in most domestic programs, and a budget that meets the spending caps in a less painful way.

One budget would fund summer jobs. The other budget would eliminate the Summer Jobs Program entirely. One budget would fund Job Corps. The other budget would eliminate it.

One budget would support the School-to-Work Program, one-stop career centers, Head Start, AIDS programs, immunizations for our children, and legal services for the poor. The other budget would get rid of them.

The budget of the past would repeal Davis-Bacon, raise the retirement age to 65, and eliminate AFDC support for legal aliens. The budget of the future forces no such changes.

The budget of the future restores LIHEAP, preserves rapid transit operating subsidies, and fully funds the Emergency Food Assistance Program.

And, Madam Chairman, if I may be allowed to be practical and parochial, the budget of the past touches my city very directly, by eliminating operating funds for Amtrak and cutting the Northeast Corridor project.

The budget of the future also touches my city very directly by increasing funding for homelessness, funding empowerment zones, maintaining the HOPE Program, and increasing funds for AIDS programs.

The choices are clear. We can fall back into a floundering economy from the past, or we can continue to experience gradual growth through an economy of the future. I intend to vote for the future.

Mr. KOLBE. Madam Chairman, I would just say in response to the last speaker, before I yield, that I find it is a curious place here in Washington where we talk about slowing down spending increases as spending cuts.

Madam Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. INHOFE].

Mr. INHOFE. I thank the gentleman for yielding this time to me.

Madam Chairman, I appreciate the condescending confession of the previous speaker that our President is not perfect.

Madam Chairman, when I came into the Chamber, I was not planning to say anything, but one of the gentlemen, I believe, the gentleman from New Jersey, was talking about a balanced budget amendment. Let me make a few comments and say how that relates to our decision today.

Madam Chairman, in my part of the country, we have a Member of Congress who quite often argues against the budget-balancing amendment, using the argument that those individuals who have been in charge of things know how to play the game and how to make things happen. That is just probably the most compelling argument against or for the budget-balancing amendment.

I believe, as the gentleman, Senator SIMON, made the comment the other day that the reason there were so many heroes at the Alamo is because there was no back door. That is exactly what a budget-balancing amendment would do, would be to close the back door and force us to do those things which we should do and are incapable of doing in Congress without a budget-balancing amendment.

I served in the State senate on the appropriations committee for many years in the State of Oklahoma. We went through a lot of times when we would like to have spent more money, but we did not because we had a budget-balancing amendment.

I was mayor of the city of Tulsa, and we had the same thing there. We lived within those confines of the revenues we had coming in.

So I would like to at least remind us, as we are considering the Kasich bill, the Republican alternative, that I do not think it is going to pass, but let us look at the alternative. We hear a lot of comment on this side of the aisle as to what is going to happen if we pass the Kasich bill. Sure there are some things there I do not like.

Let us stop and think about what would really happen: If we continue to do what we are doing today, to be totally fiscally irresponsible, as we have been for the last 40 years, my two grandchildren, who were born a year ago this month, during their lifetime 75 percent of their incomes will be paid to service the debt that we are handing them.

Today we have an opportunity to set a new course for this country, and I would like to challenge us, if we do not pass this today, then we are going to be coming back with a balanced budget amendment to force us to consider some of these difficult decisions, such as the decisions we should be making today.

Mr. SABO. Madam Chairman, I yield 5 minutes to a distinguished member of our committee, a very thoughtful Member of the House and of the Committee on the Budget, the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE of North Carolina. Madam Chairman, last year we passed an historic budget resolution-reconciliation bill which started putting our fiscal house in order.

Now, there were some naysayers, people who stood in the well of this House and gave dire predictions about the ruinous effects of this budget plan. They talked with doom and gloom about how the economy was going to fail because of what we were doing. And they did this despite the fact that our budget offered $70 billion more in deficit reduction than its Republican competitor.

Not surprisingly, we have not been hearing a lot of that talk lately, as business investment has gone up, housing starts have gone up, unemployment has gone down.

Representative KASICH last year even said that if this thing worked, maybe he would have to join the Democratic Party. So, I would like for him to know that the seat is warm over here. We have had some good economic news. We have gotten this deficit down, and if we can pass the budget resolution for 1995 reported by the Budget Committee, we can keep the deficit on a downward path for the third year in a row.

This budget resolution aims to reduce the 1995 deficit to $175 billion. We need to remind ourselves that a year ago the estimate for the 1995 budget deficit was over $300 billion. So, we have reduced the projected deficit by 40 percent in 1 year, partly because of the 5-year budget plan and partly because of the economic recovery it has supported.

I am not implying that the work is done, but I am saying that we have made significant headway and we have got to continue. It is a welcome change for this Nation. We are going to continue on this course despite the attempts by our opponents to muddy the waters.

Last year I grew tired of hearing the charge that our budget provided no spending cuts. I stood in the well of this House and read a long list of the cuts that it called for.

Well, this year President Clinton proposed terminating 115 Federal programs and cutting 300 others below last year's dollar level.

The Budget Committee has included most of these cuts in the budget resolution, and if the Appropriations Committees have different priorities, then they are going to have to find equivalent cuts or terminations to replace any that they do not agree with.

Here are some of the terminations. Let me just read the list as far as time permits:

Oilseed export subsidies, $50 million, terminated.

Cooperative State Research Service earmarked buildings and facilities, $23 million, terminated.

Farmers Home Administration State Mediation grants, $3 million, terminated.

Over 30 National Oceanic and Atmospheric Administration programs, totaling over $50 million, terminated.

NOAA aircraft procurement and modernization, $43 million, terminated.

The Navy CH-53 heavy cargo helicopter procurement, $250 million, terminated.

The Spacelifter launch system development, $53.9 million, terminated.

A long list of education programs, terminated.

Atomic vapor laser isotope separation programs, uranium supply and enrichment program, $177 million, terminated.

U.S. Geological Survey Water Resources Research Institutes, $6 million, terminated.

BOM Minerals Institutes, $1.6 million, terminated.

BIA community development business enterprise development. Program Grants, $4 million, terminated.

NASA's long duration orbiter, $43 million, terminated

NASA's commercial experiment transporter, $15 million, terminated.

NASA's advanced solid rocket motor, $178 million, terminated.

State Department's bilateral science and technology program, $4.3 million, terminated.

□ 1300

There are many more programs totally eliminated, but let me turn to the program reductions:

The Soil Conservation Service's Resource Conservation and Development program, reduced by $7 million.

The Watershed and flood prevention operations, reduced by $242 million.

The Agricultural conservation program, reduced by $95 million.

The Market promotion program, reduced by $25 million.

FHA's multifamily housing loans, reduced by $182 million.

The Army Corps of Engineers general construction, reduced by $345 million.

NOAA fleet modernization, reduced by $54 million.

The Army's Kiowa Warrior Reconnaissance Helicopter, reduced by $114 million.

The Army Javelin Anti-Armor Missile System, reduced by $76 million.

The Army Multiple-Launch Rocket System, reduced by $193 million.

Oceanographic ships, reduced by $109 million.

Air Force space boosters, reduced by $81 million.

Army Apache Longbow anti-armor missile, reduced by $86 million.

Department of Energy Nuclear reactor programs, reduced by $16 million.

DOE nuclear weapons stockpile support, reduced by $505 million.

DOE nuclear weapons material support, reduced by $146 million.

The Health Care Financing Agency Research and Demonstrations, reduced by $17.4 million.

HCFA Medicare contractors expenditures, reduced by $5 million.

HCFA's health professions curriculum assistance program, reduced by $15 million.

Bureau of Reclamation construction, reduced by $67 million.

The Fish and Wildlife Service construction, reduced by $39 million.

National Park Service construction, reduced by $53 million.

Mr. Chairman, we are reducing, we are terminating, not just the things that are easy to take cheap political shots at, but some things that require painful choices of this Nation's priorities. Nonetheless, Mr. Chairman, we are economizing, we are cutting back and we are targeting. We are reducing spending in this budget resolution and also redirecting spending to areas of greater national priority and greater economic payoff.

Mr. Chairman, this is a good solid budget resolution. I urge my colleagues to support it.

Mr. KYL. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. SMITH], a distinguished member of the Committee on the Budget.

Mr. SMITH of Texas. Mr. Chairman, once again we have come to a point where Congress is faced with the decision of how we will manage the Nation's pocketbook.

It is important to remember that this is not our pocketbook, it is the people's and we are responsible to them.

We are faced with two choices.

We can sign on again to the status quo, to last year's bad deal that increased taxes and still has the deficit going up in the very near future.

That is the Clinton budget. Last year it amounted to a step backwards, this year it amounts to standing still.

The Clinton budget is as notable for what it does not contain as for the increased spending and taxes that it does.

Look as hard as you want and you won't find the administration's number one priority—health care reform—anywhere in here.

According to the White House, it is supposed to save money; according to the Congressional Budget Office it will increase spending, but according to the President's budget it will do nothing at all—because it's not in here at all.

Some have said health care is MIA in the President's budget. In fact it is AWOL—absent without leave—because a budget is the place for things that affect Federal spending.

It is a place for priorities. Health care is merely the most expensive item the President talks about that is not in his budget, but it's not alone.

The President's budget literally does not do what he says. The President has not put his money where his mouth is or his priorities where his promises are.

The right choice is a budget that does exactly what the Republican party is talking about.

We do more than just talk about reinventing government, crime control, health care reform, welfare reform, and deficit reduction. We budget for them.

The Republican budget, for example, ups the Clinton ante on Federal employee reductions by cutting 285,000 positions over 5 years and does it without decimating the Nation's defense—where the bulk of President Clinton's personnel cuts are hidden.

In comparison to the Clinton budget, which cuts all Federal employee pay, we eliminate unnecessary workers rather than penalizing all of them.

Yes, we are faced with two choices.

If this were the American people deciding, I feel confident about what they would decide.

Free from the blinders of partisan politics they would choose the plan that matches priorities to promises.

Today it's a choice between the President's plan which backs up when it comes to his promises or the Republican alternative that backs up our promises.

I am voting for the Republican plan and against the President's and if the American people had a vote here they would too.

Mr. SABO. Mr. Chairman, I reserve the balance of my time.

Mr. KYL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would just point out in response to the gentleman from North Carolina [Mr. PRICE], and I am sorry that he has left the floor here, but he was giving all the programs that were terminated, and yet in the last couple of days on H.R. 6 we had votes about terminating some of those programs that were requested for termination by the President. But, as reported out by the authorizing committee, they are not terminated. We had specific amendments to terminate them, and by a very substantial margin we did not terminate any of those programs. So, Mr. Chairman, the will of this body to even terminate the programs that the President is talking about is not there.

They talk about it. They list all the things that are being terminated. But when it comes to voting, Mr. Chairman, they do not terminate any of them, so let us not kid ourselves that they are.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I, too, want to comment on the statement of the gentleman from North Carolina [Mr. PRICE] who ran through a list of all the program terminations. I say to my colleagues, "You know it is incredible, but, when you add up the 110 programs, and the gentleman from Arizona has just pointed out that this House has even rejected some of the 110 programs, but when you add up the 110 program terminations in the President's budget, and I have said from the beginning it is the only part of the budget that represents some real change, those 110 programs save $670 million."

Mr. Chairman, that is millions. I did not say $670 billion. I said $670 million.

If the President had not sent his budget to Capitol Hill and had put the Government on automatic pilot, we would have lower deficits and lower spending than under this proposal. I say to my colleagues, "You can't change the facts, and the facts are that bragging about saving less than $1 billion as representing some kind of a breakthrough in this town, and then realizing the House is systematically rejecting even those minuscule savings, really shows us the kind of trouble we're in in this country."

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. ORTON], a distinguished member of our committee, a very thoughtful member.

Mr. ORTON. Mr. Chairman, in considering this year's budget resolution, it is important to note what is and is not possible to include in a budget resolution which will not be followed by subsequent reconciliation legislation. While the Budget Committee may increase, decrease, or maintain current levels of spending on discretionary spending programs through the budget resolution, any comprehensive change in mandatory spending programs or budget process reform would require separate legislation to accomplish. In order to ensure that such legislation would be acted upon, the budget resolution could call for specific committees to report language back to the Budget Committee in what is called budget reconciliation. I am disappointed with the decision not to enact a reconciliation bill which could further reduce the deficit through reductions in mandatory spending programs and further reforms of the budget process.

Since there will be no reconciliation, however, I believe that this committee was successful in accomplishing as much as it could within the budget resolution alone. The major issue facing the committee this year was whether to stay within the discretionary spending caps, or raise the caps and increase discretionary spending and therefore the deficit, or lower the caps and decrease spending and therefore further reduce the deficit. While I oppose raising the caps, and favor lowering them, I am pleased that the committee stayed within the 5-year hard freeze on discretionary spending and the pay-as-you-go framework. We have kept faith with the commitment set forth in the 1994 budget resolution and reconciliation for real deficit reduction.

Once the committee agreed upon overall spending within the discretionary caps, the second issue we faced was reallocation of scarce discretionary funds toward new national priorities. The committee appropriately followed the President's lead by shifting priorities to reinvestment in infrastructure and people, including an increase in education spending, while protecting other priorities such as national defense. In addition to readjusting spending priorities, we have cut several wasteful programs that do not work and shifted funding to programs that do work.

While I may not agree with every specific line item of this budget resolution, I do believe that it is on the right track. I am proud of the progress toward deficit reduction we have made in the last two budget resolutions. When I was first elected to Congress 3 years ago, the Federal deficit was $290 billion. This year the deficit will be $175 billion. that is a 40-percent reduction, the first time the deficit has fallen 4 consecutive years since President Truman's term in the 1940's. However, the bulk of deficit reduction has evolved from cuts in discretionary spending, primarily defense, increased taxes on the wealthy, and lower interest rates.

It is clear that we cannot balance the budget through cuts in discretionary spending alone. All discretionary spending, including defense, accounts for only 35 percent of Federal outlays, and interest on the national debt consumes another 14 percent. Without substantial new tax increases, which I oppose, it will be impossible to achieve long-term deficit reduction unless we reduce mandatory spending on social programs which comprises the remaining 51 percent of Federal outlays.

In an effort to begin progress on reducing mandatory spending, our committee included in the resolution a sense of the Congress provision which calls upon the House to consider subsequent legislation to: First, provide enforceable limits to control the growth of entitlement or mandatory spending; second, amend the Budget Enforcement Act to require emergency and disaster assistance to be paid for without increasing the deficit; and, third, grant the President expedited rescission or line-item veto authority. Last year, the full House adopted an expedited rescission bill and a bill to place limits on the growth of entitlement spending. However, the legislation has not yet been considered by the Senate. The President adopted the limits on entitlement growth in Executive order in 1993.

While this represents substantial progress, it is not yet enough. I believe the time has come for means testing of all Federal entitlement programs. We should not continue to distribute entitlement benefits to wealthy individuals in the highest income brackets. In addition, it is time to reevaluate the formula used to calculate the consumer price index [CPI] to determine whether it overstates inflation. Many portions of the budget, both outlays and revenues, are indexed to inflation as determined by the CPI. A very small error in the CPI may translate into billions of dollars of Federal deficits in future years. The committee report, therefore, includes a recommendation to complete an evaluation of the CPI within 1 year. We also included a provision to eliminate baseline budgeting which has been used to portray policies that would simply slow down the increase in spending as actual spending reductions. In the future, the starting point for deliberations on a budget resolution should be the actual spending levels for the current year, not what would be spent in the future if policies remain unchanged and inflation increased.

Health care services represent the most rapidly growing segment of the Federal budget and must be contained if there is to be any hope of long-term deficit reduction. While the Congress debates the course of health care reform, it is impossible to determine or even estimate the ultimate costs or savings to be achieved. Therefore, the committee included language to require that whatever legislation is ultimately adopted must be treated as part of the Federal budget and must meet the pay-as-you-go requirements, which means it must be paid for and cannot result in increased deficit spending.

It is clear that Congress has heard the message from the people to reduce Federal deficit spending. However, rather than eliminating programs which can no longer be funded, Congress has used mandates to merely shift the burden of paying for those programs onto State and local governments. I am delighted that the committee included a sense of the Congress provision to prevent unfunded Federal mandates and to require the costs of mandates to be considered when deliberating authorizing legislation.

Finally, I believe that it is imperative to amend the Budget Enforcement Act of 1990 to reform the budget process to include biennial budgeting, a unified operating and capital budget, sunset authority, expedited rescission authority, performance-based budgeting, and incremental-based budgeting. These provisions are outlined in H.R. 1138, the Comprehensive Budget Process Reform Act of 1993, which I filed in both the 102d and 103d Congresses. When combined with a balanced budget constitutional amendment, these process reforms will provide Congress with the tools to evaluate priorities and make the difficult decisions necessary to reduce deficit spending and balance the Federal budget.

The course has been charted, we have taken bold steps and accomplished much. But we are not yet finished. As the poet, Robert Frost wrote, we have promises to keep and miles to go before we sleep. I urge my colleagues to support the budget resolution and continue to follow the course.

Mr. KYL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MILLER], a member of the Committee on the Budget.

□ 1310

Mr. MILLER of Florida. Mr. Chairman, last year the President and Democrats in Congress proposed and enacted the largest tax increase in history. Republicans offered an alternative budget that cut spending first without raising taxes.

Poll after poll shows that the vast majority of American citizens continue to prefer less spending and lower taxes to more of the same. The Democrats' budget last year did exactly the opposite: it dramatically increased taxes and spending. The new Democrat, it turns out, is the same as the old tax-and-spend Democrats.

The President's budget this year maintains the status quo. It is not remarkable for what it includes, but for what it lacks.

Most remarkable of all, the President's own budget does not contain the President's own health care plan. The largest Government-run social program in history, commandeering one-seventh of the American economy, adding an estimated $1.2 trillion and hundreds of billions in new taxes to the Federal budget—it is not in there. Neither is welfare reform. Or tough crime reform. Candidate Clinton promised all of these things. President Clinton's budget contains none of them.

Just as we did last year, the Republicans on the Budget Committee have come up with a better alternative to the status quo. Instead of increasing the size of government, we downsize government. Instead of raising taxes, we cut the tax bill for families and businesses. Instead of empty promises of change, we do it.

Honest health care reform does not have to create a massive Federal bureaucracy. We can control costs and improve coverage without undermining the quality of the best system in the world. Our budget proposal gives Americans what they want from reform: elimination of preexisting condition restrictions, portability, comprehensive malpractice reform, and medical savings accounts.

Our budget also funds comprehensive welfare and crime reforms. All paid for by cuts in the size of government. We pay for reform, and we reduce the deficit by $153 billion more than the Democrat budget offers. That is real change.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from California [Ms. WOOLSEY], a freshman Member and a member of the Committee on the Budget.

Ms. WOOLSEY. Mr. Chairman, I oppose the Kasich and Solomon substitutes for a number of reasons, including the fact that they contain the Republican welfare reform proposal.

Mr. Chairman, I differ from every other Member of this House because I am the only Member of Congress to have been a welfare mother. So my opinions are not based on theory. They are based on real-life experience.

The Republican budget, which includes welfare reform, takes a complicated, emotionally charged social problem and puts forward a simplistic and punitive answer.

And they do this without the benefit of any debate here in the House of Representatives.

Their bills says that the two causes of welfare are illegitimacy and nonwork.

Mr. Chairman, this concept is illegitimate and it will not work.

The real issue is how to make it possible for poor single parents, like I was, to support their families and get off welfare permanently.

This bill does nothing to address that. It doesn't give families the tools to make themselves self-sufficient—no guaranteed health care, child support, no job creation. It simply punishes people for being poor.

In a recently released bipartisan survey, just 7 percent of Americans choose saving taxpayers money as a top goal for welfare reform, way behind every other option.

By more than 5 to 1, Americans favor reforms that help people leave welfare once and for all. But, the Kasich and Solomon proposals do not do that. They penalize children in order to cut the budget. So, Mr. Chairman, the ill-conceived Kasich and Solomon substitutes are way out of touch with the beliefs of the American public.

To do welfare reform right, it will require an up-front investment to achieve long-term gains.

I urge my colleagues on the other side of the aisle to come up to speed with the rest of the country, and I urge everyone to vote against the Kasich and/or Solomon substitute.

Mr. KOLBE. Mr. Chairman, before I yield time to the next speaker, I yield myself such time as I may consume just to point out to the Members that we should be aware that for the previous speaker's district, the Sixth District of California, our budget alternative would provide $56.8 million in family tax relief.

Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I rise today to express my strong support for the Kasich amendment.

The time is long overdue for this body to face up to our Nation's real needs and act responsibly to address them.

The Kasich amendment does just that. It reduces the Federal deficit by a further $152 billion below the Clinton budget, yet still provides real tax relief for American families with a $500-per-child tax credit.

It emphasizes the issues that Americans care about most: Crime control, health care reform, and welfare reform.

And, as opposed to the Clinton plan, it restores sense to our national security budget by providing an additional $60 billion over 5 years for defense. These funds will give us the force structure we really need to successfully address and win two major regional contingencies.

Mr. Chairman, the Kasich budget will require some sacrifice. Frankly, it contains items that I would prefer were not there. But we can no longer run from this country's deficit monster. We must vote for responsible government. We must vote for the Kasich plan.

Mr. SABO. Mr. Chairman, I yield the balance of my time on this segment to the gentleman from Wisconsin [Mr. OBEY], chairman of the Joint Economic Committee, for the purpose of debate on economic goals and policy, and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KOLBE. Mr. Chairman, before the gentleman begins, may I inquire as to how much time remains on each side?

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] has 28 minutes remaining, the gentleman from Arizona [Mr. KOLBE] has 3 minutes remaining, and the gentleman from New Jersey [Mr. SAXTON] has 15 minutes remaining.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. I yield myself 15 minutes.

Mr. Chairman, I heard one of our friends on the minority side of the aisle say a bit ago that he had not heard of any economists who suggested that the budget that we passed last year had made a contribution to economic growth in the previous year. I would simply suggest that he and I were both at a hearing when we heard Alan Greenspan, Chairman of the Federal Reserve, say just that.

In fact, quoting Mr. Greenspan, he said this:

> The underlying long-term economic outlook in this country is improving quite measurably, and indeed I don't recall as good an underlying base for the long-term outlook that we had today in the last 2 or 3 decades.

Then he went on to describe the role of last year's budget package in promoting lower long-term interest rates to facilitate growth.

Chairman Greenspan is far from alone in that assessment. I would like to review that point as to why he and so many other economists are so positive about the long-term outlook facing this country today.

Despite all the good news we have on the economy, I recognize that there are some of our friends on the Republican side of the aisle whose tendency seems to be to say, "Well, with so many silver linings, there must be a cloud around here somewhere." But the fact is that I think the sky looks pretty bright.

One of the major reasons for the improving economy is that we did have a tough deficit reduction package enacted by the Congress last year. This chart demonstrates, for instance, that in January 1993, President Bush estimated that the deficit for California 1993 would be $327 billion. That dropped to $255 billion in actuality by October 1 of last year. The deficit for 1994 is expected to be $223 billion, and it is projected by CBO to be $171 billion for fiscal year 1995. That is a 40-percent reduction below just 3 years ago. It represents the first time since the end of World War II under Harry Truman when we will have had 3 successive years of deficit reduction.

Now, that is not perfect, but it is a whole lot better than we saw all through the eighties under the policies that this Congress ill-advisedly supported at that time, policies promoted by the two prior administrations.

Mr. Chairman, if you take a look at the deficit as a percentage of the economy, you see that in 1979, before Ronald Reagan walked into the White House, the deficit was 1.7 percent of GDP. It went up to a high of 6.3 percent in 1983, and bounced around since then. In 1992 it was 4.8 of GDP. It is projected to be 2.4 percent of GDP by 1995. Again, that is a very large reduction, a drop of 62 percent from the 1983 peak.

One reason for that decline is that we had a budget passed by this House which cut 500 programs below the previous year's spending level. I just heard a speaker on this side of the aisle say only in Washington would you talk about a cut in growth of a program as being a spending cut. Well, that is not what I am talking about.

The budget that was adopted last year cut 500 programs below the previous year's spending level, for a total savings of $34 billion.

The President is suggesting that we terminate an additional 100 programs this year, and suggesting that we cut spending below existing spending levels for 200 others.

Now, Congress will not accept every one of those as the President has suggested, but they will accept an awful lot of them, and we will hit those spending reduction targets.

I would also point out that as part of that deficit reduction package passed by the Congress last year, we also did raise revenues by imposing income tax increases on 1.4 million taxpayers earning more than $140 thousand in adjusted gross income, or the 1.2 percent to the wealthiest Americans in this society.

At the same time, we cut taxes for over 15 million people because of our action to expand the earned income tax credit. CBO estimates when that tax credit is phased in fully, that 21 million families in this country will be eligible for a tax reduction, a 42 percent increase in eligibility.

In assessing the net impact of those tax policies, Kiplinger's Personal Finance Magazine last fall said:

> About 110 million Americans will file individual tax returns next spring. On 108 million of them, taxes will take a smaller bite than they did last year. That is right, smaller.

In fact, the only tax that fell on working age Americans last year who earned less than $140 thousand was the 4.3-cent gas tax increase. But as this chart demonstrates, the drop in oil prices since that time has more than fully wiped out the effect on the consumer of that tax increase.

Before the gas tax went into effect, the price of a gallon of gas was averaging $1.08. After it was averaging $1.13. Today it is averaging not quite $1.07. What that demonstrates is with price reductions wiping out the impact of even that tax, that the tax burden of last year's action is falling where it was intended to fall, on the top 1.2 percent of Americans who belong to families who make more than $140 thousand a year. And I make absolutely no apology for that whatsoever. That is elemental justice and it helped reduce the deficit and was well worth it.

As a result of what we did in the budget, and a lot of other actions, economic growth is accelerating. As this chart demonstrates, economic growth expanded at a much greater rate in each of the last four quarters, and the blue chip forecast for the next year is that the economy will grow at about a 3.6 percent rate. That again is not bad. And that growth is based on solid investment trends. If you take a look at what is happening to industrial growth in this country, industrial production, 1993 was the best year we had in the last five, with 4.2 percent increase in industrial production. Again, not perfect, but a whole lot better than we saw in the last 4 years.

If you want to turn to the unemployment figures, we have had a steady decline in the unemployment rate, dropping from 7.7 percent in January 1993 to 6.5 percent today. From January to January, that is the fastest 1-year drop in unemployment in 6 years. And the improvement can be seen also in the total number of jobs in the private sector. Not the public sector, private sector jobs. Good old capitalist jobs. If you take a look at the numbers, you see from January of 1989 to January of 1993, which happens to be the 4 years of the previous President's term, there was a total increase in jobs of one million. From January 1993 to February 1994, there has been a 1.9 million increase in the number of jobs in this country. Again, not perfect, but it is a far cry from the crunch that people were experiencing on the job front before the Congress took the action that it took last year.

I would point out this economic growth is not being bought with inflation. We have had 3 years of declining inflation. This chart demonstrates that we had 3.1 percent inflation in 1991, 2.9 percent in 1992, 2.7 percent last year. That is the lowest 3-year average in 30 years. The lowest 3-year average in 30 years.

In January 1994, the Consumer Price Index increase was zero. And I would suggest that the performance of the American economy is even more impressive and striking when you consider how slow the economic rate of growth has been in the rest of the world. In fact, when you consider that a good portion of the world last year was in a significant recession.

So we are experiencing, in my judgment, some good short-term success with the economy. The deficit is headed in the right direction, along with virtually all other economic trends. But we still need to do more.

The economy is still plagued by the burdens of the eighties, and we still face a major challenge in restoring income growth and jobs for many Americans, especially those without a college education.

The following chart shows that we have had an increase in real average weekly earnings for the average American family for the first time in more than 5 years. That is the primary problem that we have had in this economy. If you take a look at what real family income is today, you will see in fact that in 1979, real earnings were $302 a week. Sixteen percent above last year's level. And if you take a look at the long-term history of the economy, you will see that in fact real earnings peaked 20 years ago, in 1973, at $315 a week, 19 percent above 1993 levels. So that is the subject we need to be talking about on a bipartisan basis. We need to recognize the fact that this economy has been in trouble in terms of our ability to produce a growing wage environment for families for a good 20 years under administrations of both parties. And what we ought to be doing, instead of shooting at each other in a partisan way, is figuring out ways to really attack that problem. We have had a good turnaround this year. Thank God, the first time in 6 years we have had an increase in real average wages. But that is not good enough for us. We have got to do more.

□ 1330

We should remember that the squeeze on workers' wages in this country has been focused primarily on noncollege educated workers, and that is why we agree with the President that we have to have the right balance in our economic policy between deficit reduction and continued long-term investments over the next 10 years in education and training to improve the chances of people who do not have a college education to participate in the economic prosperity of this country.

Yet we have a threat to that investment facing us today in the form of the Kasich amendment. When we debated NAFTA, I stood on this floor and I asked the following question. I said, I recognize that the President has the support of many of our friends on the Republican side of the aisle for the NAFTA proposal. But we all recognized there would be some job dislocation from that package.

I asked the question, would they be there supporting us when we were trying to make the needed investments in education and training to counteract the job loss that we were going to be facing under NAFTA for certain workers in this society? Today we have their answer. The answer is apparently no. Because if Members take a look at the Kasich amendment, they will see that it virtually eliminates all possibility for increased investment in the very job training that we need, not only to deal with the effect of NAFTA but to deal with the effect in general of America's economy moving into an international economy which is very, very competitive and which is very, very tough on workers with the least education and least training.

So I think, in short, that we can be proud of the short-term economic progress we have made. But we still have a significant long-term challenge ahead. The budget before us tries to meet that challenge.

It tries to do as much as possible, while still struggling with the debt overhang left from the 1980's and the continuing problems of converting from a cold war defense posture.

The best thing we can do is to continue our determination to produce orderly, consistent reductions in the deficit, mixed with the right investments to produce long-term economic growth. We want to bring down that deficit. But deficit reduction alone, as Jack Kemp used to remind us, is not an economic policy.

We must produce the kind of economic growth and equity and sharing so that that growth produces a more secure society for all.

I believe we ought to heed the words of Herb Stein, the chairman of President Nixon's Council of Economic Advisers, who said this recently:

> The Federal debt is a small part of what we pass on to the future. We decide, mainly by our private savings, investment and research, what conditions for productivity and income we bequeath to our children and our grandchildren. Also by public policy, we are determining many of the conditions in which our descendants will live. If we can leave our children a country free of the dangers of war, with safe streets, reduced racial hostility, fewer miserable urban ghettos and elevated culture, we will not have to apologize.

That is the purpose of the budget here today, to both reduce the debt overhang that this country built up under the misguided policies of the 1980's and to return to a policy of long-term prudent investment, both private and public, in the things that will make this economy strong and will prepare us, God help us if we ever have to, will prepare us to economically support a military effort of large dimensions, if we are ever called upon again in our history to launch one.

Mr. Chairman, I reserve the balance of my time.

Mr. SAXTON. Mr. Chairman, I yield myself 5 minutes.

I would just like to say to the gentleman from Wisconsin that I share his desire to see real economic growth in our country. And whether we have a Republican President or a Democratic President makes little difference to me, as it does the American people.

We are interested in getting people back to work, but that does not mean that I agree with the thrust of the gentleman's remarks. In fact, I quite strongly disagree. I am sure the gentleman is not too surprised at that.

Obviously, the gentleman pointed out that some of us see some clouds on the horizon and that is true. We see some clouds on the horizon, because we know that there is something different about this recovery. We know that the one thing that we can point to that is quite different about this recovery is that during it, we increased taxes twice. And because of that, during my opening statements, I pointed out, because of that the recovery has been slow and sluggish and about half as strong as recoveries that took place after every other recession since 1950.

So we are interested in getting people back to work, and that is a goal that we share. We differ on how to do that.

The gentleman also spoke at some length and eloquently about the progress that has been made with regard to deficit reduction. I would like to just point out to the gentleman that I recall very vividly being here on the floor of this House in July 1990, and having the leadership of the House and the Senate and the President's budget people return from Andrews Air Force Base.

And they said, "We have made a deal. We have got to increase taxes because our CBO forecasters in CBO say that by 1995, we are going to have $142 billion of deficit, if we don't increase taxes." This year CBO projections for fiscal year 1995 are $171 billion in deficit.

What happened in the meantime? We have raised taxes twice. In 1990, we raised taxes by $130 billion, and in 1993, we raised taxes by $16 billion. And the projected deficit for 1995, instead of being $142 billion, which was what was projected in 1990 for 1995, is going to be $171 billion. I do not call that progress, Mr. Chairman. I call that more deficit than we had projected prior to these two humongous tax increases, which have slowed the economy in the meantime.

Mr. Chairman, I share the gentleman's desire, and I share the gentleman's optimism, perhaps, about the future, but we have got to put in place some additional economic incentives, if we are really going to get the kind of growth that we need subsequent to a recession.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I thank the gentleman for yielding to me.

There are a number of items we are going back and trying to check, whether 500 programs were cut last year.

We are going to check that. I can tell my colleagues that the 110 programs that the administration has proposed cutting this year totals again $670 million. It is the only real change in the Clinton budget. And one more time, if Clinton had not sent his budget, we would have lower deficits than if we put the Government on automatic pilot.

What I would say is, the President deserves credit for coming into office and trying to aggressively seize an agenda. But what we would find, if we looked deeper into the economic evidence, is that we have seen interest rates significantly decline since about 1990.

What I would say is, like the 1990 tax and spend bill, which Republicans in the bulk opposed, I do not want to say the bulk, which a number of us opposed, including me, for the simple reason that the tax and spend does not work. Investing in Government does not work. It did not work then. And the difficulty that we have right now is that long-term interest rates are at their highest level in a year. Short-term interest rates are at the highest level they have been in 2 years.

What we are fearful of is that raising taxes, raising spending, and this really curious idea that if we invest in the Government that somehow that is going to solve our unemployment problems. We have been investing in these Government programs for about 40 years. What we suggest, under our plan, is that the people in Ohio and Arizona and New Jersey, who run these programs, are not stupid, that they do not think that Federal bureaucrats ought to be the ones that tell them how to job train people in their areas.

If we want to invest in Washington, more for Washington, less for the States, fine. We give Members a clear choice. What our concern is is that, and it is a clear philosophical difference, if Members think that we are going to be guaranteed economic security in this country with higher taxes and higher spending and more regulation, then we have to pick that choice.

□ 1340

What we will find is that program will in fact not work and guarantee the most prosperity for our Nation.

Mr. SAXTON. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I just want to comment on some things the gentleman from Wisconsin [Mr. OBEY] said. He said the Republicans find a dark cloud behind a silver lining.

We are glad that a recovery is underway. That recovery started in March 1991, 21 months before the previous administration left off, but in fact it has been a subpar recovery. Look at it.

If you look at four quarters, the last four quarters of the previous recoveries in 1954, 1958, 1961, 1970, 1975, and 1982, there was an average of 5.8 percent economic growth. This one, it has been 1.7 percent.

For eight quarters it is 4.6 percent for those previous recoveries. This one was 2.5 percent. If we look at the whole time of 11 quarters, on average it was 4.4 percent. This time it has been 2.7 percent. That is because of the tax increases in 1990, which some of us on this side of the aisle opposed. That is going to be exacerbated by the tax increases we just enacted last year.

If we look at it in terms of jobs, in 1991 we created 2.3 million new jobs, whereas the 1982 recovery was 7.9 million new jobs, and in 1975, 7.2 million new jobs. This is a subpar recovery.

Mr. OBEY. Mr. Chairman, I yield myself 4 minutes and 30 seconds.

Mr. Chairman, I am really not especially interested in reviewing old history. I am more than willing, if people want to do that. I am more than fully prepared. It seems to me there is not much benefit that accrues to the country when that happens.

Mr. Chairman, I would simply observe that we can debate whether this is a slower recovery than past recoveries or whether it is not. Of course, it is, because the country was so crippled by the huge debt overhang left to us by the policies of previous Congresses and previous administrations that we have not had the ability available to the Government to stimulate the economy the way the administrations were able to stimulate the economy in past recessions.

We also were not in a world economy which was collapsing around us in past recessions, because America did not trade very much 10 and 20 years ago. We do today, so we are very much affected by what happens around us. Our economy will not really begin to grow as fast as it ought to grow until the economies of Japan and Germany recovery, so we can begin again selling to them many more American goods that we would like to send.

Mr. Chairman, I would simply make the point that if we want to debate Bush versus Clinton, I think the record is pretty clear. Most of the job growth by far that has occurred since the end of the recession occurred under President Clinton's watch.

I would also point out, despite the references that I hear continuously to higher taxes, there are no taxes in this budget resolution. This budget resolution is not raising taxes.

Mr. Chairman, I think we can compare the kind of tax code that our party prefers with the kind of tax code our friends on the other side of the aisle seem to prefer, because the lion's share of our tax increases last year were focused on those who made more than $140,000 a year, and the tax cuts were focused on those who made less than $26,000 a year.

If we take a look at what I understand to be the Republican proposal today, it says if a person makes $200,000, they can continue to get the tax break which they are talking about, but if a person makes $15,000, they cannot. I do not find that a very persuasive distribution of burden out in the public marketplace. I would be happy to allow the public to decide what they think about that.

Mr. Chairman, I would also like to respond to the suggestion that we are investing in the Government. Nobody is investing in the Government. We are trying to invest in people.

What we are trying to do is invest in kids by way of education. What we are trying to do is invest in science by way of health research and other scientific research, so we can stay on the cutting edge of technology; so that new jobs because of new manufacturing processes and new jobs because of new scientific breakthroughs go to Americans rather than to somebody else.

What we are trying to do, Mr. Chairman, is invest in the physical infrastructure which must be modernized if any community is to provide a decent condition under which our economy is to grow.

Our communities need decent sewer and water. Our communities and our States need decent highways and transit systems. That is what we have in the President's budget, a careful balance between deficit reduction and those kinds of investments.

Mr. Chairman, we have two bridges a day that fall down in this country. Would it not be nice if we started fixing them at the rate that we are capable of doing?

We are in the midst of defense conversion, where areas who employ people in defense plants are being squeezed to the marrow because of cutbacks in the military budget. Would it not be nice if we were giving people additional things to do in this economy, as we did at the end of World War II?

We are not doing nearly enough of that. We do not, frankly, do enough of that in this budget, but we are doing the best we can under budget constraints. I think there needs to be no apology made for that.

Mr. SAXTON. Mr. Chairman, I would just point out very briefly that the tax credit that the gentleman mentioned that is in the so-called Kasich budget does not provide a $500 per child tax credit to Americans who qualify, and is meaningful or is meaningless, as one wants to put it. In the gentleman's own district, it would mean $62 million tax credits to families that live in the gentleman's district. Mr. Chairman, I think that is quite meaningful.

Mr. OBEY. Mr. Chairman, I would ask of the gentleman from New Jersey [Mr. SAXTON], is it not true that the gentleman's credit is not refundable, so therefore does not go to low-income people in this country?

Mr. SAXTON. Will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Chairman, I would say to the gentleman it is not refundable; that is correct.

Mr. OBEY. I thank the gentleman. That proves my point.

Mr. SAXTON. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I find it curious that the gentleman would argue that a family in his district with an income of $25,000, a family of four, should not get a $2,000 tax credit. I would find it curious that the gentleman does not support that, but I would say to the gentleman that I agree with him, that the real key is how do we keep the recovery going.

Is it not amazing that the Republican proposal that the gentleman does not like reduces the deficit by $150 billion more in deficit reduction by streamlining Government, and at the same time gives that long-promised tax credit? That longtime middle-income tax promise that the President has made and retreated from, we deliver it.

Mr. Chairman, I would suggest to the gentleman that we are not only reducing deficits by more than he is, but at the same time we give a piece of that to middle-income families. Of course, the bottom line is how do we keep the recovery going? Do we keep it going by investing in Washington bureaucracy, or do we do it by reducing deficits, providing incentives for business, and tax relief for families?

That is really the question. That is what it is going to come down to tomorrow, and that is what the American people are going to have to judge. Do they want to invest more in the Washington bureaucracy, or do they want to give more to States and give more to individuals, provide incentives for business, and cut the deficit more?

I think the choice is clear. I think the American people, if they could vote a national referendum, would elect this thing overwhelmingly.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BUYER].

□ 1350

Mr. BUYER. Mr. Chairman, the budget proposed by President Clinton is merely a continuation of the deafness to the demands of the American people to cut spending first. The President has promised lower Federal spending and greater deficit reduction but instead has given us a framework for increasing the Federal debt by over $1.5 trillion during the next 5 years. I am disappointed that President Clinton has given us more of the same—big government and more Federal spending that takes money out of the pockets of hard-working families.

The President's budget should be measured both for what it says and for what it does not say. It says that it "holds the line on deficits." It says that it reduces Federal spending by meeting the discretionary spending caps and lower entitlement spending. It also claims to have the much-vaunted health care guarantees and crime reform. However, the plan is far from the requests from Hoosier families to cut spending first.

President Clinton's budget increases spending by $370 billion over 5 years and increases the long-term deficit by $365 billion by 2004—all while gouging Defense by $136 billion, which still leaves a $20 billion shortfall from the DOD's bottom-up review. The President's budget also only marginally identifies the fiscal effects of health care reform, which is questionably paid for by the levying of increased taxes on top of last year's tax increases. Next, the President's budget completely ignores welfare reform. To add even more insult, the President's budget pays lip-service to anti-crime efforts by funding only a fraction of the promised increased police efforts.

What has been happening to all the increased tax revenues and spending cut savings the President is claiming? We have larger long-term deficits because the President takes the savings and creates more government spending and calls the marginally efficient programs investment. In fact, the deficits would even be smaller if the President has not even submitted a budget at all.

The American people deserve to be able to pursue the American dream in an environment conducive to business development. They deserve a budget that reflects political morality. Responsible fiscal planning with the payment of benefits and debts in the same generation in which they are incurred. That is exactly what the Kasich plan delivers.

Mr. KASICH's House Republican budget initiative, unlike the President's budget, is a bold and dynamic proposal that takes command of America's fiscal woes and delivers solutions to the American people. The keystone of the initiative is a much needed family tax credit that provides a $500 per child credit per year for middle-class tax relief. But the initiative also provides lower Federal spending, higher deficit reduction, and keeps more money in the hands of the people who earned it.

The lower spending is a result of logical Government streamlining coupled with reasoned spending cuts. Among other efforts, the initiative provides for the reduction of fertilizer and environmental funds from the Tennessee Valley Authority [TVA]. I am an advocate of reducing these activities because they are well beyond the scope of the TVA. Also, the initiative provides for the USDA reorganization and preferences for ethanol use. These are typical of the efforts to improve Government efficiency and eliminate bureaucracy.

The initiative is also proactive. It promotes economic growth, job creation, and provides welfare, health care, and crime reforms that all surpass the promises of the President. Economic growth would be encouraged with extending expiring tax credits and neutral cost recovery to accelerate the rate of depreciation for small business so they can stay competitive and efficient in the expanding global marketplace. Additionally, capital gains would be indexed and capital losses on the sale of a principle place of residence could be deducted. All this is provided without jeopardizing of our national security—and it's all paid for up front and not on the backs of our children and grandchildren.

I urge my fellow members to seize the moment and act with fiscal responsibility by adopting the house Republican budget initiative. Liberty and economic opportunity are inextricable. When Government restricts liberty with overburdens of regulations, it directly effects the opportunity for entrepreneurs and small businesses to grow and prosper. It's time to lift the oppressive yoke of big government, reign in the excesses of big government, and enact true deficit reduction so that the American people can realize the pursuit of happiness.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. BUYER. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I want to point out that the gentleman from Indiana has 129,730 children in his district who qualify for over $64 million in tax relief paid for under our proposal.

Mr. BUYER. I compliment the gentleman from Ohio on the budget and for addressing health care, crime, and welfare reform that the President in his budget does not address. I am tired of all of these problems that everybody is making investments in people that coddle the criminals with all of these hug-a-thug type programs.

Mr. OBEY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I am trying to find the Member of the House on this side of the aisle to whom these gentlemen are responding. I do not see him. I do not see anybody who has uttered most of the words with which they are trying to disagree. The previous gentleman indicated that he is tired of having Members blame previous administrations without recognizing that the Congress had coequal responsibility. I said twice in my last two statements on the floor that Congress had to bear their share of responsibility because they ill advisedly supported the policies that were promoted by the previous administrations on budgeting. I know because I was here and I offered the alternatives to them, and I got the blazes beat out of me in the process. So I know how it feels to have tractor tracks over my back.

Simply I would suggest again, and I would repeat for the benefit of those who need to hear it, that nobody is talking about investing in Washington bureaucracy. When we have education and training programs, I do not know what happens in other people's districts, but that means that kids in my district and communities like Wausau, and Stevens Point, Chippewa, Superior, Ashland, you name it, they wind up getting services which were not otherwise available to them. When we expand Head Start, that does not mean that the Washington bureaucracy is expanded. It means that the waiting list of kids in my district for Head Start becomes a little bit shorter. When we pass funds for childhood immunization, it means that kids in my district as well as every other district in the country get the needed health services they need.

It is true that the budget before us does not make some of the cuts that would be made in the Kasich amendment. We do not cut the $45 billion which the Kasich amendment cuts in Medicare. I make no apology for that, no apology whatsoever. We believe that those cuts ought to be considered in the context of health care.

I also would point out that since the gentleman referred to my district, I think it also is good to point out that in the budget we passed last year there were some 1,200 wealthy individuals in my district who wound up paying more taxes because of that budget, but there were some 20,000 people who became eligible for tax reductions because of that action, and they were people on the modest end of the income scale, and in my view that is the right balance, and I again make absolutely no apology for it.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Chairman, I thank the gentleman from New Jersey for yielding time to me.

Mr. Chairman, over the past 2 years, voters have sent Congress several clear messages: Cut spending, reduce the def-

icit, create jobs, and stimulate the economy. As a member of the House Budget Committee, I have worked hard with Representative KASICH to do just that. The Republican budget plan cuts spending and reduces the deficit by $150 billion more than the administration's budget proposal over 5 years. It proposes a tax credit for middle-class Americans, and provides measures that promote job growth, private sector investment, and tax relief for hard-working Americans.

I rise in opposition today to the administration's budget proposal for fiscal year 1995 for some very simple reasons—this budget does nothing to change the status quo on spending. It does nothing to change the status quo on deficit reduction. It does nothing to change the status quo of an economic climate which burdens workers and the middle-class. When the administration presented this budget to Congress and the American people, there is only one signal they sent—the status quo, for them, is good enough.

Well, Mr. Chairman, I believe the status quo isn't good enough for Mainers or the American people.

On the other hand, the Republican alternative plan is a blueprint for long-term economic stability and growth that takes full measure of the impact of the deficit and national debt on our economy and confronts these issues squarely. It acknowledges that as long as these problems remain, job growth and long-term economic vitality will be difficult to achieve.

Unfortunately, judging by the administration's budget proposal, they are undertaking an effort to try and convince the American people that enough has already been done to reduce the deficit and spur economic growth, and that no further action on the deficit is necessary because they believe an economic recovery is underway.

Nothing could be further from the truth. The administration's unwillingness to take further action on deficit reduction represents a short-term view of our economy which allows it to underperform. There is no doubt that—if anything—we have learned that it is higher taxes and higher deficits which have had a direct, adverse impact on job creation, employment, and economic stability.

And if there is one thing that differentiates the Republican outlook on the budget with the administration's outlook, it is this: Republicans understand that we cannot continue to go deeper into debt and expect to see sustained job growth and economic vitality.

Yet the administration's plan calls for a 2.3-percent increase in spending next year for total fiscal year 1995 spending of $1.5 trillion. This, by the way, does not include whatever the costs for health care reform will be. While the administration proposes to eliminate 115 programs and reduce many others, none of the savings are devoted to deficit reduction. The administration also claims that the deficit will decrease to around $176 billion in 1995—but on that point we should ask ourselves this one question: Should we allow this administration to convince Congress and the American people that yearly deficits of $175 billion of deficits of any size are acceptable or an adequate enough standard of economic strength or stability?

Clearly, more can be done as evidenced by the Republican proposal which achieves a deficit level in fiscal year 1995 of $163 billion—$15 billion below what the President has proposed. The total spending amount in our budget proposal for 1995 is $1.49 trillion—or $55 billion lower than the President's proposal, while total 5-year spending is about $359 billion less than the administration's 5-year projections. Our proposal reduces the deficit further to $140 billion in fiscal year 1996, with a total 5-year deficit reduction total of $310 billion. Over that 5-year period, our approach translates to $147 billion more in deficit reduction than the administration's plan. Worse yet, the administration's plan allows the national debt to increase from $4.3 trillion to about $6 billion over 5 years, meaning over $1.7 trillion in new debt.

What is particularly troublesome, is that—for all practical purposes—the administration suspends deficit reduction for 5 years as if the problem will go away by itself. But it won't.

For my constituents in Maine, jobs and a strong economy are the paramount issues. Many in my district have felt the impact of last year's regressive and retroactive income tax increases. To those who say that the tax hikes have had no impact, I say there are many in Maine who simply ask "Where's the recovery?" Well, 42 percent of Mainers are worried about job creation and the economy, according to a recent poll. Maine has only regained 3,000 of the 30,000 jobs that we lost during the recession; 60 percent of the American people say that we are not out of a recession. Less than 30 percent of the American people say that we are in an economic recovery.

What is more troubling according to Department of Labor statistics, after the previous four recessions, 44 percent of workers laid off expected to be recalled once the economy improved. After this last recession, however, only 14 percent of job losers expected to be recalled to work. This is one indication that employment and the economy are not expanding as they could, or even as they have in the past. And let me give the administration a quick message about how their recovery is shaping up down East: a Maine State planning office report anticipates that we will add fewer than 10,000 jobs each year, which is one-third of the growth of the past two decades. They also state that it's likely to be 1997 before Maine regains all the jobs it lost during this recession. The bottom line is—hard times continue in much of Maine, and I'm sure in other areas of the country as well.

But with the economic illusions this administration is trying to create, we are in danger of allowing the majority party to convince consumers, taxpayers, and workers that an anemic recovery, subpar growth, higher taxes, and continued deficits are acceptable commodities for an American economy facing stiffer competition and stronger trade from all corners of the global marketplace. And we are in danger of allowing our country to settle for second best—to slip to a second rung on the ladder of economic opportunity—and to accept budgets which compromise the economic opportunities which have worked to expand the American middle-class and allow small businesses to hire more workers, market more American products, and build on the American dream.

What we need now is a budget that does what is necessary to create jobs, reduce the deficit, spur economic growth, eliminate wasteful government spending, and bring relief to middle-class Americans.

We can do better than the administration's plan. We should do better than the administration's plan. Have we crafted a better plan for the American people before? The answer is yes. That is why the Kasich alternative merits serious, bipartisan support.

Mr. OBEY. Mr. Chairman, may I inquire how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] has 5 minutes remaining, the gentleman from New Jersey [Mr. SAXTON] has 4½ minutes remaining, and the gentleman from Arizona [Mr. KOLBE] has 30 seconds remaining.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I think it is useful again to emphasize some of the differences between the Kasich amendment and the budget before us.

I have a Republican Governor in my State, for instance, and he is interested in seeing to it that we fully fund the ISTEA Highway Act. The Kasich amendment does not do that. The budget resolution before us from the Democratic side does.

In my view, that investment is crucial to the ability of the economy of my State and others to grow. I think it is worth the investment.

The Kasich amendment makes a $28 billion reduction in overhead savings. A significant portion of that falls on the Veterans' Administration, which means that they will be able to buy less in medical supplies.

□ 1400

They also, as I understand it, have a $200 million reduction in veterans' medical care. I do not especially want to go home to campaign for that or to brag about that. I do not think that makes a whole lot of sense.

So I would simply say that I am very happy to take home to my constituents the comparisons, and I think our package will not be found wanting.

Mr. SAXTON. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, you know, I just find that argument fascinating about the gentleman criticizing our cuts in overhead.

You know, this again is more investment in Washington, DC, and the bureaucrats as opposed to sending tax relief to families back to his district.

Now, let me tell you what we are cutting in overhead. We are telling the bureaucrats they are not going to travel as much; they are not going to ship as much; they are not going to have as many rental payments to the General Services Administration; they are not going to have as much communication; they are not going to have as much printing and reproduction or consultants, as many supplies and materials. You see, this is the mindset. The mindset is you invest in Washington, DC, bureaucracy and let the bureaucrats travel more and let them print more and let them have more consultants, but do not downsize that.

What we do in our budget is we reduce this overhead spending by 7½ percent, and we say that the bureaucrats here in this town ought to do with less; in the process of doing it, we can have greater deficit reduction, and we can give the American family some tax relief.

Do you want to know something? That is where the American people are. They want the bureaucrats and the bureaucracies in this town downscaled.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute.

Despite the rhetoric we have just heard, I will ask the gentleman this question: Does not your amendment cut veterans' programs by $200 million?

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I am happy to yield to the gentleman from Ohio.

Mr. KASICH. The answer is no. What I would say to the gentleman if he is yielding to me is I did not know the gentleman was so committed to consultants.

Mr. OBEY. No. I want an answer to that question.

Mr. KASICH. So committed to consultants and bureaucratic travel. The answer is no.

Mr. OBEY. Reclaiming my time, that is certainly not the reading by the Committee on the Budget on this side. Our estimate is you cut veterans' programs $200 million below the committee resolution.

Mr. SAXTON. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I am delighted to engage in this debate, because I want to say to the gentleman from Wisconsin, the gentleman criticized our overhead spending, and the gentleman said that our overhead spending was a cut in these various administrations, and I will tell the gentleman that that is correct. We do not think we ought to have as many supplies and materials in the bureaucracy. We do not think that the bureaucrats who travel most in the final quarter of the fiscal year, we think that they ought to be trimmed back.

Now, my constituents at home think that there is plenty of waste in the bureaucracy of this Government, and they want it to be eliminated, and that, of course, is precisely what we have done.

Mr. OBEY. Mr. Chairman, I yield myself 30 seconds.

I would simply say this gentleman is very happy to see cuts in overhead. I am not happy to see cuts in the medical supplies available to the Veterans' Administration. That is the point I am trying to make. I think it is a valid one.

Mr. KOLBE. Mr. Chairman, I yield myself the last 30 seconds that I have to state once again to the gentleman from Wisconsin that is not true. That is not what we are cutting. We are not cutting medical supplies in the Veterans' Administration. That is not what is being cut. These numbers we are cutting in overhead are numbers that are given to us that were scored by the Congressional Budget Office.

Mr. SAXTON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this debate has been very enlightening, I believe, in terms of demonstrating the very significant difference in the approaches as proposed by the gentleman to my right, the gentleman from Ohio [Mr. KASICH], and the Democrat budget proposal.

The Democrat budget proposal proposes to go forward with business as usual, a budgetary process that was laid out in 1993, and continued through 1994, and now proposed for 1995. It has resulted in very sluggish growth in our economy. It has resulted in higher taxes, and it has resulted in estimated growth in the future by both the President and by CBO of 2½ percent, and by historic standards our goal has been growth of at least 3 percent to consider ourselves on the right path.

So the Kasich budget, in proposing to reduce the deficit by an additional $153 billion over what the Democrat plan does, recognizes in that respect that our spending pattern has gone up very rapidly, yes, through the 1980's and continues to increase rapidly now into the 1990's.

It also recognizes, as the Governor of New Jersey recently has, as a matter of fact, that the Tax Code is a very, very important tool which we use correctly sometimes and misuse at other times to help promote or hold back economic growth.

The Governor of New Jersey, Christine Todd Whitman, just last week signed into law a 5-percent tax reduction.

The Kasich budget moves in the same direction with a $500-per-child tax credit which would apply to districts all across the country, not only to make it a little easier for families to come to grips with daily and weekly and monthly expenses, but also to recognize what it is about our Tax Code that helps the economy to grow, and that has been demonstrated time and time again as well.

So there is a difference here. On the one hand we continue the tax-and-spend policies that have put us where we are today; on the other hand, with a vote for Kasich which will come up in just a few minutes, we have an opportunity to turn the corner on additional spending which requires, as happened in 1990, additional taxes, and in 1993 additional taxes, as well.

So I thank the chairman, and we look forward to further debate as the Kasich amendment comes up.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. Mr. Chairman, the House has an opportunity to pass a budget resolution for fiscal year 1995 which will help to ensure the continued growth of the U.S. economy and a steady reduction in the Federal deficit.

President Clinton announced a Federal budget on February 7 that provides good news for the economy and job creation. President Clinton's budget recommendations revealed that continued progress on reducing the deficit is being made, with the 1995 budget deficit at $176 billion compared to the 1994 deficit of $235 billion. Skeptics of the hard freeze on spending enacted in last year's budget act must now admit that Congress and President Clinton did produce a real deficit cutting agreement in 1993.

As a member of the House Budget Committee, I strongly support the budget resolution approved by the committee. This budget builds on the recommendations of the Clinton administration and will promote economic policies that create jobs and help local families buy a home or start a business. The House Budget Committee has also reported a budget resolution that complies with the discretionary spending caps set for fiscal year 1995.

Lower deficits should help to keep long-term interest rates low and that helps to create jobs in construction, auto sales and businesses that rely on consumer spending. This reduction in

the Federal deficit should also help to maintain home mortgage interest rates at record low levels.

While the administration's budget calls for the elimination of 115 specific programs and tight controls on discretionary spending, some of the money saved by making these cuts will be targeted for priority programs serving the American people. For example, the House Budget Committee reported a budget that provides a significant increase of $2.3 billion in outlays for education and training that will help workers and young Americans obtain the skills needed in today's economy. This budget also provides for a major boost in funding for child nutrition and Head Start to provide children a better chance of doing well in school.

I am especially pleased that this budget provides for an increase of 7.6 percent in outlays for law enforcement efforts. This increased funding will help hire more police officers in communities across the country. Community policing has been used successfully in many areas to prevent crime as well as provide more resources to catch individuals who commit a violent crime.

This House budget resolution also provides for a 5.6 percent increase in funding for the National Institutes of Health. NIH funding is a vital part of our Nation's effort to prevent illness and find cures for diseases like breast cancer, AIDS, and heart disease. As the Congressman representing the city of Pittsburgh, which proudly hosts major research centers like the University of Pittsburgh Medical Center and Magee-Womens Hospital, I strongly support the recommended increase in funding for the NIH.

While there is much to recommend in the administration's proposed budget, I have worked with other House Budget Committee Members to restore most of the funding cuts proposed for LIHEAP [the Low Income Home Energy Assistance Program]. The House Budget Committee approved budget resolution restores $520 million of the proposed reduction in LIHEAP funding.

This action will help the millions of moderate income Americans in cities like Pittsburgh who face the difficult challenge of paying high winter heating bills. I have listened to many local residents in Pittsburgh report how difficult the recent winter weather has been for their household budgets and I am convinced that the House Budget Committee has set the right priority in restoring LIHEAP funding.

The House Budget Committee has also restored funding for transit operating assistance to $802 million, the fiscal year 1994 level. This action should help communities maintain vital mass transit services without raising fares, cutting service routes or taking other steps that would decrease the quality of local transportation services.

The House Budget Committee has also adopted language which calls for full funding of the Healthy Start Program. This program seeks to ensure that low- and moderate-income Americans have access to vital health services that give a child the best chance of growing up healthy. I have been a strong supporter of the Healthy Start Program in the city of Pittsburgh and I can assure the Members of the House that this is a program that works.

Mr. Speaker, the House Budget Committee has reported a budget that meets the challenge of continued deficit reduction and discipline on spending. At the same time, this budget addresses national priorities such as crime, education and training and investment in the future. I urge my colleagues to support this budget.

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would simply say, in light of the response of the gentleman from Ohio on veterans, I want to say that on page 24 of the Republican budget initiative, March 3, 1994, there is a line which says, "Limiting increases in the President's investment spending in function 700;" function 700 is veterans. They cut that by $585 million; $579 million of that is medical care.

So, in fact, the situation is far worse than I described.

I would simply say that I think people ought to vote for the committee resolution. It provides for deficit reduction which will take the deficit down to more than 40 percent below where it was just 3 years ago. It means that it will be the first time since the end of World War II that we have had three successive years of deficit reduction.

□ 1410

It is also in support of the economic policy which has seen a reversal of more than a 5-years-in-a-row decline in family income. This year for the first time we have seen a modest increase in real family income.

The policy has also produced the lowest inflation rate in 30 years. It has also produced job growth which has produced twice as many new jobs in 1 year as we had in the previous administration. I think those numbers stand on their own.

It seems to me that we ought to stick to this budget. It is the budget which has helped improve the economy. The American people understand that. Eventually, I think everyone in this House will understand that.

Mr. OWENS. Mr. Chairman, today we will consider the resolution for the 1995 budget. All advanced briefings indicate that the House Budget Committee has engaged in a rubber-stamping exercise that adds very little insight and vision to the administration's monstrous presentation. When we vote on this flawed resolution there will be none of the drama of last year's session. This year the Democrats have surrendered in advance. A golden opportunity to begin redirecting the Nation's resources has been tossed away. Is the Republican Party still in control of the Office of Management and Budget? The worms at OMB devoured more than 100 small programs and drastically cut 300 more. The total abandonment of jobless inner-city youth was begun with the transfer out of $60 million into programs to retain adults who have had the good fortune to have jobs for the last 12 years, but are losing their Defense-related employment now.

But the most scandalous act of all in this budget-making process has been the House Committee's acquiescence to the administration's position that there will be "no further cuts in Defense". The military industrial complex reigns supreme "uber alles." The no-cuts-in-Defense doctrine represents a monumental blunder, a gigantic waste of resources that should be utilized to redirect our economy. Building schools, bridges, highways, mass transit, educational technology equipment, health centers, and other civilian infrastructure components, would produce many more jobs for the dollars being spent to maintain obsolete overseas bases and weapons systems. The folly of continuing our multibillion dollar Defense waste is so apparent that our grandchildren will condemn us as being stupid or cowardly or corrupt. Of course, posterity will quickly understand that the Members of the 103d Congress were not stupid. Some of the best minds in America are in the Congress. But posterity will condemn us for allowing the military industrial complex to either bully us or buy us. We must confront the intimidation and let our intelligence take over. Adherence to the "no further cuts in Defense" doctrine is a super blunder.

THE SUPER BLUNDER

Decisiveness Firmness Resolve
Let logic dissolve
No cuts for Defense
A blunder immense
Insight shows no sense
Overseas bases
Won't get the ax
Luxury weapons makers
All can relax
No Bosnia or Haiti
No worthy attacks
Just fund everybody
Gentlemen Generals
No need to fear
Sit tight on your rear
NATO leases
Surrender no pieces
Fat foreign neighborhoods
Keep selling our soldiers
Erotic adventures
And glitzy dry goods
Japanese markets are closed
But none of our bases disposed
3.5 billion could build
A thousand schools
But only one nuclear carrier
Is written into the rules
Decisiveness Firmness Resolve
Let logic dissolve
No cuts for Defense
A blunder immense

Mr. BORSKI. Mr. Chairman, I rise in support of House Concurrent Resolution 218, the budget resolution for fiscal year 1995.

Last year, the Democrats in Congress took a bold step and approved the principles of

President Clinton's economic growth and deficit reduction package outlined in the Omnibus Budget Reconciliation Act. Not one Republican joined us in supporting this plan. Instead, they stood up here spreading misinformation and giving dire predictions about its impact on the economy. They said the plan would destroy our economy, increase the deficit and kill jobs.

Mr. Speaker, the economic reality is that last year's budget package has strengthened this economy. In fact, in recent testimony to the Joint Economic Committee, Federal Reserve Chairman Alan Greenspan said "* * * the underlying, long-term economic outlook in this country is improving quite measurably and, indeed, I don't recall as good an underlying base for the long-term outlook that we have today in the last two or three decades."

Under President Bush, the economy grew at the slow rate of merely 1.5 percent, the weakest growth of the post-war period. The President's plan has turned this around. In 1993, the economy grew at a rate of 3.2 percent and topped off with a rate of 7.5 percent in the last quarter. Leading indicators show that the economy will continue its strong performance.

In addition, under the President's plan, the deficit has shown dramatic improvement. Deficits are at their lowest levels as a percent of GDP since 1979. In 1993, the deficit was $73 billion less than projected under President Bush. The deficit forecast for 1994 has dropped by $70 billion and by over $100 billion for 1995. This will be the first time in 50 years that the deficit will drop for 3 consecutive years.

Finally, during President Clinton's first 13 months, over 2 million jobs were created—twice the number of jobs created during President Bush's entire 4 years. The unemployment rate has declined by a full percentage point, the largest annual drop in unemployment in 6 years.

This year's budget resolution continues the process of reducing the deficit and rebuilding our economy outlined in last year's budget package. It implements the spending cuts mandated by the 5-year deficit reduction package. Under the resolution, the deficit will drop to $175 billion in fiscal year 1995, $115 billion less than 3 years ago. In addition, the resolution conforms to the spending caps for discretionary spending established by the deficit reduction package. Under these caps, discretionary spending will actually fall for the first time since 1969.

The budget resolution also contains the President's proposals for investment in areas key to our sustained economic growth, including education, training, community development and crime control. The resolution increases funding for Head Start, job training programs for dislocated workers, one-stop career centers and a number of crime initiatives, including community policing, border security and illegal immigration control.

Mr. Chairman, last year, President Clinton introduced his economic and deficit reduction package and gave this country new direction and new hope for the future. Today, we have the opportunity to further the success of this program by pursuing the deficit reduction and economic revitalization outlined in the budget resolution. I urge all my colleagues to support the President and vote for House Concurrent Resolution 218.

Mrs. VUCANOVICH. Mr. Chairman, I strongly support the budget proposed by the gentlewoman from Maryland and I am appalled that we will not even be allowed to consider it during these discussions over the budget resolution. By increasing each line item of Federal spending by 2 percent, the Bentley proposal does not pick winners or losers. At the same time, it would save close to $800 billion over the next 5 years. This could be the perfect, nonpolitical, nonpartisan, easy vote on the budget. No taxes, increase every item of Federal spending by the same percentage, and have a budget surplus by 1999.

I said there would be no winners or losers if we could debate and vote for the Bentley proposal. That's not quite right. I should have said there would only be winners. The American public would win, because we would put our economic house in order. The economy would win, and the Federal Government would win, because we would not be forced to devote so many resources to interest payments on a mounting Federal debt.

I commend the gentlewoman from Maryland for her foresight and commiserate with her on the unfortunate decision by this body which will not allow us to give serious attention to her proposal.

Mr. FORD of Michigan. Mr. Chairman, I rise in strong support of House Concurrent Resolution 218, the concurrent resolution on the budget for fiscal year 1995, as reported by the Budget Committee. At a time when budget rules and fiscal constraints limit our options, this budget resolution offers the foresight of renewed investment in this Nation's most precious resource—our people.

Over the past three decades, I have fought to sustain a commitment of resources to the education of our children and the training of our workers. Just 3 years ago, I proudly championed a successful homefront budget initiative which set education and training as a priority in allocating the Federal budget. The House adopted my amendment on this floor as part of the budget process in recognition of the great future return on the near-term investment in these programs.

Today, I rise in support of what I view as an extension of my earlier effort. While I would gladly support a more generous commitment to education and training, this budget is a good step in the right direction. I offer to work with my colleagues to see the fulfillment of the pledge we make here today—promoting better educated younger people and better trained workers.

I strongly support the budget resolution because it implements the President's decision to invest scarce resources in the Nation's working people. Such investments in the work force will increase the value of our Nation's most distinctive asset—its workers. This focus upon America's "human capital" will help our workers increase their wages in our increasingly competitive global economy. The resolution ensures that more than a billion new dollars will go to initiatives to train high school graduates and unemployed workers for better jobs. This funding will make legislation to establish skill standards, to promote school-to-work transition programs, and to make reemployment a reality.

I also strongly support the budget resolution because it ensures funding of the administration's proposals to strengthen the enforcement of labor standards laws in the Nation's workplaces. The resolution gives the Department of Labor the additional resources necessary for enforcing the wage and hour, occupational health and safety, and pension laws of the Nation. These additional resources are a good start toward reversing the neglect of workers' rights of the last two administrations.

At this point in the RECORD, I offer a letter from the Committee for Education Funding [CEF] in support of the Budget Committee-reported budget resolution. The CEF has always been there to plead the case of our young people. Its members have been and continue to be valued partners in the fight to sustain adequate resources for education—and the Nation's future.

COMMITTEE FOR EDUCATION FUNDING,
March 9, 1994.

DEAR REPRESENTATIVE: On behalf of the member organizations of the Committee for Education Funding, we urge you to vote for the FY 1995 House Budget Resolution as reported by the House Budget Committee on March 3rd. The Committee resolution makes the education, training, employment and social service needs of our nation's citizens a priority. The budget plan includes a $3.6 billion increase for Function 500 (education and training), affirming the President's recommendation for a substantial investment in the programs of the Labor, HHS, Education Appropriations Subcommittee. We also urge you to vote against any alternative budget plan that cuts funding for education programs below the Committee-reported resolution.

The overall numbers in the Budget Resolution reflect the President's investment in the education and training of our nation's most precious resource—our people. As stated in the report, a renewed investment in education is "one of the most prudent policy decisions our government can make to improve our nation's ability to fulfill our hopes and expectations for the future." The report notes that "schools are facing greater challenges in educating children. Violence on our streets has invaded the classrooms of our schools. School facilities are deteriorating, and funds are lacking to provide new equipment and keep up with advances in technology."

In a photographic essay in the February 20th New York Times Magazine, the stark contrast between our deteriorating schools and the costly renovation of prison facilities are clearly portrayed. "Seventy percent of all prison space in use today has been built since 1985, at a cost of $32.9 billion. But only 11 percent of the nation's classrooms were constructed during the 1980's * * * The courts, citing the constitutional ban on cruel and unusual punishment, require states to maintain decent prisons. But the Constitution doesn't address school class size or library resources." The budget resolution as reported by the Committee is an important step in addressing dire needs in education.

In the weeks ahead, the House will be setting spending priorities by allocating funds to each of the 13 appropriations subcommittees. We urge members to insist that the President's recommended increase to the Labor, HHS, Education Appropriations Subcommittee that is reaffirmed in the Budget Resolution, is actually translated into the 602(b) appropriations allocations. The President made education a priority, despite tight

fiscal constraints set by the budget caps. We urge you to do the same.

Sincerely,

THE 1994 COMMITTEE FOR EDUCATION FUNDING
EXECUTIVE COMMITTEE

Beth B. Buehlmann, CEF President, California State University; John B. Forkenbrock, CEF Vice-President, National Association of Federally Impacted Schools; Violet A. Boyer, CEF Treasurer, National Association of Independent Colleges and Universities; Richard A. Kruse, CEF Past President, National Association of Secondary School Principals; David Baime, American Association of Community Colleges; William Bruno, National School Boards Association; Edward M. Elmendorf, American Association of State Colleges and Universities; Carnie C. Hayes, Council of Chief State School Officers; Maureen Hoyler, National Council of Educational Opportunity Associations; Gerald Morris, American Federation of Teachers; Thomas C. Polgar, Paramount Communications Inc.; Michael Pons, National Education Association; Adele Robinson, National Association of State Boards of Education; Chuck Russell, Texas Education Agency; Dena G. Stoner, Council of Educational Development and Research; Tom E. Netting, ex officio, Career College Association; Richard Yep, ex officio, American Counseling Association.

Mr. LEWIS of California. Mr. Chairman, I rise today to voice my opposition to House Concurrent Resolution 218 (H. Con. Res. 218) and strong support for two amendments—the Kasich/Republican budget initiative amendment and the Solomon-Fawell-Upton amendment.

The Republican budget provides lower spending, lower taxes, and lower deficits than proposed in the Democrat budget. The Republican budget also tackles major initiatives in its 5 year spending outline.

I would like to take a few moments to outline several of these initiatives. First, the Republican budget includes a family tax credit. This tax credit provides a $500 per-child tax credit to families earning less than $200,000 a year. Residents in my district will be the beneficiaries of nearly $60 million in tax relief through this tax credit. Second, the Republican plan creates jobs and provides economic growth by changes in the tax code. These changes include—indexation of capital gains, fully deductible IRA accounts, deduction for capital losses on the sale of a primary residence, immediate expensing of business equipment, and an extension of the research and development tax credit. Third, this budget reduces the deficit by almost $152 billion more than the Democrat budget proposal. Fourth, the Republican budget also incorporates a bold welfare reform proposal which stresses work instead of welfare. Fifth, the Republican budget contains a plan to regain control of our streets and neighborhoods through a tough anticrime measure, the Crime Control Act of 1993. Finally, the Republican budget fully funds the Affordable Health Care Now Act while the Democrat budget makes no provision whatsoever for health care reform.

The Republican budget plan also provides a cost of living allowance [COLA] to Federal employees and military personnel. Further, the Republican budget plan provides a more reasonable blueprint for our national security needs. Relative to the President's budget, the Republican initiative restores $67 billion in the Defense budget.

The proposals contained in the Republican budget initiative are paid for through real spending cuts and real reforms in how the Federal Government operates.

I also strongly support the budget amendment proposed by colleagues JERRY SOLOMON, HARRIS FAWELL, and FRED UPTON. Their amendment to House Concurrent Resolution 218 balances the budget in 5 years. It calls for over 500 specific cuts. The Solomon-Fawell-Upton amendment cuts over $600 billion in Federal spending. This plan does not raise taxes or touch the Social Security trust fund. Many of the cuts contained in the Solomon-Fawell-Upton plan stem from recommendations from the Concord coalition, the Grace Commission, the Congressional Budget Office Citizens Against Government Waste, the National Taxpayer's Union, the Heritage Foundation, the Porkbusters coalition, and the administration's reinventing Government proposal.

As a strong supporter of a balanced budget amendment, I am also highly supportive of the Solomon-Fawell-Upton budget which balances the budget within 5 years without raising taxes, affecting the Social Security retirement trust fund, or cutting the benefits of veterans.

I urge my colleagues from both sides of the aisle to resist the status quo budget presented by the majority and to support the bold, progressive, and innovative budget blueprints presented by the Republican members of the Budget Committee and the Solomon-Fawell-Upton budget.

Ms. PELOSI. Mr. Chairman, I rise in support of the budget resolution as reported by the Budget Committee and commend Chairman SABO and the committee for their thoughtful work.

The Clinton budget builds on the strong foundation of deficit reduction, economic growth, and job creation that was established last year in the Clinton economic plan. This budget resolution reverses the policies of the past. The resolution keeps budget deficits on a downward path—this will be the first time in 26 years that the total discretionary spending will actually decline from one year to the next without even an adjustment for inflation. The President and Congress have cut spending first.

Despite these unprecedented reductions in total spending, the Clinton budget reflects investments in economic growth, in fighting crime, and in developing the skills of American workers and our children. This budget builds on the significant steps in the right direction that have made our Nation so much more hopeful over the last year.

Mr. Chairman, this is a tough but a good budget. The President and the Budget Committee are to be commended for their discipline and their vision in shaping this budget.

Mr. GOODLING. Mr. Chairman, in designing his budget, the President has failed to address our Nation's priorities: deficit reduction, controlling the debt, shrinking Government, maintaining national security, and highlighting key initiatives such as health care reform, welfare reform, and efforts to combat crime.

This administration continues to confuse reductions in the percentage of increased spending with actual spending cuts. Moreover, the administration does not explain that while the annual deficit may be reduced in the short term, each fiscal deficit continues to add to the burgeoning national debt. In fact, under the Clinton budget, the Federal debt will grow from $4.6 trillion in fiscal year 1994 to nearly $6.3 trillion in fiscal year 1999, an increase of $1.7 trillion over 5 years. Additionally, the deficit will increase from $176 billion in fiscal year 1995 to $201 billion in fiscal year 1999. The $176.1 billion deficit, which is the lowest the deficit has been since the mid-1980's, reflects three factors which had nothing to do with President Clinton's policies. The country does not have to spend $27 billion for the savings and loan cleanup process, $25 billion for reduced Medicare costs, or $20 billion due to economic growth. Moreover, the Congressional Budget Office [CBO] now estimates the deficit will exceed $365 billion by the year 2004. It is painfully obvious that Federal spending is not being controlled.

The one area of Federal spending which is being cut significantly is the defense budget. Defense spending will fall from $292.4 billion in fiscal year 1993 to $258.1 billion in fiscal year 1999, representing a decline of 11 percent in real terms over 5 years. Moreover, the budget does not contain the $20 billion in additional funding requested by the Department of Defense to implement former Secretary Aspin's "bottom-up review." Quite simply, the President's defense budget does not meet national security requirements.

Probably the most puzzling aspect of the administration's budget is what is missing. The three most important legislative initiatives this year will likely be health care reform, welfare reform, and efforts to combat crime. Inexplicably, these three issues were primarily omitted from the budget. While the President pledged support for 100,000 new police officers, his budget only funds 50,000. President Clinton's alleged support for the $22 billion Senate crime bill rings hollow when his budget approves only $2.3 billion, notably proposing no funding to assist States to build new prisons. While welfare reform was highlighted in the State of the Union Address, the President's budget offered no ideas on how to pay for expanded job training and placement, medical care, day care, and other family support benefits. Finally, the budget offers an incomplete picture of the actual cost of the administration's health care plan. The budget omits over $100 billion in mandatory premiums as well as the spending resulting from those receipts. Moreover, according to CBO, the White House underestimated the plan's cost by $132 billion.

EDUCATION AND LABOR PRIORITIES

Mr. Chairman, as the ranking Republican of the Education and Labor Committee, I would like to state for the record what my priorities would be had I prepared an "Education and Labor Budget Alternative."

I have always said that Members who wish to cut the deficit must begin by examining the programs under their own jurisdiction. During

the last couple of months, I have been working with the Republican members of the Budget Committee to share ideas for budget savings in Education and Labor Committee programs. During that process I recommended numerous cuts, which would save billions of dollars.

In this section of my statement I will also point out issues contained in the various Republican budget alternatives, on which I do not necessarily agree. I want to stress, however, that just because I may disagree with some of the recommendations of my Republican colleagues it does not mean that I do not support the general thrust of their budget alternatives. After all, that is all a budget resolution really is meant to provide—the general budgetary blueprint for the coming fiscal year. All the programmatic assumptions made in a budget resolution are only advisory, and are not binding.

ELEMENTARY AND SECONDARY EDUCATION

As the reauthorization for the Elementary and Secondary Education Act (H.R. 6) further progresses through Congress, I want to reiterate my support for continued funding for the chapter 2 and Even Start programs. I would increase funds for chapter 2 by consolidating into it several other smaller education programs, instead of eliminating it as the administration has requested. I do, however, support the administration's fiscal year 1995 request of $118 million for Even Start.

The administration has requested a substantial increase in funds for chapter 1, but I would defer any increase until we are assured that true quality reform for this program will be passed by Congress and implemented by the administration.

The Republican/Kasich alternative proposes to eliminate both "a" and "b" impact aid payments. While I support the elimination of "b" payments, I differ with my colleagues with regard to eliminating "a" payments.

In addition to ESEA, I again recommend continuing the effort to close the funding gap in the Individuals with Disabilities Education Act [IDEA] mandate. As of fiscal year 1983, the Federal Government was mandated to contribute 40 percent of the excess cost of educating children with disabilities. The Federal Government currently only provides, and the administration only requests funding for, 7 percent of the cost necessary to educate disabled children.

Also regarding disabled children, I do not support the specific recommendations of the Republican/Kasich alternative that would eliminate SSI payments for children under 16 with disabilities. While SSI payments are not within the jurisdiction of the Education and Labor Committee, most issues regarding disabled children are, and so I want to state for the record that this is one area where I differ.

FOOD AND NUTRITION PROGRAMS

My priorities for food and nutrition programs are: streamlined procedures to reduce costs to State and local governments; elimination of the fraud and abuse that threaten the system; and guaranteeing nutritional quality for those served. At a time of limited Government resources it is imperative that we stretch those resources to serve the greatest number of people.

It is also a priority for me to assure continued section 4 grant-in-aid payments to provide support for the basic infrastructure of the National School Lunch Program. It is essential that these payments continue tin order for the School Lunch Program to continue. Evidence shows that if funding were reduced to target only low-income children, then some schools would not be able to afford providing lunch services at all. This is one area where I am not in agreement with the different Republican alternatives.

I would also continue funding for the Cash/CLOS Demonstration Program, which allows schools to purchase commodities through Commodity Letters of Credit [CLOC].

POSTSECONDARY EDUCATION

Regarding postsecondary education programs, I continue to support the elimination of the Pell grant shortfall and increased funding for the Pell Grant Program as I have done under prior administrations. Increases to Pell grant funds serve those students most in need and ensure access to postsecondary education for all students.

Another program which I have strongly favored over the years is the college Work-Study Program and I support increased funding for this program.

The various Republican alternatives uniformly support the elimination of several higher education programs, which I think are vital to our Nation's students. I am particularly concerned about eliminating the State Student Incentive Grant Program [SSIG] and the Supplemental Educational Opportunity Grant Program [SEOG], both of which require matching funds from States and both of which serve the neediest students. I am also troubled by the proposed elimination of all campus-based aid, including SEOG, Perkins loans which are low interest loans made to needy undergraduates and graduates, and Work Study which requires matching funds and provides students both financial aid and valuable work experience. Redirecting one-half of the savings to the Pell Grant Program if the campus-based programs are eliminated will assist needy students, but this redirection of funds will not come close to helping the numbers of students who currently benefit from the campus-based programs.

HUMAN RESOURCES

In the human resources area, I would like to make three recommendations. First, I recommend that the funding for the Low-Income Home Energy Assistance Program [LIHEAP], that has already been appropriated for fiscal year 1995, be maintained. I oppose the administration's request to cut that funding by $707 million. Even the Democrat Budget Resolution, which departs from the administration's request, would cut LIHEAP by $187 million.

Second, I recommend that funding for Head Start be maintained at current levels plus inflation, until we are able to determine whether some real quality reforms emerge from the reauthorization process, and until any such reforms have been implemented.

Third, the administration's budget calls for a 48 percent—$275 million—increase in budget authority for fiscal year 1995 for the recently enacted national service initiative. This program is not even fully implemented yet, and so I strongly oppose the idea of increasing funding for it. Even the Democrat Budget Resolution, which departs from the administration's request, would increase National Service funding by $175 million.

Further regarding national service, I recommend applying a needs analysis to the educational awards. In this way limited Federal dollars for this program would go to the students most in need of assistance to attend college. This would not result in a budget savings, but it would result in more money being available for more needy participants in the program, once it is up and running.

JOB TRAINING

Mr. Chairman, last year the General Accounting Office [GAO] issued a report that listed 154 separate Federal job training programs. While I do not agree with the GAO that all of the programs listed are truly job training programs, I nonetheless recognize that far too much duplication and fragmentation exists within Federal education and training programs designed to serve adults and out-of-school youth. Therefore, I recommend funding for most of the major education and training programs which serve this population—including vocational and adult education programs, and programs serving disadvantaged youth and adults under JTPA—at approximately the fiscal year 1994 levels.

Yet I also recommend consolidating 84 individual training programs—as listed by the GAO—into 7 broad block grants, consisting of 12 major programs. This consolidation is expected to result in administrative savings over time, and would immediately result in much cleaner and more flexible funding streams going down to the States and local areas for these programs. I also recommend the elimination altogether of several other unnecessary programs listed in the GAO report as job training programs—most of which fall outside the jurisdiction of the Education and Labor Committee—for a total savings of approximately $1 billion over fiscal year 1994. These eliminations could be accomplished without adversely affecting our true Federal employment and training programs.

I appreciated the opportunity to work with Republican members of the Budget Committee to share with them this recommended consolidation idea. While I strongly support this consolidation effort, which should improve program efficiency and result in administrative savings, I am concerned over the level by which these programs—beyond our recommendations—were reduced in the Republican budget resolution alternative. I do want to note, however, that this proposal does provide moderate increases in funding for training programs for disadvantaged youth and for dislocated workers.

In the work force preparation area, I recommend modest increases for a consolidated dislocated worker program; for the development of occupational skill standards; for the establishment of a school-to-work transition system; and for incentives to States and localities to implement reforms leading to a coordinated system of one-stop-shopping delivery of training services. All of these recommendations fall within our recommendations for a much more efficient and flexible system of workforce development in this Country, and represent significantly smaller increases than proposed by the administration's budget in this area.

LABOR

Mr. Chairman, with regard to labor issues I have several priorities.

The Department of Labor proposes $36 million to be allocated for increased enforcement. I submit that the Department has adequate enforcement and that the administration should apply any surplus here to the deficit or to programs to help small employers learn how to comply with these complex laws. For example, OSHA has a consultation program which could be more adequately funded under this approach.

I recommended that the costs of any new Federal mandates on State or local governments must be determined in advance and/or will be applicable only to the extent that the Federal Government provides offsetting moneys. This recommendation is consistent with legislation that I have sponsored—see H.R. 1295. This is a recommendation that applies to all areas within the jurisdiction of the Education and Labor Committee, and to all issues before Congress for that matter.

I recommend amending the Federal Employees' Compensation Act [FECA] to prohibit individuals from receiving FECA benefits if they have been convicted of FECA fraud. This would result in a savings of $22.6 million over 5 years. (See H.R. 3491).

I, along with all of the Republican Budget alternatives, recommend repealing the Davis-Bacon Act and exempting Federal construction projects from the reporting requirements of the Copeland Act. This would result in a savings of approximately $3.3 billion over 5 years. At a minimum, the threshold for coverage under the Davis-Bacon Act should be raised and the reporting requirements under the Copeland Act should be reduced.

Again, I and all the Republican Budget alternatives recommend amending the Service Contract Act to eliminate the successorship provision, thereby permitting successor contractors to pay lower wage rates or to provide less costly fringe benefits than those provided by their predecessors. This would result in a savings of $900 million over 5 years. Furthermore, repealing the Service Contract Act would result in more significant savings.

Mr. Chairman, the National Institute for Occupational Safety and Health [NIOSH] was established in order to be the research arm for occupational health and safety issues. While some of its activities are focused on research, much of its work in recent years has been focused on making recommendations for regulatory action by MSHA, OSHA, and other agencies. This leads to a confusing situation—one Government agency, which does not have responsibility for action, telling another agency, which does have that responsibility, what to do. I recommend eliminating NIOSH, saving $133 million from the administration's budget.

The National Performance Review [NPR] recommended that OSHA establish a program using what it termed "market mechanisms" to improve safety and health, and specifically recommended the use of incentives to encourage employers to utilize third party auditors to review the workplace. This proposal is similar to proposals for changing the OSHA program contained in legislation proposed by Education and Labor Republicans—see H.R. 2937. It is not a budget savings, but it would allow for better utilization of Government resources, and thus alleviate the need for any "army of OSHA inspectors to descend on American employers."

I recommend allowing voluntary electronic filing of ERISA Annual Financial Reports—Forms 5500—and further consideration of how to increase the percentage of reports filed electronically. This is a desirable method of significantly reducing the cost of processing—cost shared by DOL and the IRS—and reducing the 3-year delay it takes to obtain information from an annual filing.

I recommend amending the ERISA requirement for the filing of summary plan descriptions by employee benefit plan administrators with the DOL. Since the summary plan descriptions are actually filed for only a small percentage of plans, the cost to maintain the system and the administrative burden on employers far outweigh its public benefit. The NPR suggest that this program change would save approximately $600,000 in fiscal years over a 5-year period.

I recommend amending and enhancing the Department of Labor's Return-to-Work Program which assists occupationally disabled Federal workers return to work. By overhauling the program substantial savings could be gained by reducing long-term benefit costs to the Government. The NPR estimates that the change would result in approximately $125.7 million in savings over a 5-year period.

Finally, I recommend that Pension Benefit Guaranty Corporation [PBGC] reform legislation be enacted this Congress in order to prevent the occurrence of substantial long-term costs and the insolvency of the pension plan termination insurance programs administered by the PBGC.

CONCLUSION

In conclusion Mr. Chairman, I believe, in general, we need to pass economic policies which cut domestic spending; provide for a responsible defense budget which meets national security requirements in a volatile and unpredictable world; reduce the burden of taxes and mandates on private enterprise—the job creators; and eliminate the deficit so that we can begin the long and difficult task of reducing the national debt. I hope Congress will pass, and the President will support, a fiscally responsible budget that addresses these fundamental criteria.

Mr. ALLARD. Mr. Chairman, today this House debates the budget of the U.S. Government for the years 1995 through 1999.

As we begin this debate it is clear that the Congress has arrived at a fork in the road. We have a choice.

We can go down one fork in the road recommended by President Clinton, or we can go down the other fork recommended by those of us who serve as Republican members of the House Budget Committee.

The road that President Clinton wants us to take promises the American people business as usual as far as the eye can see. Down this road we get bigger Government, higher taxes, and nearly $1 trillion more added to the national debt by 1999.

Down the other road, mapped out by JOHN KASICH, and unanimously supported by all his Republican colleagues on the Budget Committee, the American people get change.

The Republican budget alternative reduces the deficit by $150 billion more than the Clinton plan.

The Republican alternative provides tax relief for working families in the form of a $500 tax credit for children. It also provides capital gains indexing, Individual retirement accounts, and strong depreciation incentives—all designed to help small businesses create jobs and grow our economy.

The Republican alternative truly reinvents Government by transferring Federal land and resources to the States. It also reinvents the Department of Agriculture—restoring it as an agency designed to empower farmers not bureaucrats.

The Republican alternative includes comprehensive welfare reform, and tough punishment for crime.

The Republican alternative includes a health care reform plan which identifies the problems with our health care system and fixes those problems. Our plan builds on the first health care system in the world and fundamentally rejects the socialist approach of the Clinton health plan. The Clinton health plan promises all the compassion of the IRS and the efficiency of the post office.

The Republican alternative retains a strong defense to guarantee peace and security in a dangerous world.

The Republican alternative calls for a budget which reflects the massive cost of Federal regulations and redtape, and then sets out to reduce that redtape.

Now let's contrast this vision of change with Mr. Clinton's budget. The White House would like Americans to believe that the President's budget is a tough budget filled with spending cuts. Unfortunately, many in the media have bought into this deception.

The facts lead to a very different conclusion. According to the President's own budget document, Federal outlays will rise from $1.4 trillion in 1993 to $1.74 trillion in 1998. Only in Washington would a $330 billion increase be considered a tough budget.

What makes these numbers more striking is that because of President Reagan's victory in the cold war we are today able to spend $70 billion less in real terms on defense than we did in 1987.

Even with dramatic declines in defense spending, we find overall spending going up. This tells us one simple fact: Domestic spending under President Clinton is growing by leaps and bounds.

Let me point out several specifics which demonstrate the problem with the Clinton budget. As a member of the Budget Committee, I was responsible for developing four areas in the Republican budget. These were natural resources, agriculture, energy, and science. Lets compare the difference in these areas with President Clinton's budget.

The Republican alternative cuts outlays in the natural resources area $17 billion more than Clinton over 5 years. In energy, the Republican plan cuts $16.4 billion more in outlays over 5 years. In agriculture, we achieve $10.6 billion more in outlay savings. Only in science do we spend a modest $1.9 more in outlays than Clinton.

In just four areas, the Republican alternative achieves $42 billion more in spending reduc-

tion over 5 years. This makes it clear why the Clinton budget continues to grow the Government.

The choice at the fork in the road is clear: More of the same big Government with Mr. Clinton, or real change with the Republican plan. I vote for change.

It is clear from this budget debate that the Democrats looked change in the eye, and blinked. By contrast the Republicans embraced it.

President Clinton promised Americans family tax relief; the Republicans deliver it with the $500 tax credit for children.

It is about time we started giving families a break.

I am always amused when I listen to the media or read studies by academics talking about what the biggest expenses for families are.

Sometimes we hear that the mortgage is the biggest expense.

Sometimes we hear that food and clothing are the biggest expense.

Sometimes we hear about education or transportation expenses.

None of these are close to the biggest expense for most families.

The biggest expense for middle class American family is taxes.

Tax Freedom Day is the day each year that the average person works to pay the tax bill. Last year it was May 3, the latest ever. It will be even later this year with all the new Clinton tax hikes.

This means that in the typical American family, the parents are working for the Government for the first 4 months of the year. Over a third of family income goes to Government.

It is time to recognize this huge tax burden and give something back to the hard working families that pay the bills around here.

It is also appropriate that this tax credit gives something to the young people of this country since they are going to be the ones responsible for paying the interest on the national debt that Congress keeps increasing.

This $500 credit is the least we can give to our children. As it stands now, all the Democrat budget plan gives them is a $4.5 trillion debt.

President Clinton and his Vice President continually talk about reinventing government. The Republican budget alternative doesn't just talk about reinventing government—we do it.

Included in our plan is a complete overhaul of the Federal Government's natural resources policy.

We dramatically downsize the Department of Interior—eliminating bureaucracy and consolidating the numerous Federal land agencies into one Federal Land Management Agency.

We retain parks and land of an enduring national interest at the Federal level and transfer the remaining land and control to the States.

I would like to quote from Vice President GORE'S National Performance Review [NPR] in support of our proposal. Here the NPR is addressing the need to consolidate land programs within Interior:

Federal lands managed by DOI's Bureau of Land Management (BLM) and the Department of Agriculture's Forest Service often lie side by side or are intermingled in many areas. This dispersed ownership pattern prevents efficient operations and results in fragmented assistance to customers.

This sounds great, but the President's budget does nothing to address this. The Republican plan takes action. We combine the lands of many Federal agencies into one land management agency. The Republican plan doesn't just talk about the problem, it fixes the problem.

Similarly, in the Department of Agriculture we work to empower farmers, not bureaucrats.

We close more field offices than the administration, but avoid cuts in farm programs such as the administration's dramatic reduction in conservation cost share programs.

Unlike the administration we don't only cut field offices that farmers use, we also cut field offices that have only administrative functions.

I would now like to address the issue of health care reform. It is interesting to note that neither the President's original budget submission, or the Democrat budget plan accounts for the cost of the administration's health reform plan.

Earlier in the year, Representative PENNY and I introduced legislation to require that all Government mandated health care reform be on-budget where the American people can clearly see the level of taxes and outlays envisioned under the Clinton health plan or any other health reform plan that includes mandates.

This is no small matter. A recent analysis by the Alexis de Tocqueville Institution, which I distributed to all members earlier this week, concludes that by the year 2004, when the Clinton plan is fully implemented, taxes would be $566 billion higher than without the Clinton plan. In effect, under the Clinton plan Federal taxes would be increased by 27 percent, by far the largest tax increase every.

Last month, the Congressional Budget Office recommended that the Clinton health plan should be on-budget with the mandated premiums of employers and employees counted as Federal receipts and the expenditures of the health alliances counted as Federal outlays.

Since CBO's view was only advisory, I have found it necessary to pursue this issue and help ensure that any health care reform enacted this year is properly accounted for in the Federal budget.

Last week during the Budget Committee markup of this resolution I offered an amendment making clear that it is the understanding of the Budget Committee that any health care reform relying on mandated payments should be on-budget. I am pleased that this amendment passed and is included in the Sabo budget resolution.

The American people are presented with two dramatically different visions for America in this budget debate. The Democrat-Clinton budget sees America's future in higher taxes, more spending, and bigger Government.

By contrast, the Republican plan is a detailed vision of a dramatically scaled down Federal Government, lower taxes, and less control of our lives by Washington.

Mr. Chairman, we have indeed arrived at a fork in the road. For 40 years this House has been controlled by the Democrats. As a result we have continued down the road of bigger Government. It is time for a change.

The American people are ready to take the other fork in the road—the fork that leads to less Government and more freedom.

Mr. WILLIAMS. Mr. Speaker, I rise in support of the budget resolution before the House today.

This resolution implements the spending cuts mandated by the deficit reduction package enacted by Congress last year.

This resolution projects a deficit of $175 billion in fiscal year 1995, a full $115 billion less than where our Nation was 3 years ago. It results in a deficit that represents the smallest share of our economy since 1979. That is significant progress my friends and the nay-sayers on the other side of the aisle should stand up and take note.

To achieve these savings, we are trimming discretionary spending to $102 billion below the baseline level, by maintaining the spending caps on discretionary programs for fiscal years 1994 through 1998. In fact, this resolution is $6.8 billion in budget authority below the discretionary cap for fiscal year 1995.

President Clinton's budget presented us with a number of important investment opportunities. This budget assumes 92 percent of these investments in such efforts as Head Start, job training, compensatory education, WIC, and crime control. This budget also assumes most of the extensive cuts in discretionary spending with the termination of 100 programs and spending cuts in more than 200 others.

This budget resolution wisely rejects the President's proposed cuts in low income energy assistance and in mass transit operating funds.

I urge my colleagues to support this resolution, and I want to congratulate my friend, Chairman SABO, for his and his committee's efforts in putting it together.

Mr. KYL. Mr. Chairman, before any Members of this House try to sell the American people on the idea that the Federal budget deficit has been tamed—that Congress can take a respite from deficit-cutting this year—keep in mind that the Congressional Budget Office has estimated that the deficit will climb to $365 billion in less than a decade.

The budget for fiscal year 1995, which has been proposed by the Budget Committee, and which closely mirrors the budget submitted by President Clinton, raises the white flag in the fight to reduce the deficit. In fact, were we not to pass this budget resolution and simply allow the budget to run on auto-pilot, deficits would actually be lower over 5 years by some $26 billion than they will be under the Clinton budget.

Let me say that again: if we do nothing—if we simply allow the current budget to run on auto-pilot—the Nation will accumulate $26 billion less in new debt than if we pass the Clinton budget.

Mr. Chairman, the President and the committee had to struggle just to say within the spending caps they set in their own budget last year. They were left scrambling after the Congressional Budget Office [CBO] found that the President's plan exceeded the spending caps by $3.1 billion.

But, even that doesn't tell the whole story. The only way the President and the Budget Committee can make their budget numbers

meet the spending caps is by omitting major spending initiatives they support.

For example, the budget before us today does not include the costs of the President's health care reform plan, and those costs will be significant. Despite the President's suggestion that his health care plan will reduce deficits, the CBO determined just a day after he submitted his budget that the Clinton health plan would boost Federal budget deficits by $74 billion. And a week later, CBO upped that projection by $51 billion more—bringing the increase in the deficit attributable to the Clinton health care plan to a total of $125 billion over 9 years.

The costs of welfare reform, the crime bill, and immigration reform are missing from this budget, as well. Once those are added, spending will increase further, and so will the budget deficit.

This budget is short by $20 billion the amount which the Clinton administration's own Bottom-Up Review determined was necessary to meet the basic national security needs of the country.

Mr. Chairman, this budget resolution would score an incomplete in any classroom in America.

This is a budget of stale ideas—just more spending and more debt.

The alternative budget that is being proposed by the ranking Republican on the Budget Committee, JOHN KASICH, is a budget of real change. The Kasich budget would reduce the Clinton deficits by $152.6 billion over 5 years. By setting priorities, the Kasich budget is not only able to cut low-priority spending and achieve those savings, but also identify the resources and pay for health care reform, welfare reform, and a new crime initiative.

The Kasich budget includes significant new economic growth incentives, including indexing of capital gains, fully deductible individual retirement accounts [IRA's], extension of the research and development tax credit, and immediate expensing of business equipment.

And, most important, it gives badly needed tax relief to American families, providing a $500 per child tax credit. That provision alone will pump $375 million into Arizona's economy every year.

Mr. Chairman, the Kasich budget provides tax relief. It includes, and fully funds, health care and welfare reform, and a major anticrime initiative. It does all these things and still cuts the Clinton deficits by more than $152 billion. How? It sets priorities for spending, something that has been lacking for far too long in this Chamber.

I urge my colleagues to oppose the committee-Clinton budget, and support the Kasich alternative.

The CHAIRMAN. All time has expired on this segment.

Pursuant to the rule, it is now in order to debate the subject matter of amendment No. 4.

The gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes and the gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

GENERAL DEBATE ON AMENDMENT NO. 4

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the very distinguished gentleman from Virginia [Mr. WOLF], one of the leaders of the family movement in the House.

Mr. WOLF. Mr. Chairman and Members of the body, I want to strongly rise in support of the Kasich budget. This is the most important vote that any Member of Congress will be able to vote on with respect to helping the American family. In the Kasich budget, in the Republican budget, they give a $500 tax credit per child. Now, in the National Commission for Children, which President Clinton was on and Marian Wright Edelman, noted for being concerned with children, Senator ROCKEFELLER, and our colleague from the other side, the gentleman from California [Mr. MILLER], came on and recommended a $1,000 tax credit. We can only give a $500 tax credit, but still it will make a difference.

Second, why should we be for this? The American family is under more pressure today than any other time in the history of this country. Every indicator that you look at is going the wrong way: Child abuse is up, spouse abuse is up, teen suicide is up, teen pregnancy is up, teen violence is up. The Kasich budget deals with this issue by allowing moms and dads to keep more of their hard-earned money.

They say the basic problem for the family is the twin deficits, not enough money to take care of the kids and not enough time to spend with their kids. The Kasich budget allows parents to keep more of their hard-earned money. We do not create a new Government agency, we do not hire more employees, we do not build more buildings, we just merely allow you in your tax returns to keep more of your hard-earned money.

Last year we had a bill similar to this, with 240 cosponsors, both Republican and Democrats alike.

Second, I as a father of five kids—and none of my kids can take advantage of this now, they are too old—but I wanted my children to have my values. If you want your children to have your values, you have to spend time with your children; you do not just publish a notice saying, "These are the values of the family and you will live by them."

Values are not only taught to children, values are caught by children, as Dr. Dotson says. This bill will enable parents to spend more time with their kids. This is clearly—there are many other good things in the bill, many other things—but this one provision with regard to the $500 tax credit is the most pro-family issue that we have ever had.

So I just strongly urge Members, frankly everyone on both sides of the aisle, to support this bill because this bill will do more than anything we have done in the last 10 years to help the American family.

So I strongly rise and urge everyone to support this very, very reasonable proposal. I thank the gentleman from Ohio. He has done more in this proposal to help moms and dads and kids than anything we have done in this Congress for the last 10 years.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Ohio.

Mr. KASICH. I thank the gentleman for yielding.

Mr. Chairman, would the gentleman from Virginia say that the people across this country, the American family, would like to cut paperclips and printing and transportation of bureaucrats in part to help pay for this? Or does the gentleman think they would rather invest in paperclips, travel, bureaucracy?

Mr. WOLF. No, the moms and dads of this country would certainly favor this. Particularly, let me say the toughest job in the world is a single parent. The gentleman's bill does more to help single parents than anything we have done. So, clearly, they would like to make those cuts.

I thank the gentleman again for his leadership. He has done more to help parents, particularly single parents, but all parents than any other single thing we have done. I hope the gentleman will get a unanimous vote from this side as well as the other side.

Mr. Chairman, I support the Kasich budget, putting families first. The Kasich budget is a dramatic shift in Government resources that directly reinvests in American families and provides incentives to increase job creation, private savings, and sound investments in the future by providing individuals and families with a greater participatory role in shaping and determining their own futures.

The Kasich budget does all of this while cutting the budget by approximately $100 billion more than the President's budget. It also does this while putting a good welfare reform plan in place, reforming health care in a positive way that will help families and putting more money into crime control. This plan also does not harm present Federal employees or retirees and in fact will help many Federal employee families by providing them with a significant tax break. Given the hits they have taken in the past 2 years, this is good news. In short, the Kasich budget is good policy and it makes good sense.

Instead of increasing taxes and writing off the middle class, the Kasich budget resurrects many of the promises made to the middle class during the election and helps to revive the ability of families to personally invest in their future. The $500 child tax credit in the Kasich budget will scale back the heavy tax burden imposed on American families. This is a simple means of allowing families to keep more of their own hard-earned money and invest it in their own families. Family tax relief is a good common sense policy that has support across the political spectrum ranging from the Heritage Foundation to the Family Research Council to the Progressive Policy Institute to the Communitarian Network. The National Commission on Children, which was chaired

by Senator ROCKEFELLER and included as members Bill Clinton, Marian Wright Edelman, and Congressman GEORGE MILLER, endorsed a $1,000 child tax credit. Surely, with this kind of broad based support, we can at least start this process this year.

In 1992, candidate Clinton berated Beltway Democrats who want to spend more of your tax money on programs that don't embody your values. In January 1992 as a Presidential candidate, Bill Clinton said that family tax relief was the answer. He said the one glaring difference between himself and Democratic rival Paul Tsongas was his support for a middle-class tax cut. This tax cut was to be in the form of a child-based tax credit or a reduction in middle-class tax rates; families would select one or the other. In his campaign treatise, "Putting People First," Mr. Clinton reiterated this policy: "Virtually every industrialized nation recognizes the importance of strong families in its tax code: we should too."

In the 102d Congress a family tax relief measure that I introduced, H.R. 1277, which increased the dependent deduction for children, gained the bipartisan support of 262 House Members. In the 103rd Congress this same measure, introduced as H.R. 436, has the support of 208 Members. This measure would increase the dependent deduction from the present level of $2,350 to $3,500. The $500 tax credit for children included in the Kasich budget is the equivalent of increasing the dependent deduction to approximately $6,000 for a family in the 15 percent bracket. This tax credit serves the same purposes and will allow families to keep more of their own hard-earned money.

The growing tax toll on families burdens millions of, if not most, families. When State and local taxes are included, Government now takes over one-third of the income of the average family. During the past four decades, the tax protection for families has shrunk to one-quarter of what it was in the 1950s. If the dependent deduction had kept pace with inflation and per capita income, it would stand at over $8,000 a person this year, according to the Urban Institute, rather than the 1992 level of $2,300.

Furthermore, two-thirds of the average working mother's earnings go to paying for increases in Federal taxes over the past several decades rather than providing additional income for her family. Uncle Sam gets more out of Mom's paycheck than do her own children.

Not surprisingly, the condition of children and families has declined along with this increased taxation on families. Yet, while today's families are under tremendous cultural pressures and social changes, they are forced by financial realities to spend less and less time attending to family matters. Daily, we see the adverse effects of this downward spiral.

A recent report by former Education Secretary William Bennett identifying various cultural indicators of well-being paints a disturbing picture of our culture today: There has been a 419-percent increase in illegitimate births since 1960; more than a 200-percent increase in the teenage suicide rate; and quadrupling in divorce rates; a tripling of the percentage of children living in single-parent homes; a drop of almost 80 points in SAT scores; and a 560-percent increase in violent crime, much of it by perpetrators of a younger and younger age. Another frequently cited study noted that parents today spend 40 percent less time with their children than did parents a generation ago. And all of this has occurred while total social spending by all levels of government—measured in constant 1990 dollars—has risen from $143 billion to $787 billion—more than a fivefold increase. Inflation-adjusted spending on welfare has increased by 630 percent, spending on education by 225 percent. Bennett writes, "Never before has the reach of government been greater cr its purse larger—and never before have our social pathologies been worse."

It is time to put families first again. The Kasich budget does exactly that. I invite my many colleagues who supported this tax relief measure to join us in supporting the Kasich budget.

Mr. SABO. Mr. Chairman, may I inquire of the gentleman from Ohio, does the gentleman intend to make a general presentation on his plan?

Mr. KASICH. I would say to the gentleman, what we do is have a lineup of some speakers who are going to basically talk about it. I am not writing what they are going to say, but they obviously are going to reflect the part of the plan that they support, such as the gentleman from Virginia has just done. The gentleman from Texas [Mr. ARMEY] is going to have some comments of a more general nature.

Mr. SABO. I was planning a general response to what I assumed would be a general presentation by the gentleman from Ohio.

Mr. KASICH. I think it will be more general presentation on the plan, and then of course we have the extra time tomorrow to do it again. I am not sure what the gentleman is looking for. I am not sure what the gentleman wants me to tell him.

We are going to have 30 minutes' worth of speakers who are going to outline why they support this.

Mr. SABO. They are going to be speaking to individual parts of it, not to the totality?

Mr. KASICH. I would say to the gentleman I cannot tell him that, I do not know. I think some will be specific, such as Mr. WOLF; some will be more general, like the distinguished gentleman from Texas; Mr. ALLARD will be more general. I do not know about the rest of it yet.

Mr. SABO. Very well. I was getting geared up to follow the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and members of the committee, I would first comment about some of the comments I heard earlier that somehow things are on automatic pilot. That is simply not the case. We are on a program that is producing significant deficit reduction. We had projections of deficits well over $300 billion a year. They are coming down to approximately $255 billion for last year, projected at about $255 billion this current year, and projected to go down under this program to $175 billion in 1995.

This plan involves significant changes from the administration's proposal and from plans of a year ago, as we continue on course on a significant deficit reduction program designed to get the economy going.

Let me speak to some of the specifics of the Republican plan which we have before us. Clearly, the thought of giving a tax cut to people is always popular. But what do they do? You know, a year ago we passed a substantial increase in the earned income tax credit for people working hard and at the bottom of the economic scale in this country. Are they eligible for the Republican tax credit? No.

If your income is $16,000, you are not eligible if you are a family of 4. But the benefit goes, and continues, to people with incomes up to $200,000.

But what strikes me more than anything about this plan is the hidden explosion of tax cuts contained in the bill and under their proposals.

Substantial increases in business depreciation, in IRA's, primarily benefiting the most affluent; indexation of capital gains, with over 50 percent of the benefits going to people with incomes over $200,000. How do they do it?

□ 1420

They structure it so we do not see the costs in this 5-year window, but they explode in costs after this 5 years.

Our estimate:

We do not say it with detailed language, but our estimates are that the costs of the benefits for high income people, changes in business depreciation for business, will cost in the neighborhood of $40 billion a year once we get beyond the window of the 5-year-pay-go provisions.

What about what does this amendment do, some of the basic things we are trying to do to get America going again both in the short term and then in long term?

I say, if your interest is research, it gets cut whether it is in NSF, whether it is in energy and seeking to find funding for alternative energy resources in this country. All those programs get cut. If you are concerned about a program like NISTA, trying to make grants to push the technology of this country, cut, a good number of them simply eliminated. Transportation, basic infrastructure of this country for highways and transportation, cut. Operating subsidies, cut. Costs transferred to local units of government. Amtrak, Northeast Corridor, eliminated. Education and training.

As my colleagues know, I did not support NAFTA, but I listened to people who supported NAFTA, and they said, "We know it is going to create some dislocation in our economy. We

are going to have to put special emphasis on training, over 5 years in education, training, employment and social services."

Mr. Chairman, the Kasich amendment cuts education by $53.3 billion in budget authority, close to $45 billion in outlays. Impact aid, eliminated. Guaranteed student loans, changed. So, students have to pay close to $10 billion for over the 5-year period, and it goes on and on, a couple of billion dollars more cut from training programs.

The President's proposal for additional job training, not funded. Health, increased. Research to deal with the vital health issues before this country, cut. And then, of course, we get to Medicare, big, substantial cuts in Medicare, $45 billion, most of it involving not reduction in programs, but transfer of costs from the Government to the elderly, many of the proposals similar to some of the things that the President recommends in his program for comprehensive reform of health care in this country. And to do some of those things in that context, Mr. Chairman, this amendment would cut the knees off that proposal at this point in time.

So, Mr. Chairman, veterans affairs, cut. Administration of justice, cut. It goes on and on.

Mr. Chairman, it is basically an amendment that says we will do something for some middle class families today, but we will hide the fact that we are really passing the big tax cuts for business, for the high income people, and hide it in such a fashion that the costs show up beyond the 5-year window, basically saying, we do not want to readjust, reform, Government as the administration is doing, to cut what Government is doing in our society, but focusing on some of the primary needs of this country in health research, in education, training, in training our work force, in doing a better job of solving our criminal justice system in this country.

So, Mr. Chairman and Members of the House, I would urge the Members of this body to vote no on the Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield myself as much time as I can consume here to respond because it is very interesting what the chairman has said.

First of all, Mr. Chairman, it is interesting to note that they no longer can criticize our budget fundamentally on the basis of the 5 years. Now they have got to reach beyond the 5 years in order to talk about how there is this great loss of revenue.

First of all, every time we have been asked to pay for programs, we have done it. We met the Clinton challenge when he said, "If you don't like our taxes, give us your specifics," and every time we give those folks the specifics, Mr. Chairman, they reject them in favor of more taxes.

Now we also do not believe in the static system, making industry in America more competitive. As my colleagues know, it is the administration that is bashing the Japanese right now, and to some degree with good reason, but do my colleagues know what the capital gains tax is in Japan right now? It is zero I am told by the distinguished ranking member of the Joint Economic Committee, the gentleman from Texas [Mr. ARMEY], and what we are trying to do is to say that people should be protected against inflation.

Mr. Chairman, if a senior citizen sells their home, they bought their home at $50,000, they sell it at $100,000, and there is $30,000 worth of inflation, they should not pay taxes on inflation. Second, small businesses should be given incentive to be able to depreciate plant and equipment, and guess who uses plant and equipment in America? The American worker, to become more competitive.

But what the chairman wants to say is, "Well, we can't get it in the 5 years. We'll get it in the outyears."

First of all, Mr. Chairman, we think we will have a growth. We will have added growth in this country by providing incentives to individuals and businesses that will help this economy; and, No. 2, we will pay for our programs, and it is interesting to note that the administration came up here with their health care plan which the General Accounting Office said turned health care over to the government, and it has disappeared from the budget. Why? Because it explodes the deficit, not only in the short run, but into the long run, almost into the year 2004, and then 2004 and on. I do not think the numbers are very credible.

But let me tell my colleagues a couple of other things that he has said:

So, in other words, we have got some growth elements, we have got family tax relief, we think the one positive element of the Clinton plan the last time were the tax incentives for poor Americans.

We welcomed those. Those are Republican ideas. We want to enhance those. We want to give some relief to the American family by downsizing the Government more than the Clinton administration.

The gentleman talks education, job training programs. My colleagues, the administration wants to invest in Washington bureaucracy. We want to solve the problems of Americans who cannot get job trained. Do my colleagues know what we do? We take 84 bureaucracies. We combine the programs into seven, and we send the money to the States, and we tell the Governors and the county commissioners, we think you are better at training people than a bureaucrat in Washington who does not even know what time zone it is where you live.

And let me tell my colleagues what the General Accounting Office said about the job training programs:

When reviewed individually, the more than 150 programs providing employment training, assistance, have well intended purposes.

My colleagues have good purposes when they want to invest in Washington Bureaucracy. However collectively, and I am quoting the GAO, they create confusion and frustration for their clients and administrators, hamper the delivery of services tailored to the needs of those seeking assistance and create the potential for duplication of effort and unnecessary administrative costs.

□ 1430

We are convinced that a major structural overhaul and consolidation in employment training programs is needed. And we have major restructuring of the programs and we empower local people to fix the problems.

I say to the other side, "No, it is you who want to invest in Washington Bureaucracy. It is you who want to invest in government overhead." What we want to do is we want to trust the people in the States and in the local communities. That is why we developed our WIC-plus program that consolidated all the nutrition programs and send them to the States. It saved $8 billion, and we said to the States, "Double the amount of money for poor women, infants, and children."

We eliminate bureaucracy, and we eliminate redtape. Americans all over this country know that we need to chop the waste, the duplication, the redtape, and the inefficiency, and we need to improve the programs. That is precisely what we have done, and in the course of doing it, we have provided incentives to business so they can hire people. That is paid for.

We decided that it is noble for people to save, so we created IRA's. No, we did not create it. Lloyd Bentsen created the IRA program in our budget, and we decided in the course of downsizing and improving the operation of the Federal Government we will contribute to deficit reduction $150 billion more than the administration, and at the same time we want to give the American family a piece of the savings because it represents some of the money that they send to this town. This town is intent and this administration is intent on maintaining the status quo.

Mr. Chairman, I would say to my colleague that there is not a better definition of the difference between the administration and the House Republicans than this budget proposal.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, before I yield more time, let me yield myself such time as I may consume simply to say this: It is this administration that is using Federal employees by over 270,000 over a period of 5 years. Under this budget the amount of GDP that

the Federal Government consumes by itself in goods and services is at the lowest level since 1948. It is this administration that is doing the hard work of reforming the Federal Government, of making it efficient, of streamlining it, and or turning around the record of the last 12 years of Republican administrations.

Mr. Chairman, I yield 4 minutes to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio, specifically to the draconian cuts that it makes in an area that I have been working on and that I think is important to every American family. I speak today as a microbiologist with a master's degree in Public Health and say quite honestly that the benefits to health research we have achieved over the last 4 years will be destroyed in the Kasich budget.

We remember how hard we worked in this House to get where we are today. I think every American woman is beginning to realize that for years she had been completely ignored in health resources. We found this out first after the aspirin studies became known to us. We were told that an aspirin a day would help men to prevent heart attack or a stroke. We were delighted. We said, "Every man we know shall certainly take this aspirin. Now, how much do we take?" It was then that we discovered that women had been left out of the clinical trials, and that they had no idea if we would benefit.

Over the years during the total neglect of the health care of women in this country, the incidence of breast cancer has risen in the United States while it has fallen in countries that are comparable to ours. As a matter of fact, every woman in this country knows that the statistics are 1 in 8. If we had any other plague that affected 1 in 8 Americans, we would be moving heaven and Earth to make sure we could cure, but not when it came to breast cancer. Only since 1990 have we been able to direct any money in the budget at all and direct it toward breast cancer research.

There are millions of people, men and women, who devote themselves to work on this battle on a daily basis who are going to be angry to find that not only will we lose what we gained, but we are going back below where we used to be: pre-1990.

It has taken us the 6 years I have been here to be able to get older women's mammograms covered by Medicare. We could lose this with Kasich.

We talk about giving peace of mind to American families. How do we give an American family peace of mind when 1 in 8 of them will lose their mother, their daughter, their sister, or their wife. We have successfully tried over the years to pay some attention to the diseases that affect women most that have been ignored like ovarian cervical cancer, osteoporosis, lupus, the diseases related to DES exposure and diseases with special risk factors for women.

We know that every single dollar we spend on health research or on prevention will save us $10. What we may lose here is an investment in the health of our citizens.

There is $30 billion less than our budget recommendation for the discretionary health programs, and that includes AIDS research, AIDS funding, and childhood immunization. We would already, if it were not for Colombia and Haiti, have the worst immunization rates for our children in the Western Hemisphere.

Health research and infant mortality, surely we cannot afford to let these things go unresearched. And what about tuberculosis prevention? That is a disease that is coming back and growing daily.

These investments, as I have said before, are very important. We cannot expect a healthy economy built by an unhealthy Nation. Health must be a top priority for our Government.

As we speak today, more women are dying of breast cancer. I would point out that 46,000 women will die this year of breast cancer, and 300 men will die; this is an incidence in men that doubles almost on a yearly basis.

Mr. Chairman, after so many years of nothing and after 4 years of trying to catch up, I urge my colleagues not to take the risk of putting us back into that abysmal darkness of illness and no hope.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I just want to respond to the last speaker and point out that while the Clinton budget does increase health care functions by 11 percent, our budget does increase health care functions by 6 percent. So the draconian cuts the gentlewoman from New York is talking about are simply not true. We do understand the need for this kind of research, and we do fund it. We believe there are areas where we can make reductions, but we are not talking about the drastic cuts the gentlewoman suggested we were talking about.

Mr. ARMEY. Mr. Chairman, the gentlewoman from New York should realize that in her district, the 28th District of New York, the Kasich budget promises $56.5 million of family tax relief. I am sure her families will find that nothing to sneeze at.

Mr. Chairman, I have been listening to this debate from some time, and as I listen to the debate, I realize that the American people, when they address the question of the budget, make a singular demand of us, and that is, in the parlance of the street, to "get real." They want us to "get real" and understand that this is a real matter of real consequences in their real lives.

□ 1440

What they do not understand in the real world is that in Washington we have a different standard for reality. In Washington, perception is reality.

Now, I have just listened to another stock-in-trade tirade against the eighties. Mr. Chairman, when will the members of the Democrat Party give up on the eighties? When will they finally give up on trying to tell the American people that what they understand to be their own life's experience for a very important decade in their life is something different than what they know it to have been?

This is an important point. Because if the Democrat spokesman for their budget cannot even tell an accurate story about 10 years in the life experience of the real American family across this whole Nation, if they cannot even understand the reality of life in America for the most recent decade in which we have lived in this country, how then can we expect them to present to us with any degree of reality what it is we are doing now, and what will be the consequences of that in the future?

The fact is the American people made a magnificent economic success of their life during the eighties, especially by contrast to the economic horror of stagflation in the seventies, when in fact we had the only period in the history of this country, from 1976 to 1980, where the rich got richer and the poor got poorer.

During all of the eighties, with the exception of the year 1980, the last year of the Carter presidency, the last year prior to this year in which the Democrats controlled the House, the Senate, and the White House, we had 140 percent of all the decrease in average family income that took place in this country for the period of time 1979 to 1989. In fact, in 1980, only 1 percent, the richest 1 percent of the American people, realized any increase in their average family income. Everybody else lost.

That, ladies and gentlemen, is why Ronald Reagan got elected. And throughout all the eighties, the rich got richer, and the poor got richer. And what galls the Democrats is that the rich got richer and the poor got richer on their own, without Government redistribution programs.

Mr. Chairman, the American people know the reality of their life experience. Why not drop the farce. Leave the eighties alone.

Also, maybe we could do budget work that is a little bit better than good enough for Government work.

Mr. SABO. Mr. Chairman, I yield 3½ minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], a distinguished member of the Committee on Ways and Means.

Mrs. KENNELLY. Mr. Chairman, I rise today in support of the budget resolution and in opposition to the Kasich substitute.

This budget resolution would reduce the deficit to a level that is $115 billion less than it was 3 years ago, representing the smallest share of the U.S. economy since 1979. It would mark the first time since 1969 that discretionary spending would actually fall.

This budget is concrete evidence that the discretionary budget caps are real and they do bite. The Budget Committee even had to cut the President's budget by an additional $3.1 billion to bring it into line with the caps and Congressional Budget Office scoring.

In addition, we are under the entitlement caps set last year. And entitlement spending will be addressed in health care and welfare reform later this year. Both health care and welfare reform will be done on a pay-as-you-go basis. Increases in spending in one area will necessitate cuts in another.

Mr. KASICH, on the other hand, assumes the Republican welfare plan. As I said to the gentleman from Ohio in the committee, the budget resolution, particularly a budget resolution without reconciliation instructions, is not the place to do welfare reform. The Republicans have their plan; the President will submit his sometime around Easter and we will have real debate about this in the Ways and Means Committee.

I agree with the President that welfare ought to be a second chance, not a way of life. I certainly hope that those who vote with Mr. KASICH today are as serious about reinventing welfare when we get down to it in Ways and Means as they purport to be today.

The Kasich substitute also assumes the Republican alternative health care plan.

Again, this is not the place to debate health care. The Ways and Means Health Subcommittee has been in bipartisan markup all week on health care. And Mr. DINGELL and Mr. FORD are talking with Members trying to move a bill in their respective committees.

We may not have a consensus on health care at this point but we do have three major committees hard at work on finding one. I think the one area all three committees would agree on at this point is that there certainly is not a consensus to support the Republican alternative. I can only hope your Members will be as interested in health care when it comes down to specifics in the committees.

The Budget Committee worked hard on this budget to bring it into line with last year's caps using CBO reestimates, but we also worked to increase funding for important programs.

One of the few areas where the President asked for a significant increase was for crime programs. We have increased funds for the crime bill and to move us toward our goal of putting an additional 100,000 police officers on the street. I don't think there is a single person in this body who would disagree with the need to crack down on crime. This funding will be of substantial help in that area.

In addition, the committee added back much of the President's proposed cut in the Low Income Home Energy Assistance Program. Thousands of families in Connecticut rely on this program for help to pay their heating bills. And when you've had a winter like the one we had this year, this funding can mean the difference between life and death.

So we did make hard choices in this budget resolution. Do I personally wish we could have done more in some areas—aid to cities for example—absolutely. But it is not always possible to do everything we would like to do, which brings us to Mr. KASICH's $500-a-child tax credit.

Sure, it sounds great. I wish I could support it, and I'll bet the President does too. But with future deficits projected to be over 160 billion per year, we simply cannot afford it. The President has said, and I support him in this, that to the extent the economy continues to improve and the deficit along with it, he is willing to reexamine this issue. But in the interim, it simply is cruel to hold out hope that this is going to happen any time soon.

The Kasich child tax credit is also a cruel hoax on many hardworking American families. Many moderate income families simply won't even be eligible—families with incomes below $16,000—that is because the credit is not refundable. It simply makes no sense that a family with $150,000 income gets $500 a child and the working family making a whole lot less doesn't.

The Kasich substitute also promises $119 billion in tax cuts and lower deficits over the budget window. But he does it by using a different baseline and manipulating the numbers. In fact, the depreciation piece alone was estimated by Joint Tax to cost $60 billion over 5 years until they manipulated the timing of the deductions—but even with the manipulation, the proposal raises $4 billion in the year but plunges to costing $1 billion in year five. CRS has estimated that outside the budget window, this change would ultimately be more than 10 times as large as the temporary decrease in the deductions in the budget window.

So I would say to my colleagues be realistic, be responsible, oppose Kasich and support the budget resolution. This budget is a good budget, and well rounded. It continues the progress we made last year in attacking the deficit, progress that contributed to the economic rebound in many areas of the country.

Finally, I would like to thank and commend my good friend, the gentleman from Minnesota [Mr. SABO], for his great leadership in shepherding this bill through his committee. He has worked tirelessly on this, and we all owe him a debt of gratitude.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Colorado [Mr. ALLARD], a member of the committee.

Mr. ALLARD. Mr. Chairman, I would like to thank the gentleman from Ohio for yielding time to me.

Mr. Chairman, in response to the previous speaker, the gentlewoman from Connecticut [Mrs. KENNELLY], it is the Republican budget, it is the Kasich budget, that is really making the tough choices. In addition to making these tough choices, we are providing $500 per child in tax credit for family relief from the tax burden they are already facing. It is a badly needed relief that we should give to the American family.

The basic choice is do you do more for Washington or do you do more for the people back home or for the American family? And I think that the answer is that you do more for the American family. Because when you do that, they are going to put their worth in the marketplace, and that is where real economic growth is going to occur.

Mr. Chairman, today this House debates the budget of the U.S. Government for the years 1995 through 1999.

As we move through this debate it is clear that the Congress has arrived at a fork in the road. We have a choice.

We can go down one fork in the road recommended by President Clinton, or we can go down the other fork recommended by those of us who serve as Republican members of the House Budget Committee.

The road that President Clinton wants us to take promises the American people business as usual as far as the eye can see. Down this road we get bigger government, higher taxes, and nearly $1 trillion more added to the national debt by 1999.

Down the other road, mapped out by JOHN KASICH, and unanimously supported by all his Republican colleagues on the Budget Committee, the American people get change, more for Washington, less for us, the American people.

The Republican budget alternative reduces the deficit by $150 billion more than the Clinton plan.

The Republican alternative provides tax relief for working families in the form of a $500 tax credit for children. It also provides capital gains indexing,

individual retirement accounts, and strong depreciation incentives—all designed to help small businesses create jobs and grow our economy.

The Republican alternative truly reinvents government by transferring Federal land and resources to the States. It also reinvents the Department of Agriculture—restoring it as an agency designed to empower farmers, not bureaucrats.

The Republican alternative includes comprehensive welfare reform, and tough punishment for crime.

The Republican alternative includes a health care reform plan which identifies the problems with our health care system and fixes those problems. Our plan builds on the finest health care system in the world and fundamentally rejects the socialist approach of the Clinton health plan. The Clinton health plan promises all the compassion of the IRS and the efficiency of the post office.

The Republican alternative retains a strong defense to guarantee peace and security in a dangerous world.

The Republican alternative calls for a budget which reflects the massive cost of Federal regulations and redtape, and then sets out to reduce that redtape.

Now, let's contrast this vision of change with Mr. Clinton's budget. The White House would like Americans to believe that the President's budget is a tough budget filled with spending cuts. Unfortunately, many in the media have bought into this deception.

The facts lead to a very different conclusion. According to the President's own budget document, Federal outlays will rise from $1.4 trillion in 1993 to $1.74 trillion in 1998. Only in Washington would a $330 billion increase be considered a tough budget.

Let me point out several specifics which demonstrate the problem with the Clinton budget. As a member of the Budget Committee I was responsible for developing four areas in the Republican budget. These were natural resources, agriculture, energy, and science. Let's compare the difference in these areas with President Clinton's budget.

In just four areas, the Republican alternative achieves $42 billion more in spending reduction over 5 years. This makes it clear why the Clinton budget continues to grow the government.

I would now like to address the issue of health care reform. It is interesting to note that neither the President's original budget submission, or the Democrat budget plan, accounts for the cost of the administration's health reform plan.

Last month, the Congressional Budget Office recommended that the Clinton health plan should be on-budget with the mandated premiums of employers and employers counted as Federal receipts and the expenditures of the health alliances counted as Federal outlays.

Since CBO's view was only advisory, I have found it necessary to pursue this issue and help ensure that any health care reform enacted this year is properly accounted for in the Federal budget.

Last week during the Budget Committee markup of this resolution I offered an amendment making clear that it is the understanding of the Budget Committee that any health care reform relying on mandated payments should be on-budget. I am pleased that this amendment passed and is included in the Sabo budget resolution.

The American people are presented with two dramatically different visions for America in this budget debate. The Democrat-Clinton budget sees America's future in higher taxes, more spending, and bigger government.

By contrast, the Republican plan is a detailed vision of a dramatically scaled down Federal Government, lower taxes, and less control of our lives by Washington.

Mr. Chairman, we have indeed arrived at a fork in the road. For 40 years this House has been controlled by the Democrats. As a result we have continued down the road of bigger government. It is time for a change.

The American people are ready to take the other fork in the road—the fork that leads to less government and more freedom. We need to do less for Washington and more for the American people.

□ 1450

Mr. SABO. Mr. Chairman, I yield 3 minutes and 30 seconds to the distinguished gentleman from North Carolina [Mr. PRICE], a member of our committee.

Mr. PRICE of North Carolina. Mr. Chairman, to anyone who finds the Kasich budget to have a superficial political appeal, all I would say is just read the fine print. I want to concentrate on one aspect of that here today. This is something we hear a lot of talk about in this Chamber, unfunded mandates.

Members protest unfunded mandates all the time, and rightly so, the way we here in Washington sometimes make decisions without any regard for their impact on State and local government. Too often, we just pass the cost along.

Well, to anyone who is concerned about unfunded mandates, I would say watch out for this Kasich budget. Not only does it have unfunded mandates, it has defunded mandates.

We can do this in two ways: We can lay new responsibilities on the States and localities and then let them eat the cost, or we might remove the supports they now have. Unfortunately, this Kasich budget does both.

Let me give a few examples. In the natural resources and environment area, the Kasich substitute takes away $1.9 billion in Federal financial assistance to localities for construction of waste water treatment and drinking water facilities. That is what these communities have to do to comply with the Clean Water Act and Drinking Water Act.

The Kasich budget would simply jerk the props out from under them.

In the transportation area, the Kasich substitute says that the Federal share of mass transit capital grants is going to move from 80 to 50 percent, and there is going to be no assistance, no assistance whatsoever for operating costs.

These transit systems are struggling to comply with the Clean Air Act and with the Americans With Disabilities Act, and the Kasich substitute would simply remove most of their support.

Let us turn to the education and training budget, and consider impact aid. This is what communities that have Federal and military facilities nearby rely on for education assistance.

The Kasich substitute would phase that out completely. How many Members will want to tell that to their local communities that count on that support?

The Kasich substitute consolidates five social service programs into a single discretionary block grant and cuts their funding. Here we are talking about social services block grants, community services, at-risk child care, child care and development, and dependent care planning grants. What kind of deal is that for State and local governments?

Then in health, the Kasich substitute says to the States, "You have got to adopt a Medicaid system that reduces per capita costs by 6 percent." The way we suggest you do that, says the gentleman from Ohio [Mr. KASICH], is to deny fee-for-service medicine to low-income people. Put them all on managed care.

The Kasich budget would require the States to do this, and whether they did it or not, it would cut their Medicaid funding.

What kind of a deal is that for the States? Managed care has its virtues, but to put that kind of mandate on the States and in the meantime to remove funding on which they depend, is the sort of thing we have seen far too much in this Chamber. And there is far too much of it in this Kasich budget.

Mr. Chairman, we had a visit this week from North Carolina's county commissioners. They came up to Washington with unfunded mandates on their mind. They reminded our North Carolina Members from both parties that government should be a partnership. It is irresponsible to brag about economizing in Washington, if we are simply shifting the burden to State and local governments.

Unfunded and defunded mandates are a hallmark of the Kasich budget, and

that is one of the many reasons that it should be rejected.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, earlier the gentleman from North Carolina gave us a list of all the programs and listed all those programs that the administration was recommending that we cut. We had a chance yesterday to vote on two of those in an authorization on elementary and secondary education, to eliminate two of those the President said that he wanted eliminated. By a vote of 203 voting aye and 213 voting no, we decided not to eliminate the Native Hawaiian Education program. By a vote of 202 voting aye and 220 voting no, we decided not to eliminate the Territorial Education Improvement Program. Those are two that the President of the United States has said we ought to eliminate. This body cannot eliminate the things that their own President says that he wants to eliminate. Let us not listen to the cuts they are talking about. They are meaningless.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Chairman, I want to strongly urge support for the Kasich budget, particularly to the previous speaker, my good friend, the gentleman from North Carolina, in the Fourth District, where his constituents would receive, under the Kasich Republican budget, $54.9 million in family tax relief, if he would join us in supporting that budget.

Mr. Chairman, I think lawmakers in Washington are finally beginning to hear the message. The American people want us to significantly cut spending. We will soon vote on several budget resolutions that claim to cut spending. A few actually do, but not the President's plan. I still don't understand how the President can claim that his plan cuts spending when he failed to include funding for his health care reform plan and welfare reform in his budget proposal. Including funding for health care alone would have increased the President's budget by 25 percent and resulted in the largest tax hike in history.

The Republican plan delivers what the President promised, a middle-class tax cut. Through wise and equitable spending reductions, these tax cuts will not increase the deficit. In my Sixth District of Virginia alone, the tax cut will amount to over $52 million dollars of increased personal disposal income.

We have a choice today on more than just budgetary guidelines. We vote today on the need for real change. The Republican plan includes funding for change in how the Government operates; change in health care; change in law enforcement; and change in the tax burden of middle class American families. We have a clear choice. We can enact change for our families or we can vote to continue the status quo and the Washington establishment that has burdened each and every member of our country, not just taxpayers, with an over $17,000 share of our national debt.

We can choose to pass a budget resolution that listens to the demands and acts on the wishes of our constituents, or we can choose a smoke and mirror show that protects the Washington establishment and continues business as usual.

I urge support to the Kasich amendment.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. BAC

Mr. BACCHUS of Florida. Mr. Chairman, I have heard the President of the United States, Mr. Clinton, accused of many things by the Republicans in the past year, rarely have I ever heard him accused by Republicans of being a defender of the status quo.

Mr. Chairman, I rise in opposition to the Kasich substitute. From time to time, I am a fellow traveler of the gentleman from Ohio [Mr. KASICH]. I am an admirer of his. I work with him. I helped write and supported the Penny-Kasich deficit reduction plan last November. I voted for it. I would do so again, if it were on the floor today.

I am sure I will be voting with the gentleman from Ohio [Mr. KASICH] again in the future on other efforts. I am often his fellow traveler. But this time my friend, the gentleman from Ohio [Mr. KASICH] is taking us down the wrong road.

We are on the right road now, the road to real and enduring prosperity. The deficit is down. Jobs are up. We are making the transition at long last that we need to make to compete in the world economy.

The President introduced a training program yesterday, a reemployment program. I am a cosponsor of that.

We have technology initiatives in space and defense reinvestment and other advanced technologies.

□ 1500

The Clinton plan is working, and we need to give it a chance to continue to work. The gentleman from Ohio [Mr. KASICH] would take us on a detour away from recovery and away from prosperity.

Mr. Chairman, I like the $500 per child tax credit in this plan. All of us do. In an ideal world, when we have enough money, we would all vote for that. Perhaps some day we will, but at what price? $108 billion.

Financed by what? Look at the details, as the gentleman from North Carolina [Mr. PRICE] said, look at the fine print. The gentleman from Ohio [Mr. KASICH] is suggesting not tough choices but wrong choices: cuts in Head Start, child nutrition, child care, in many education programs, in student loans. Is that really pro-family?

Mr. Chairman, 34,000 of my constituents have already received a tax cut as part of the Clinton deficit reduction plan through an increase in the earned income tax credit. Only 3,000 got personal income tax increases. I voted for that bill in part because it helped cut taxes for a lot of my constituents. I am certain that a similar number would have received tax cuts in the district of the gentleman from Ohio [Mr. KASICH], had he been willing to vote for that. They did, thanks to the fact that a majority in the House nevertheless did pass the bill.

Also in the fine print the gentleman from Ohio [Mr. KASICH] is cutting worker retraining, transportation, community development, advanced technologies of all kinds. Is that pro growth? I don't think so. Inevitably, I believe these cuts in domestic discretionary spending would doom the space station and much of the space program.

My own view, as the gentleman from Ohio [Mr. KASICH] knows, is that we will be able to achieve all the investments we ever need, public and private alike, all the tax breaks that the middle class definitely needs, and the balanced budget, only if we make some truly tough choices, some truly hard choices. We have to tell the truth to the American people about entitlement spending. We have to means test entitlements.

I commend the gentleman from Ohio [Mr. KASICH] for the fact that he has some means testing for Medicare in his proposal, but we need a lot more. I applaud him for the good that he has done. I am sure I will work with him to do more good in the future, but it is going to take something more than just appeasing the people with phony promises of a phantom tax credit.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. INGLIS], a member of the committee.

Mr. INGLIS of South Carolina. I thank the gentleman for yielding time to me.

I rise in strong support of the so-called Kasich substitute. I would point out to my colleagues here in this House that contrary to the previous Speaker, there is not calm in the country. In fact, I believe we are on the verge of a revolution. The revolution will not start, though, with any guns. The revolution will start with two implements: one, a calculator, and two, a paycheck stub.

Mr. Chairman, I would encourage the people of America to take out their little calculator and to take out their paycheck stub, and to calculate the percentage of taxes they are paying out of what they make to this bloated Federal Government, to their large State government, and then keep going, add

up the sales taxes that they pay at the grocery store, add the taxes they pay as a result of the Clinton budget last time at the gas pump; add it all up. The national average is, you have 40 cents out of every dollar we make, we pay in taxes. Forty cents out of every dollar we make, State and local taxes, is the national average. In some places it is up to 50 cents.

Mr. Chairman, we have people on the other side who say, "My goodness, we cannot cut anything. My goodness, we cannot give money back to the American family." The previous speaker is actually depriving the people of his district of $51.9 million of tax relief. That is tax relief that families in that gentleman's district need, because they are currently paying 40 cents out of every dollar they make in taxes.

Mr. Chairman, I submit to my colleagues, if we want to stop that revolution from happening, that revolution that is going to be caused by a calculator and that paycheck stub, that we have to offer middle class tax relief. That is what the Kasich plan is about.

Mr. KASICH. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from Cleveland, Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, $176 billion is not very much money anymore. If we believe the gentleman from Florida, if we were to do something about reducing that $176 billion deficit any further, we would lose this prosperity that we have all of a sudden engaged in overnight.

Mr. Chairman, I was waiting to hear about a chicken in every single pot that might be also a part of our new prosperity. It seems to me that we are missing the forest for the trees in this debate, and that what is really going on here is a very fundamental difference between whether you believe that we ought to send more money to Washington, to filter it back through these bloated bureaucracies to the local areas, to the places that we come from, or whether we believe that those States, those localities, those municipalities, those cities, those townships, those counties are in a better position to fund that money themselves and to pay for it and to raise the taxes and do with it what they want on a local level.

Mr. Chairman, the problem with the Congress of this country for the past 50 years is that we have gotten so self-important that we feel that we have to do everything through our own congressional mandate, and that that is the best way to spend money. We will tax the citizens of this country more and more, raise more and more money, and then float it through based on political in-fighting and who has the biggest stick politically.

Mr. Chairman, it is just simply not good policy. It is not a good way to run a railroad. It is not a good way to run a country. That is what this debate is all about.

Mr. Chairman, we are going to spend $1.5 trillion next year, in fiscal 1995. The debate is only focusing on the little, nitty-gritty stuff. The fact is that there is something in a budget of $1.5 trillion, or $1.6 trillion, that anybody could find fault with. Clearly there are going to be disagreements, but the underlying philosophical principles have to do with how do we raise this money and how do we spend it, and who is in the best position.

Let me give one simple example. One of the things we were criticized for earlier by the gentleman from North Carolina is that we are going to supposedly eliminate operating subsidies for mass transit.

That is not true. It is simply not the case. What we are in fact doing is we are amalgamating Federal highway funds in such a way that local communities can make their own decisions about how they are going to allocate those funds. We are not going to tell them they have to spend so much on operating subsidies and so much on highway funds. We are going to allow them to make the choices between the two.

It is a tough business. It is hard choices. The question is who do you want spending the money, the people here in Washington, or the people in the localities?

Mr. SABO. Mr. Chairman, I yield myself 15 seconds.

The amendment clearly eliminates operating subsidies, Mr. Chairman.

Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I have a lot of differences with the so-called Kasich substitute. I commend the gentleman for putting together a comprehensive alternative, but I think it has many different faults. There are two that I think are particularly egregious and I want to speak to those.

One, I really wonder whether my friend, the gentleman from Ohio, has thought about his decision to include that portion of the so-called Herger amendment on welfare in his substitute which, for the first time that I am aware of in history, seeks to create a two-tiered system between American citizens and legal American residents of many, many years standing on the question of their eligibility for SSI benefits, for food stamps, for different kinds of Medicaid Programs, for AFDC Programs.

Mr. Chairman, I am not talking about a decision that says the welfare system would work better if we cut people off of welfare for several years. I am not talking about requirements of work. I am talking about looking at where a person was born and whether or not they have naturalized, and deciding whether or not a 69-year-old person is going to get SSI benefits.

A poor low-income 69-year-old would be ineligible under the Kasich proposal simply because of the fact that he had not naturalized, he had not become a U.S. citizen, even if his spouse was a U.S. citizen, and he had come here legally. It seeks to take the public furor over the question of illegal immigration and extend it to cover legal immigration, and create a totally unjustifiable two-tiered system.

□ 1510

It is unconstitutional on its face. It violates the 14th amendment on due process which does not apply only to citizens but applies to persons. It is blatantly unfair. It is morally bankrupt. I think it was not well-considered in its inclusion in the Kasich substitute.

The second point I would like to make is on the question of the huge slash in the foreign assistance program. One-sixth of the purported savings of the Kasich amendment, one-sixth, over 18 percent, comes out of a portion of the budget which amounts to less than 2 percent, and that is the international affairs budget. And where do those cuts come? Mr. KASICH's substitute slashes the Export-Import Bank financing dramatically at exactly the time we are trying to promote U.S. exports and U.S. jobs.

The Kasich substitute substantially cuts the Public Law 480 food program, a program of vital assistance for relief of world hunger and critically important to U.S. farmers.

Then, of course, if Members ask supporters of the Kasich amendment, "Well, Israel and Egypt get a huge portion of that foreign assistance budget," they will say, "Oh, we don't want to cut them." But when you cut as many millions of dollars as the gentleman from Ohio [Mr. KASICH] does out of that budget, to pretend that you are a great supporter of Israel and Egypt and the Camp David process and the peace process, and have no desire to touch them is the height of irresponsibility, and I think people will see through it. This is a disproportionately unfair cut in the international affairs budget. It will have massive effects on the peace process, the Camp David process, and it slashes just the programs that we need for economic strength here at home.

I urge a no vote on the Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Mr. Chairman, I would like to inform that previous speaker that the Kasich budget here would put about $60 million of tax relief for families in his district right back there in California where I know those folks would appreciate it.

I support the Kasich budget because it is crafted after just what the American people have been trying to tell

this body up here every year. We stood here a year ago arguing about budgets, taxes. People keep calling and writing and saying cut spending, no more taxation, and they meant that.

But not only is the Kasich budget crafted to cut spending, but it is actually crafted to create jobs. When we create jobs we create more taxpayers. That is what this system is all about, people working, paying into the system.

Let me just give a couple of examples of what I ran into when I was campaigning in 1992 to come up here and join this body. I was in a little, small town in middle Georgia in a small shop, a TV rental shop. I walked in there and a lady jumped me about taxes and taxation. She said, "You know, I have a little piece of property out here at the edge of town." This was Barnesville, GA, about 13,000 folks in the whole county. She said, "I have a little piece of property out here. I could have sold it three times, but I haven't sold it, and the reason I haven't sold it is because I don't want to pay tax on it. The taxes are too high."

She was talking about capital gains, sir. Do you know what happened when she did not sell the property? Nothing. She did not make a profit, she did not pay any taxes, and the government, neither the State nor the Federal received anything from that property. It is still laying there right now.

Capital gains creates activities, it transfers titles to land, it transfers money, it creates profits and it generates revenue for this government and other governments. That is what capital gains does.

Let us talk about incentives for equipment purchases. I have been in the trucking business for over 30 years, and many of those years there have been incentives to purchase equipment. In 1986 we took away a lot of those incentives. Leasing companies that lease equipment, truckers especially, were rotating their fleets. They were rotating their fleets every 3 years. But after we took away the tax incentive, sir, they started rotating them every 5 years, and some of them did not rotate, but just rebuilt them, and put them back out on the road.

What did that do? It cut down on the production on the assembly lines, which cuts down on jobs. Incentives to invest create jobs that put people to work manufacturing that equipment that people out here like MAC COLLINS will purchase.

I hear people talk about tax cuts, tax cuts, we are giving incentives to business. Well, where in the world do you think businesses get their money from? They collect it through the consumer product that they sell or the service they render. And who pays for it? Working people, working men and women of this country. There is nobody else to pay the bill.

Oh, I hate to hear people talk about giving somebody an incentive or giving someone a break, or giving away something from the government when every time we give away something from this government we have to collect some money from somebody to give it away with. And that somebody is working folks. You folks better wake up and understand that too, because working America is tired of this business up here. Their agenda is a lot different agenda than the agenda of this Congress, and that difference is going to be shown later on this year.

Talking about the $500 a year credit for each child in a family, when we leave that money in the private sector that money rotates, it revolves itself. it will revolve itself some five times, and every time it turns over, money is generated for the government. Why not leave more money in that private sector and let it generate more moneys for us and for local governments, local governments that we keep putting pressure on and causing them to have to raise taxes and spend money? I am all for leaving it out there and letting folks that pay the bill enjoy and reap some of the benefits from what we are doing here.

Mr. Chairman, I would say to the gentleman from Minnesota [Mr. SABO], about a year ago I asked him something about the budget at that time and that budget resolution, and the fact that it looked like we were going to have about 6.289 trillion dollars' worth of debt at the end of that budget cycle, 5 years, 1998. The gentleman said that was right. So I am worried about that, sir. That is not what the American people want. The gentleman said, "I'm worried about it too." And the gentleman also said if interest rates go up any at all we are sunk. Sir, interest rates are going to go up, they are already starting to climb. Based on your comments, we are sunk.

So we ought to leave money out there in that private sector, and leave it in the pockets of the families so that it can rotate and revolve and generate more money for us.

I appreciate this time and I just hope that the Members of this body will adhere to what the folks back home are saying, and that is cut spending and leave more money in our pockets at home to spend on our families and quit taking so much of it to Washington.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. KASICH] has expired.

The gentleman from Minnesota [Mr. SABO] has 3½ minutes remaining.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, quickly may I ask the gentleman from Minnesota [Mr. OBERSTAR], chairman of the Subcommittee on Aviation, if he has made an analysis of the Kasich proposal on the FAA and what it would result in?

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I say to the chairman we have laboriously analyzed the position, and to summarize it, the total airline passenger payments that would result from the shifting of costs under this proposal would be the equivalent of a tax of 16½ percent on air travelers compared to 10 percent tax now, and new taxes and fees on an airline industry that has lost $11 billion over the last 4 years.

Mr. SABO. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I rise in strong opposition to the gentleman's amendment.

There are many sections of this substitute that I do not agree with—too many to spend time talking about all of them. So I will focus on a valuable program my colleague proposes to eliminate—the Advanced Technology Program under the Department of Commerce.

This program is a cornerstone of President Clinton's competitiveness agenda and a major part of the President's investment initiative in his fiscal year 1995 budget request. Why is this program so important?

Our Nation's technology policy must begin to reflect the reality that both American industry and Government have underinvested in manufacturing technology. We need to work to build our manufacturing capability and increase our competitiveness in the global marketplace.

The Advanced Technology Program will help us to achieve this end. It is market oriented. While Government provides the catalyst, industry conceives, manages, and executes ATP projects. The ATP also emphasizes cost sharing—ATP recipients pay more than half the total cost of the research and development. This helps ensure that companies have a vested interest in the success of projects and in timely commercialization.

Congressman KASICH asserts that if the technology was worth developing, the private sector would do it themselves. This simply is not true. ATP projects focus on precompetitive, generic technologies, those that industry cannot afford to develop on their own, those that they must develop in order to be competitive in the future.

□ 1520

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I rise to address one highly publicized point of the Republican plan, the $500 credit for every child for families earning up to $200,000.

I speak to this as perhaps the newest father in this Chamber, because it was only 6 weeks ago that my wife and I went out to National Airport and picked up an infant from Korea that will become our adopted daughter by the end of the year.

The gentleman from Ohio [Mr. KASICH], I want to thank you for being so generous as to think that we might need this $500 tax credit, in fact, that other families in this Chamber might need tax credits, the fact that families earning up to $200,000 per year might need this kind of assistance from the Government.

But I think the assistance can better be directed at the poor, the lowest earning income people in this country, and it is these people to whom you have directed the cuts in your bill.

This is Robin Hood in reverse, taking from the poor and giving to the rich. It just is not fair.

The CHAIRMAN. All time has expired.

Pursuant to the rule, it is now in order to debate the subject matter of amendment No. 3.

The gentleman from Maryland [Mr. MFUME] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Maryland [Mr. MFUME].

GENERAL DEBATE ON AMENDMENT NO. 3

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the alternative budget that is being offered by the Congressional Black Caucus today and that we hope to have voted on tomorrow represents an aggressive and yet fiscally responsible approach to respond to a number of the problems that are plaguing our Nation today.

The CBC alternative budget stays within the established discretionary caps, and that is a point that I am going to continue to make throughout this debate, because I think clearly it is one that is quite valid.

In addition, our budget deficit is $1.8 billion less than the budget proposed by the House Committee on the Budget, and $2.6 billion less than the budget proposed by the administration.

Every day on the floor of this Chamber we hear speeches about the immense problems that are facing and, indeed, plaguing our Nation. Unemployment, crime, illiteracy, homelessness, despair, the deficit, are just to name a few.

While many of the problems facing America may, in fact, be exacerbated in the inner cities which many members of the Black Caucus represent, the problems we address in our budget are endemic, I would remind this body, throughout our entire Nation, and they threaten each and every one of our States, each and every one of our congressional districts. It is because of these problems and the fact that they are so widespread and so ominous that we have tried over and over again to offer an alternative, and this year have named it a Budget to Rescue America.

First and foremost, Mr. Chairman, our budget proposal is aimed at creating jobs. Our proposal allocates more than $2 billion above and beyond the amounts proposed by the President and by the Committee on the Budget for job training and job creation.

By creating jobs and ultimately training people, we are helping the economy, we are helping to repair our infrastructure, we are in the long term, we believe, helping to prevent crime.

Examples of job-creating programs contained within our proposal include an increase in spending on the Community Development Block Grant Program and the expedited establishment of community development banks.

The alternative currently under discussion also includes funding for many aspects of the Congressional Black Caucus alternative crime bill. The caucus crime bill and, therefore, this proposal focuses on crime prevention, something I mentioned a moment ago, and something I think that goes to the heart of many of our problems.

Now, it is clear that crime prevention is preferable to punishment, as prevention does not result in a victim. Included in this package is funding for the Ounce of Prevention Council, the Community Development Corporations, and the Local Partnership Act.

Another major focus of our proposal is the education of our children, and as I indicated earlier, the retraining of our job force.

The CBC alternative budget calls then for an overwhelming campaign for the improvement of education in all American schools, and at the heart of this education and training proposal is, in fact, an increase of $1 billion for training and employment programs, for health-care-related jobs. Even without health care reform, there is already a shortage of qualified people to deliver a whole spectrum of health care services such as child care and workers, and medical record clerks, practical nurses, and I could go on and on. Other programs within this proposal aimed at improving the state of education in America include an educational infrastructure act which has been debated and talked about on this floor before, designed to provide emergency funds for the repair and renovation of schools and funding to guarantee access for the poor to the information superhighways.

Other budget highlights include the full funding of Federal employee salaries, the income protection and housing of our elderly, and the full restoration of funding for low-income energy assistance programs.

Furthermore, the alternative budget that we offer supports the President and the Committee on the Budget in a number of areas that we feel are important to this Nation and to its people, areas such as the expansion of the earned income tax credit.

Lastly, we support the permanent extension of the targeted jobs tax credit, which we feel is an important tool in promoting employment in the private sector. As I have said earlier, we have managed this in a clear understanding of what we have to work with and what we have to do. We have put the focus on the needs of the American people, while staying within the established discretionary caps. We were able to do this by reducing spending in areas such as defense and intelligence and through a small across-the-board cut in areas such as Federal Government service contracts.

While this budget does recommend $8 billion less than the administration for defense and intelligence, members of the Congressional Black Caucus and the Progressive Caucus and others who have worked on this remain confident that it will not result in compromising the Nation's defense capabilities.

And so the budget being offered by the Congressional Black Caucus and the Progressive Caucus creates an additional set of deficit-reduction tools through a 20-percent Federal tax on the sale of handguns, assault weapons, and ammunition; the ammunition for those particular assault weapons, and so if there is some confusion as we go through this, I want to be very clear about that one individual way to raise revenue.

Mr. Chairman, I am proud of this budget and proud of the Members of this body in both caucuses who have worked hard to put it together. I believe that a thorough review of the document by Members who may be in opposition or Members who have still yet to make up their minds will demonstrate that it is a fiscally sound, responsible, aggressive, and responsive way to deal with many of the problems that are facing our Nation.

Let me stress again before reserving the balance of my time that this particular budget that we offer is $1.8 billion less than the budget proposed by the Committee on the Budget, and it is $2.6 billion less than the budget proposed by this administration.

Mr. Chairman, I reserve the balance of my time.

□ 1530

Mr. KASICH. I yield myself 7 minutes.

Mr. BUNNING. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING. Mr. Chairman, I thank the gentleman for yielding, and I rise in strong support of the Kasich Republican alternative and in opposition to the Committee on the Budget's recommended budget.

Mr. Chairman, I rise today in strong support of the Kasich substitute budget and in opposition to the Budget Committee resolution.

In 1992 candidate Clinton promised the middle-class Americans that he would give them tax relief. Instead, President Clinton gave us all a huge tax increase. We would like to help President Clinton to keep the promise that candidate Clinton made to the middle class.

That is why we are offering a $500 per child tax credit. The Republican substitute is a document drafted with the conviction that middle-class families deserve to keep more of the money that they earn. We understand that average Americans can spend their money more wisely and more effectively than the Federal Government can.

The $500 per child tax credit means more money stays in the pockets of the people who go out each day and earn the bread on their table by the sweat of their brow. It means that they have more money for school clothes, for food, for education, or whatever they decide is in their best interests. It is an article of faith with us that the American people know what is best for them and their children.

We also believe that American businesses should be rewarded for investing in new plants and equipment which would make our businesses more competitive and create jobs for American workers. That is why we included the neutral cost recovery plan for business in the Kasich alternative.

American businesses should not be put at a disadvantage in the world market place because their overseas competitors are not handicapped by the antiquated depreciation rules of the IRS Code. Neutral cost recovery will help to level the playing field for Americans.

The Kasich budget not only addresses the need for neutral cost recovery but also removes the impediments in the Tax Code to investment in our corporations by indexing capital gains.

Capital gains indexing is recognized as fair and necessary by economists and businessmen if we are to maintain growth of our businesses and our economy. Capital gains indexing has enjoyed wide bipartisan support in this House in the past and it should be adopted.

The Republican alternative budget is the budget that truly addresses the needs of the American people. Unlike the Clinton budget, as modified by the Budget Committee Democrats, the Kasich substitute provides important funding for welfare reform, health care reform, crime control, and pays for it all.

President Clinton, for all of his big talk about being fiscally responsible simply does not walk the walk. He does not include his budget busting health care plan in his budget, he does not include anything for crime control and he does not include anything on welfare reform. All of those initiatives are missing in action.

On the other hand, we not only pay for our programs, we found enough waste and fat in the Government to pay for the things that we need and still achieve greater deficit reduction than the Democrats.

Mr. Chairman, I suppose that the differences between our Republican budget and the Sabo/Clinton budget say a great deal about our different visions of the country. The Republican budget envisions an America where individuals and families are in charge of their own lives and are free to make decisions about how best to spend their money with the least interference from the Federal Government.

The Republican alternative budget was drafted with an eye toward addressing the big issues that need attention such as welfare reform, crime control, and health care reform and paying for them; something that has become a somewhat radical idea in this institution.

Our budget looks toward a tomorrow where our economy is larger and the Government is smaller and more efficient. That stands in stark contrast to the big Government, Washington-knows-best budget that President Clinton has sent us.

Mr. KASICH. Mr. Chairman, initially I want to pay tribute to the gentleman from Maryland for his efforts. I must tell the gentleman I have not seen the details of the budget yet; we had some folks over last night. But I know, as one who kind of single-handedly back in 1989 and 1990 tried to put something together, know how tough it is.

I do want to compliment the gentleman for what I think has been an impressive, a very impressive performance. And I do not mean performance in the sense of an actor, but I mean it in the highest sense of promoting an agenda for the Black Caucus, and he has done it, and is due kudos from everyone, to force the emergence of an agenda, to be able to be heard above, a lot of times, the roar in this House. I just think the gentleman has done a very fine job as the chairman.

I also want to say that I look forward to the day when I can join with the gentleman and other members of the Black Caucus to sponsor legislation that will remove the terrible class warfare bickering that we have experienced in the period of the eighties into the early nineties. I would say to the gentleman that one of the reasons why this Republican budget alternative has not just deficit reduction, although it has that, the reason why we have got the indexing of capital gains and more-generous depreciation schedules for businesses is because we think that in addition to reducing the deficits, job growth creation using the private sector incentives that have made this country so prosperous are a key element. And when politicians trip themselves up on a debate about class warfare, everybody loses.

I say to the gentleman the issue of enterprise zones, when I was a member of the Ohio legislature, I was the first one to introduce enterprise zones because I recognize the value of trying to wipe out regulation, wipe out taxes, and provide encouragement for the location and creation of jobs in areas of high unemployment.

Our day is going to come, in my opinion, where members of this Republican conference and members of this very, very hard-working Black Caucus are going to be able to come together on a growth agenda. It is going to take both sides, both sides are going to have to move a little bit toward one another. I want to say to the gentleman that we have the same purpose.

I want to just tell you about this issue of job retraining: You see, what we do in our Republican budget on job retraining is we consolidate 80 programs down to 7, and we send them to the States and say—and the gentleman was in the State legislature—we would say, "You deal with it." And you county commissioners, "You figure out the best way to apply these resources."

I do not know if the gentleman has seen the General Accounting Office report. Mr. SHAYS, the gentleman from Connecticut, was in the hearing when the GAO testified. They said that the job training programs of the Federal Government, more than 150 that provide employment training, have well-intended focuses. Collectively, they create confusion, frustration for their clients and administrators. They hamper the delivery of services tailored to the needs of those seeking assistance; create potential duplication of effort, unnecessary administrative costs.

I would say to the gentleman that what we really need to do is we need to figure out a better way to build a mousetrap, a better mousetrap, a better way to train people, a better way to feed hungry people. That is what we do in our WIC proposal, our WIC-plus proposal. We eliminate a lot of bureaucracy. I say to the gentleman—and this is not meant to cast aspersions on Government workers—but when you pass a $20 bill through 10 offices, the handling costs reduce the value of the money that started at the first office.

We have got to open our minds to all of these arguments. We need to send more money to areas of high unemployment, of high crime, high poverty. We are going to have to do that, and we are going to have to work with the gentleman to streamline this bureaucracy, to index capital gains and not get tripped up on something that has existed for so long.

And I want to say I wish the gentleman from North Dakota [Mr. POMEROY] was still here. He has got about 143,800, almost 144,000 children in his district who would qualify for our middle-income tax credit and would be able to take almost $80 million back to his district for family tax relief. Do you know what he accused us of? Class warfare.

I want the gentleman from Maryland to recognize that the family tax credit that the Republicans have in their budget which provides $500 per child, per family up to $200,000—and I must tell you that the President himself said that we should provide $1,000 in tax credit per child per family with no means testing, with no means testing, before the election. We put a means

test at $200,000, but I want to show you the impact—90 percent of the benefits of this proposal go to people whose income is under $75,000; only 10 percent of this proposal goes to families who qualify over $75,000. But I would say to the gentleman from Maryland: Is that really the issue, the means testing? Is that the issue? Is that really the issue, or is the issue whether it is possible to restructure, reshape, privatize, reduce the deficit and at the same time give the American family a little piece, a little refund of all the money they send to Washington?

And then we want to get tripped up into a class warfare debate?

I say to my friend, we have got to move beyond this class warfare. It does not work. It does not serve the least prosperous people in our society.

But I want to say to the gentleman I look forward to the time when we can work together because I think it will be a productive period for all Americans, rich and poor. Again, as I complimented the gentleman from California [Mr. DELLUMS] on his effort, this gentleman has done a fine job.

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Let me say to the gentleman from Ohio, whose words I appreciate and whose sincerity I understand and I feel that I genuinely respect the gentleman's efforts in fashioning his budget, I think also and hope and pray also that one day we get to the point in this House where we are not divided by party label, divided by race, divided by region, but we recognize on some issues at least there ought to be a coming together, a galvanizing, if you will, of the heart, mind, spirit, and energy of this body to move forward based on what is right and what may not be politically popular to do at any one given time.

I compliment the gentleman from Ohio [Mr. KASICH] for his remarks, his sincerity. He certainly believes in what he says and does. I would suggest, also, that perhaps the time of looking at indexing capital gains, if in fact it spurs development, economic development in our cities across this Nation, may not be that far off, and that the Congressional Black Caucus has been considering that and will stay very much open on the idea. The bottom line for us is being able to help people.

Mr. Chairman, at this time I yield 3 minutes to the distinguished gentleman from Vermont [Mr. SANDERS], who heads the Progressive Caucus and has worked very hard on helping to shape this budget alternative.

□ 1540

Mr. SANDERS. Mr. Chairman, I rise in strong support of the alternative budget developed by the Congressional Black Caucus in coalition with the House Progressive Caucus offered today as the Mfume substitute. Frankly, Mr. Chairman, I do not support every single line of this budget. I would have gone further in the direction of shifting some of the tax burden which for a dozen years was transferred to working people and the middle class back to the upper class and to the wealthy so that they can finally begin to pay their fair share of taxes. But there is no question but that this budget is far preferable to the administration's budget and far, far preferable to the Republican budget, and once again, as it has been the case in many years in the past, this budget becomes the conscience of the U.S. Congress.

Mr. Chairman, I think there is no doubt, there should be no doubt, as to what has happened to America in the last dozen years. I heard reference a moment ago to the issue of class warfare, and it is true, in fact, that that is precisely what has been going on in this country over the last dozen years, and the headlines of today's newspapers reflect that reality. What has gone on is that the wealthiest people in this country have become much wealthier, the middle class has shrunk, and today we have a significant increase in poverty, and for our poorest people we now have some 2 million Americans sleeping out on the street, and we have 5 million children in this country who are hungry, and I must say to my colleagues in the House that it should be an absolute national disgrace that we should work to resolve every day, that the United States, with 22 percent of its children living in poverty has by far the highest rate of poverty among children in the industrialized world.

When we talk about priorities, Mr. Chairman, maybe we should not be worrying about spending a hundred billion dollars a year defending Western Europe and Asia. Maybe we should not be talking about space stations, and supersonic colliders and more nuclear weapons. Maybe we should say that tomorrow we are going to end the disgrace of childhood hunger in America, end the disgrace of 2 million people sleeping out on the streets.

The gentleman from Ohio [Mr. KASICH] talked about class warfare, and let us refer to the fact that while the children grow hungry the number of billionaires in this has grown. Let us talk about the fact that the chief executive officers of the largest corporations now make 157 times more than the workers of those corporations. If that is not class warfare, what is class warfare?

Mr. Chairman, let me simply conclude by urging the Members of the House to support the Congressional Black Caucus budget. It begins to move us in the right direction. It offers some sane priorities in terms of how the U.S. Congress should go.

The people of America are hurting. They are upset about the inequality in wealth. They are upset about the hunger that our children are facing. Let us change the priorities of America. Let us support the Congressional Black Caucus budget that was prepared in coalition with the Progressive Coalition.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman, I would like to point out to the gentleman from Vermont [Mr. SANDERS] that there are 124,330 children in his district that would get $62,200,000 in the family tax relief item which would go somewhat toward solving some of the problems that exist. It is certainly not enough, and certainly a lot of us share his concerns that we get on with some of the very difficult choices in this country.

In looking at the budget of the Congressional Black Caucus which I have just gotten, Mr. Chairman, I would like to talk a little bit about health care.

I respect the gentleman from Maryland [Mr. MFUME] very much. I serve on the Committee on Standards of Official Conduct with him, and I think he brings a great strength to the cause that he speaks for in the manner in which he does address that cause, and I think the gentleman from Ohio [Mr. KASICH] expressed much of my sentiments.

In the area of health care, Mr. Chairman, there are a number of good things that I see in here, certainly on immunization, certainly on HIV, certainly in the three million funds, enhanced family community violence and stopping things of that sort. Certainly we all share those concerns.

One of the things I am having difficulty in is looking at the budget and seeing whether health care is funded, whether the Clinton proposal is in there or not. On our side we tried to take the Republican alternative health care plan and put it in here. It is not a perfect plan, but we think it begins to meet many of the needs that the gentleman is discussing. The mental health block grants program they have, I think that is a very strong component in their program.

But I think one of the things that we need to look at, as we look toward this health care program, and the problem we all have is that we need to look at each of the proposals, but we have a proposal that is based very much upon the ability of the private sector to solve the health care problems that are out there with some assistance from the Government. I cannot tell exactly how this program is put together, but I can tell my colleagues that those of us on the Committee on the Budget, many of us, and the gentleman from Connecticut [Mr. SHAYS] is probably going to talk later more forcefully on this, share many of the concerns that the gentleman has in the health care arena, and I think one of the things that we have to do is to make sure that

none of us, and I am not saying they are not in this at all, but we have very real problems that we can expand health insurance to, and health coverage and access to everyone as we look forward into this area as we move forward. We cannot allow though a lot of programs to go out and have people feeling that they are betrayed because we cannot deliver in the future on some of these things. We on the Committee on the Budget struggled very much on our side in trying to come up with a program that we thought was realistic.

Mr. Chairman, there are things that can be added, and I say to my colleagues, "Certainly, if you look at the Medicaid Program that we have in there that would expand and allow States to use Medicaid in a managed care situation, that would be very helpful, and it would also help in the kind of programs you're looking for."

So, Mr. Chairman, we look forward to working with the gentleman on that, but I have a problem with the budget as we have seen it so far, and I would urge that the program offered by the gentleman from Ohio [Mr. KASICH] be the one that we adopt.

Mr. MFUME. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, the Congressional Black Caucus offers this alternative as an amendment in the nature of a substitute to the House Budget Committee Resolution.

The proposed CBC budget for fiscal year 1995 represents a serious and responsible alternative to the budget proposed by the President, by the House Budget Committee, and by the House Republicans.

The CBC alternative budget stays within established discretionary caps while providing $2.6 billion more in deficit reduction than does the President and $1.8 billion more than the House Budget Committee.

The focus of the CBC alternative budget this year, as it has been in years past, is to address the numerous problems facing our constituents and indeed the Nation.

Specifically, our budget:

Creates jobs—while we appreciate the efforts being made by the President and the House Budget Committee to address the serious unemployment problems facing this nation, we are nevertheless concerned that their attempts to adequately address the problem fall short. The CBC budget, therefore, includes more than $2 billion in funding for job training and job creation. In addition to resolving some of the intractable unemployment problems facing our Nation, the programs that receive this funding will help us rebuild our cities and our infrastructure.

Combats crime—included within the CBC budget proposal is the CBC alternative crime package. Our package focuses on crime prevention. Included in our budget is funding for the Ounce of Prevention Council, the community development corporations, and the Local Partnerships Act. The CBC alternative budget promotes the concept that the best way to stop crime is to eliminate many of the factors that create this explosive environment.

Educates our children and retrains our work force—included in the CBC is funding for an intense and much-needed program to help educate all of our Nation's children from the very young through post-secondary education, including continuing education.

Other highlights of our budget include the full funding of Federal employee salaries, the protection and housing of our elderly, and the full restoration of funding for the Low-Income Home Energy Assistance Program.

The CBC alternative budget also agrees with the President and the House Budget Committee on the amount allocated for the earned income tax credit, which the CBC was pleased to see expanded in last year's reconciliation legislation.

The CBC budget also includes a permanent extension of the targeted jobs tax credit.

As I indicated earlier, the CBC alternative budget also includes additional revenues to be dedicated to deficit reduction. This money is gained through a Federal tax on guns and ammunition, and through the assumption, based on Joint Economic Committee estimates, that every 1 percent of additional employment created by the budget generates an additional $1 billion to the Federal budget.

The reductions made in defense and intelligence are calculated to maintain a strong defense and enhanced security for us and our allies. The proposed amounts for reduction in spending is $8 billion.

The CBC alternative budget accepts the economic forecasts and projections advanced by the Congressional Budget Office. The numbers contained within the budget are calculated against the CBO baseline reestimates of March 2, 1994.

Mr. Chairman, members of the committee, I thank you again for your time and patience and I hope that you will, as you have in past years, allow our caucus this opportunity to offer to the House a budget that we feel best addresses the pressing problems facing our Nation today.

□ 1550

The CBC alternative budget promotes the concept that the best way to stop crime is to eliminate many of the factors that create this explosive environment.

It educates our children and it retrains our work force. Included in the CBC budget is an intense and much-needed program to help educate all of our Nation's children.

There are many other highlightes of our budget, including the full funding of Federal salaries, the protection of housing for our elderly, and the full restoration of the Low-Income Home Energy Assistance Program. Our budget also agrees with the President and the Committee on the Budget of the House on the amount allocated for the earned income tax credit, which the CBC was pleased to see expanded in last year's reconciliation legislation.

The CBC budget also includes a permanent extension of the targeted jobs tax credit. As I indicated earlier, the CBC budget also includes additional revenues to be dedicated to deficit reduction. This money is gained through a Federal tax on guns and ammunition and through an assumption based on Joint Economic Committee estimates that every 1 percent of additional employment created by the budget generates an additional $1 billion to the Federal budget.

Mr. Chairman, this is a serious budget. This alternative budget deserves to be considered seriously.

Mr. SHAYS. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I want to congratulate, as well as my colleagues, the Congressional Black Caucus and the gentleman from Maryland, Mr. KWEISI MFUME, for the tremendous work he has done in this Congress over a number of years and congratulate him for a very thorough and, I think, extraordinarily comprehensive plan.

We basically have 4 plans before us. We have the Democratic plan brought out by the Committee on the Budget; we have the Kasich Republican plan that is presented by the Republican members of the Committee on the Budget and endorsed by most members of the Republican caucus; we have the Solomon plan; and we have the Black Caucus plan.

I would submit to the Members that the Kasich plan is far superior to any of the other three, but I would say that if the choice were between the Black Caucus plan and the Democratic proposal, I would go with the Black Caucus plan.

What I find of concern, though, in general, is that we have simply ignored the fact that when the plan passed last year by just 2 votes in the House and a tie vote in the Senate broken by the Vice President, that plan simply has allowed the national debt to grow too far. If the national debt is going to grow by $1.6 trillion in the next 5 years, we are not going to have a lot of money in the years to come to deal with many of the problems that are in the Black Caucus plan. There is going to be such a need in the future, because all we are doing is postponing the inevitable.

What I am struck with is that a year ago we had the Speaker come on the

floor of the House wrapping up this debate, getting all the Members he could to support it, and he promised us this—and I am going to quote him—he said, "The most important thing to note with this plan tonight is that it will not by itself accomplish what we need to do. We must do more," the Speaker said. And he said, "We must cut more spending, and we will, we must reallocate our priorities and we will, we must continue the process of deficit reduction, and we will."

The bottom line, though, is that we have not, and the plan presented by the Democrats out of the Committee on the Budget does not do it. It does not reduce the deficit. It does not cut any spending, and as the President said when he spoke on the floor in the State of the Union address, "Basically, we must stay the course."

We cannot stay the course. The Republican plan changes the course we are headed in. It provides $152 billion of additional deficit reduction. It provides an extraordinary $500 tax credit per child limited to families below $200,000. It has job creation and economic growth through changes in our Tax Code. It has welfare reform, it has crime control, and it has a basic reform of government operations and consolidation. We put in our budget health care reform as well.

I would just say to the Members of Congress that we did not do what the Speaker said we would do, that we are staying the course when we should change the course, and that this Republican plan makes major changes.

But I would submit—and maybe not all my Republican colleagues would join me in this—that the Black Caucus plan in fact reduces the President's plan by $2 billion and makes significant major changes that I support. I will vote for the Black Caucus plan over the Democratic package.

Mr. Chairman, I congratulate my colleague [Mr. MFUME] for the work he has done.

Mr. MFUME. Mr. Chairman, my thanks to the gentleman from Connecticut [Mr. SHAYS] for those kind and gracious remarks.

Mr. Chairman, I yield 4½ minutes to the distinguished gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I thank the gentleman very much for yielding this time to me.

Mr. Chairman, I rise in strong support of this Congressional Black Caucus/progressive caucus alternative budget. I commend Chairman MFUME and all the other members who have worked hard to shape this important budget alternative.

The yearly budget debate focuses our attention on budget choices. Despite a modest economic recovery, millions of Americans continue to be left behind. The Federal budget does not yet come close to meeting the demand for social investment and economic development that could make a significant difference in the lives of many Americans. More than any other budget before us, the CBC alternative budget would do just that.

Many communities in America are in crisis. For the third straight year in 1992, poverty rates increased to 14.5 percent—up from 14.2 percent in 1991. This rate of poverty is higher than at any time during the 1970's. It represents the highest number of Americans living in poverty—38.6 million—since 1962. Since 1989, the number of poor people in America has risen by 5.4 million.

Tragically, poverty among children is the highest of any age group. Child poverty stands at 21.9 percent; 14.6 million children live in poverty. One in every four children under the age of 6 lives in poverty. It is hard to rejoice at the good economic news, when so many American children, teenagers and adults remain unaffected by the economic recovery.

This budget grapples with the tragic social deprivation which strangles millions of Americans. Our cities seethe with anger, despair, and hopelessness. Joblessness continues at unacceptable levels. Unemployment remains at 6.5 percent. Approximately 50 percent of out-of-school young Americans—those age 16 to 24—without a high school degree are not employed. And more than 70 percent of young African-American high school dropouts are not employed.

This budget increases the education and training function by $1.2 billion over the Budget Committee proposal, including $75 million for Youth Fair Chance, a stipend-based job training program and $75 million for alternative recreation, gang prevention programs.

Mr. Chairman, a rising tide clearly does not lift all boats—that is why the Federal Government must invest in programs that will spur economic development, job creation, and crime reduction. That is the central purpose of the CBC budget. More than any other, the CBC budget would reduce joblessness, prevent crime and revitalize communities.

Our budget increases the community and regional development function by $550 million, transportation programs by $900 million, community development banks by $600 million, and funds neighborhood infrastructure programs at $750 million. These job creating programs would leverage billions in private sector investment, create hundreds of thousands of jobs, and dramatically reduce the underlying social tension in society.

There has been a lot of rhetoric about crime during this session of Congress. While some of the hysteria is misdirected, there is certainly a desperate need for a serious effort to reduce violent crime in America.

While overall crime has come down over the past twenty years, violent crime is up 24 percent since 1973. In 1992, nearly 2 million violent crimes were committed. There were 750,000 arrests for violent crimes and 410,000 prisoners held for violent crimes. Twenty-three percent of American families were touched by crime—violent or otherwise—in 1992.

The CBC budget increases direct crime prevention programs by $1.2 billion. These programs, combined with the substantial investment in job creation and economic development would go a long way toward solving the social problems this institution spends so much time discussing.

This budget tackles the underlying social problems which lead to crime. It invests in long-term crime reduction strategies, not short-term political ones.

Today's deficit reduction momentum takes place at a time when the Federal budget has been cut severely, and State and local funds are often more restrained still. While most public officials applaud the progress that has been made reducing the deficit, we may be losing sight of the purpose of Federal investment—namely encouraging job growth and creation, and lending a helping hand to those who the private sector leaves behind.

The CBC budget resolution proves it is possible to invest in our communities, responsibly fund the military and reduce the budget deficit. The CBC alternative does not resort to robbing-Peter-to-pay-Paul among important domestic programs.

This budget presumes that job training and job creation is a short-term investment that will pay long-term economic dividends. If we train and employ our young today, the cost to government tomorrow will be greatly reduced. Additionally, by giving idle youth and young adults alternatives—especially in inner cities—crime will come down dramatically. Most of us understand this principle, but this budget backs up the principle with the necessary resources.

The CBC budget rejects the notion that no serious social investment is possible within the discretionary budget caps. On the contrary. With targeted reductions in unnecessary spending, this budget puts real money in programs that many Members support, but which the other budgets underfund. This budget is the best one presented. It is real. It would make a difference. I urge support for the CBC alternative budget.

□ 1600

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, let me first say that I join with the gentlewoman from California [Ms. WATERS] in being concerned about children, and point out that her district,

the 35th of California, would receive $58 million for children under the Kasich bill.

Mr. Chairman, I have been listening most of the day. I do not intend to talk about details. The gentleman from Maryland [Mr. MFUME] talked about helping people, and I agree with that. And I suppose everyone here wants to help people.

The question is, how do we do that? How do we best do that? It seems to me that is the great debate. There is no one here that does not want to help people.

So budgets, I think, are predicated on what you want to do, where you want to go, what it is you want to achieve. And that is what budgets ought to be about. And there is a legitimate difference of view.

I think we ought to talk about philosophy. How much government do we expect to have, how much taxes do we expect to charge, where do we see the role of the Government. I think these are legitimate philosophical questions that make it much easier to decide what budget you really support.

What do you think about the size and the scope of government? Do you want more? Do you want less? Do you think the Government is involved enough in our lives, or should there be indeed something less. I will wager most of us go home and say we will have less government and come here and vote for more. Legitimate questions.

Taxes. Do we want more? Do we want less? Obviously, if you are going to have more programs, you have to have more taxes. That is the way that works. I have listened to endless numbers of programs today that we simply could not get along without. I doubt that. It seems to me local government could well do it if we would leave the money there. That is a legitimate question. Do you want more taxes or less.

The role of the private sector. We are all about solving problems. Many problems can be solved better in the private sector, better at local government. Do you want more emphasis on the private sector, or less?

Individual freedom. That is part of it. If we have more government, we have less freedom. With freedom goes some responsibility. We have to do that.

So, Mr. Chairman, these are legitimate questions that we ask. And the budget drives the answer. The budget drives the answer. It makes it fairly clear to me that the Kasich budget is the one to support to have less government, to solve problems in the private sector, to deal with problems, have more freedom, more responsibility. If you believe that, the Kasich budget is the one to support. And I believe that.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Chairman, I rise in strong support of the Kasich budget because it is the only budget on the floor today or tomorrow that will be real reform in Washington, DC, that sets out real programmatic changes. That I think is what the American people are calling for.

One such change is a welfare reform bill that was placed in the Kasich budget that is supported by 162 of the 175 members of the Republican caucus. It is the only bill out there trying to bring the Clinton administration to the table on welfare reform, something he promised as a candidate.

One key aspect of the reform we are calling for in the welfare system is SSI, supplemental security income. Just to give you an illustration of what the Kasich bill will do, of what the welfare reform bill will do, and what our proposal accomplishes, and the absolute abuse that is going on in the SSI and the welfare system, let us look at the explosion of drug addicts receiving SSI.

These are people who are addicted to drugs so badly that we give them money. They are unable to work because they are addicted to drugs, so we give them money to help them with their addiction.

In 1985, we had about 5,000 people who were drug addicts receiving SSI. Today, 80,000 people in America are so badly drug addicted that we give them $450 a month, at least, in some States more, in cash benefits, drug treatment, and Medicaid.

Now, this sounds terrible. This is a lot of money. This is over $300 million a year to drug addicts on SSI.

Now, that sounds bad. There is a requirement, however, that these people be in treatment. So when the Social Security Administrator came before our subcommittee the other day, I asked her, what percentage of these people are in drug treatment as required under the law?

Her answer, under 10 percent. Under 10 percent. I said well, what are you doing with these other 91, 92 percent? She says I do not know. We just send them the money. We just send them the money.

Now, that sounds bad too, doesn't it? It gets even worse. Who do we send the money to? The Social Security Administration figured out you don't send cash to drug addicts. They figured that out. We give them a big point for that one. So who do they send it to? They send it to a representative payee, someone appointed to manage the money for the drug addict. And who did the General Accounting Office testify before the subcommittee is in increasing numbers becoming the representative payee? The drug dealer. Of course. We are sending money to the drug dealer to take are of the drug addict's habit.

In some cases we send it to the bartender. There is a case in Denver where there is a Denver bartender who received over $10,000 a month in SSI checks to take care of the alcoholics who frequent his bar.

Now, this is a ridiculous situation. This is something that the Kasich budget solves. By the way, this is the tip of the iceberg. I talked about 80,000 drug addicts. Those 80,000 drug addicts are in three States. You say how can 3 States have 60 percent of the 80,000 drug addicts? The reason is because the Social Security Administration came up with a great idea. They came up with the idea that these people are sick and we need to help them, so we have to find them and get them in the system.

So they instituted outreach centers in Detroit and in Chicago and in Los Angeles, and they go out and find drug addicts and sign them up so they can receive benefits. That is why these three States have the most.

Just in January they decided to set up an outreach office in the District of Columbia to find alcoholics and drug addicts who were so disabled that we have to help them.

Well, what they found out is in the District of Columbia, of the 80,000 drug addicts nationwide, 38, only 38, are in the District of Columbia. You can find 38 alcoholics and drug addicts within 5 blocks of the Capitol. The fact of the matter is this is an addiction program that is broken. How do we solve it? We solve some of it by drug testing. We say to people if you have an illegal substance in your body, we are no longer going to give you cash assistance. You can stay on drug treatment. We will help you. We will give you an opportunity to rise back in society and get your life together, but we are no longer going to pay for something we do not want in our society.

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

I would ask the distinguished gentleman from Pennsylvania, surely he does not suggest that the things he found reprehensible are part of the Congressional Black Caucus' budget?

Mr. SANTORUM. Mr. Chairman, if the gentleman will yield, this is part of the existing system that Mr. FORD and Mr. JACOBS just had a hearing on about 3 or 4 weeks ago. The Subcommittee on Human Resources and the Subcommittee on Social Security had this hearing, and that is why we proposed this solution in the Kasich budget.

Mr. MFUME. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Chairman, I thank the gentleman, and would like to extend my congratulations to those members of the CBC that prepared this budget, and say that in the Congressional Black Caucus budget, we have the only budget which clearly refuses to accept the President's doctrine of no further cuts in defense. That is a major blunder, and we should have corrected it in all of the budgets.

The American people need to know that we are still spending enormous amounts of money for defense, when it is not needed. We can fund the programs we need to fund in education, we can fund the programs in health care and in job training that we need to fund, and we do not have to raise taxes for anybody.

□ 1610

All we have to do is stop spending money on worthless weapons systems. We have to stop funding overseas bases in Germany and Japan, where if they need bases, they can pay for their own bases. We have to stop funding Star Wars and weapons systems that we are never going to use. Defense is where the money is. But we have refused to do that, and thus we do not have the money to spend for education and for job training and for health care that we need.

In this budget, the theme that education and employment has been vitally needed in our big cities runs through the entire budget. We have a disaster in most of our big cities. We have an education and employment disaster. We appropriated $8 billion for an earthquake disaster in California recently. Last year we appropriated $6 billion for a flood relief disaster in the Midwest. Before that, we appropriated about $6 billion for hurricane disaster relief in Florida. Those were stimulus packages for those parts of the country. I have no problem with helping people who need help.

But in the northeast we have a jobs disaster and, we have had a jobs disaster for the last 12 years. We need relief. We need education and employment disaster relief. We need programs for job training. We need programs for education.

At the heart of this budget is a program which would do that. We have programs in here which will help to rebuild our schools. The Education Infrastructure Act will provide emergency funds for the repair and renovation of schools, for asbestos and lead poisoning abatement, and other needs.

We have a family learning center program for libraries to guarantee access for the poor to the information superhighway which we hear so much about, but nobody is planning to allow poor people to be a part of that. We have opportunity to learn, incentive grants proposed to encourage selective local education agencies and to match their proposals for curriculum content improvements and increased testing with some concrete proposals for improvements in the education delivery system.

We have a school-based building construction training program to expand the model which is already developed by the youth build experimental program which employs young teenagers, trains them, and employs them in the actual renovation and rebuilding of buildings that are located in their own community and then their families get the first opportunity to occupy those buildings.

We need relief in the Northeast. We need relief in New York, inner city communities. We need relief in Chicago. Any census track that has unemployment above the national level for the last 12 years ought to be declared a disaster area. It ought to be eligible for extensive amounts of funds for job training and for employment.

It is only fair. We have given it to the earthquake areas, to the disaster flood areas. God created those disasters. But the disaster in our cities was created by man, and the victims of that disaster deserve help as much as any other victims of other disasters.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LAZIO], a very distinguished new Member of Congress.

Mr. LAZIO. Mr. Chairman, I thank the gentleman from Connecticut for yielding time to me.

Mr. Chairman, I rise in support of the Kasich substitute and urge my colleagues to support it.

Mr. Chairman, budget resolutions are many things to many people and the nature of budget resolutions has changed over time. They have evolved to contain policy guidance of a highly specific nature.

I prefer the traditional concept of a budget resolution. I think of budget resolutions as highly aggregated blueprints for fiscal policy, intended to offer broad guidance to Congress as Congress sets out to put in place a coherent fiscal plan. Any specifics—for example, which programs to cut, eliminate, or even increase, or which taxes to cut, raise, or revise—should, quite properly be left to the committees of actual jurisdiction for these programs.

This said, the Kasich substitute, unlike the Democrats' resolution, contains a high level of specifics, and I doubt if any of my Republican colleagues support each and every provision. I know I do not—I am not happy with several of the entitlement changes, especially those in health programs. Nor do I support the large cuts in the foreign assistance. And, rather than repealing Davis-Bacon, I support reform which enjoys widespread bipartisan backing.

But just because a Member disagrees with some provisions of a complicated budget resolution is not sufficient reason to vote against. As former New York Congressman Barber Conable said in this context, "there's always something for somebody to hate."

Voting against a budget resolution simply because there are some disagreeable provisions is, in my view, an excuse to duck the important issue of fiscal policy.

I support the Kasich substitute because it offers a clearly preferable fiscal policy path for our country. Compared to the Democrats' resolution, it has significantly greater deficit reduction—$150 billion more over 5 years—and, in my view, the long-term benefits of deficit reduction outweigh the short-term pain of program reductions.

Moreover, the Republican substitute is more honest than the Democrats'. Unlike the Democrats', the Republican budget includes health policy reform. It also provides for welfare reform and for fighting crime. Mr. Chairman, it is nothing short of disingenuous for my Democratic colleagues to criticize these provisions of the Kasich substitute when their resolution is silent on these three important issues.

Mr. MFUME. Mr. Chairman, I reserve the balance of my time.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. PORTER], a member of the Committee on Appropriations and a very strong fiscal conservative.

Mr. PORTER. Mr. Chairman, I thank my able colleague for yielding time to me.

Mr. Chairman, I want to talk a minute about budget priorities. The First Lady, Hillary Rodham Clinton, recently—in a speech at the National Institutes of Health, in Bethesda—following, I think, very good advice by Secretary Donna Shalala, spoke about the National Institutes of Health being one of our national treasures. And, Mr. Chairman, it is fascinating to understand how biomedical research results in cost savings in health care.

The amount of money saved by just one discovery, the discovery of the Salk polio vaccine, amounts to the entire funding cost of NIH throughout its history. What that means to health care cost savings in the future is almost incalculable.

Yet last year the administration put out a budget that would have provided a 1-percent increase for NIH below inflation, resulting in actual cuts in 9 of the 17 Institutes. We on the Appropriations Committee and the Subcommittee on Labor-Health and Human Services-Education ended up raising that to 6 percent in the House and 5.2 percent in the final conference, all within the budget, because we considered NIH one of our true priorities.

This year the President's budget puts NIH at an increase of $517 million or 4.7 percent. Even if we take out the forward funding, it is $417 million or 3.8 percent. However, the House Committee on the Budget, on the opposite side of the aisle, provided an increase in their budget document of only $259 million or 2.3 percent. This puts NIH, again, below inflation and shows that they do not make the agency a priority at all.

The Republican Kasich substitute supports the President's view that NIH is a high priority and puts it in at 4.7 percent or $517 million. Although this

bill made cuts overall, it makes a priority choice to fund biomedical research at NIH.

Mr. Chairman, NIH biomedical research in America is the envy of the entire world. If we provide funding on a downward slope, we are going to lose an entire generation of research scientists who are dedicating themselves to finding cures or preventions for AIDS, cancer, and diabetes, and Parkinson's disease as well as all the afflictions that affect us as human beings. This research is a priority.

The Kasich substitute is so much better in this area than the Democratic budget. Support the Kasich substitute.

Mr. MFUME. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from the District of Columbia [Ms. NORTON].

□ 1620

Ms. NORTON. I thank the gentleman for yielding to me.

I ask my colleagues to give a very serious look at the CBC budget this year, a year when we can afford this budget.

Mr. Chairman, in the 1980's we saw a massive transfer of funds from the domestic side of the budget to the military side of the budget. If we look for a theme in the CBC budget this year, it is giving something back from that side of the budget where we have been largely successful to the domestic side of the budget, once again. Mr. Chairman, we are paying for the transfer and we are paying dearly.

As we look at the crime in our streets, Mr. Chairman, we know that the causes are multiple, but is there a person in this body who would not concede that the cities did not profit from the transfer from one side of the budget to the other? Look at what our budget would do in education, training, and social services.

We are asking for nearly $2 billion more than the $19 billion that is already in the budget. Is that a lot of money, Mr. Chairman? The money would go for job training, for Pell grants, for job creation in the health care industry, for example.

Something has begun to happen to me in the streets of the District of Columbia. Over and over again, young black men, in particular, come up to me say what I have not heard them say directly to my face before, "Congresswoman, I need a job," over and over again. I don't know if this is being orchestrated, but they are young black men.

I do know this: Last week on the front page of the New York Times we were told there were 5 percent fewer black men going to college in the 1990's than went in the 1980's. That ought to send the strongest conceivable message to us.

The notion that has driven us during the new administration has been, to put it pejoratively, "It is the economy, stupid." By paying attention to the economy, we have seen some gains with the best economy since 1989 and the best deficit reduction ever in the shortest amount of time.

The theme for this coming year surely will be not "It is the economy, stupid," but "It is jobs, stupid." It is jobs that, instead of leading the recovery, have been following the recovery. A substantial amount of the recovery, indeed, has come at the expense of jobs, as businesses continues to become lean at the expense of its own workers.

Mr. Chairman, unemployment went down in the country in the last cycle. It went up in the black community. What kind of perverse ratio is that? The burden is now on us to show that the upturn in the economy can have the only payoff that counts, an upturn in jobs, and we will not get that without the substantial amount of effort we have put into improving the economy itself.

If we go for 5 years driven entirely by deficit reduction without substantially more investment in our people, we may be closer to a balanced budget at the end of that time, but much further away from the balanced allocation of resources that we need.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. SMITH]. One of the reasons why the gentleman from Ohio [Mr. KASICH] has been so successful is because of the good work of this gentleman.

Mr. SMITH of Michigan. Mr. Chairman, I rise today in support of the Republican budget alternative. As chairman of the Republican Physical Capital Working Group on the Budget Committee, reviewing commerce and housing credit (370), transportation (400), and economic development (450) functions, we met for over 1,000 hours over the past several months compiling the recommendations included in this budget alternative.

These changes are good policy. We consolidate several economic development programs into a single economic development block grant. We propose the privatization of the nonsafety-related functions of the Federal Aviation Administration. We support an innovative "risk-sharing" initiative in the Federal Housing Administration to reduce the risk to the Federal Government in housing guarantee programs.

For each of these initiatives, we have talked with the experts to address their concerns. We met with Secretary Cisneros of HUD, Secretary Pena of Transportation, and other experts at CBO and CRS. These ideas not only save money, they make good policy sense.

Mr. Speaker, this budget alternative is not perfect, but responds to the American people's request that we reduce spending and increase efficiency in the Federal Government.

Mr. Chairman, I thank the gentleman very much for the nice words.

Mr. Chairman, I would say to the gentlewoman from the District of Columbia [Ms. NORTON], as we look at how much the District of Columbia would get, our tally is $48.1 million from the $500 child tax credit.

Does anybody know what we have done in the last year in terms of increasing the debt of this country? For the last year, we have gone into debt an additional $1 billion a day, $361 billion that we have added to the debt of this country. We are mortgaging our kids' futures.

What I am encouraged about is that I think we have turned the corner. The gentleman from Maryland [Mr. MFUME] last year led an effort to balance the budget with his proposal. The gentleman from Ohio [Mr. KASICH] this year is leading an effort, that we are coming to a lower deficit in 1996, for example, than we have come since 1982.

We have added in this so-called Kasich proposal some tax changes that we need. We are saying to business for the first time, "Look, you can consider that new machinery and equipment that is going to help your productivity and jobs, you can consider that as a business expense, and you can take it off your income tax, you can deduct it from your income tax, expensing."

We have said not only the $500 child tax credit, but we have said to the self-employed that, "Look, we are going to start being fair to you in terms of you being able to have 100 percent deductibility for health care costs."

I think the $150 billion extra that we cut spending in this budget is a giant step forward. We take $150 billion more than the Democrat proposal that we will be voting on later.

If there are 263 of us that can sign a petition to put a balanced budget amendment on the floor, it seems reasonable that there should be at least 219 of us that are willing to say, "Yes, let us take the first step."

Mr. MFUME. Mr. Chairman, I yield 2½ minutes to my colleague, the distinguished gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would like to offer first my congratulations to the gentleman and other Members in the caucus that worked so hard in putting this Black Caucus alternative budget together.

Mr. Chairman, I rise in strong support of that budget, because I think it offers to those of us in Congress some real options, some real choices, as to how we want to spend the money of the American taxpayer.

In the first instance, we say in order to fund increased spending, we have to make realistic cuts, so the Black Caucus alternative budget starts with that premise, and, in fact, does make cuts in defense spending reflective of the new age in which we live.

Second, we say we have to have certain important priorities. I want talk about two: education and economic development. In the first instance, in terms of education, it is widely accepted that we are not going to prosecute

our way out of this crime problem. Prevention is the key, and the catchword for prevention is education. We have to educate young people and provide them with hope and other options, if we hope over the long-term to respond to the crime problem.

Yes, Members can say, "Put a Band-Aid on it and build some prisons," but we cannot afford to keep building prisons and spending $20,000 per-year-per-inmate.

Let me suggest that the Black Caucus budget is the preferable alternative. It says, first, let us work with young people in the Chapter 1 Program, and the Black Caucus Program adds $2 billion to the Chapter 1 Program to work with at-risk and disadvantaged young people.

It says, second, let us put some money into college training, so it adds another $2 billion for Pell grants, so that young people who are disadvantaged can go to college instead of going to prison.

It says, third, let us provide support services to those disadvantaged college students, many of whom are first generation college students, and it provides money for that. It addresses the problem of at-risk youth, and fighting gang warfare early in the process, and it provides money for job training and education and life skills.

On the other side of the coin, it says the key to economic development is job creation. So the Black Caucus budget includes $650 million for Community Development Banks. That is almost double what the administration put in for this same project.

If we want poor communities, urban communities, poor rural communities to prosper and create jobs, we have to have access to capital and banking services. The Community Development Bank Program in the Black Caucus budget accomplishes that.

Second, it includes $6 million for minority business development within the Commerce Department. Again, minority businesses are an engine for creating jobs in the minority community. That is another way to fight crime.

An additional $3 million is for minority and small business assistance.

Putting together a budget is about making choices. The choices are the administration budget or the far more progressive Black Caucus budget. I urge the Members' acceptance of the Black Caucus alternatives.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER], a leader of the House and a member of the Committee on Armed Services.

Mr. HUNTER. Mr. Chairman, I thank the gentleman from Connecticut [Mr. SHAYS] for yielding this time to me.

Mr. Chairman, I thank the Republican team that put together the so-called Kasich budget, and I want to also thank the Black Caucus for the efforts they have undertaken here.

Let me just address my friends in the Black Caucus with respect to something I think they should consider very strongly. One thing we have done correctly in the last 10 to 12 years, one of our constitutional duties to all of our people is to protect them. We have done a darned good job of it.

□ 1630

We rebuilt national defense in the 1980's. At the time when I came to Congress we had about 1,000 petty officers a month getting out of the Navy because they could not make enough money. We had a lot of our military personnel on food stamps. We had equipment that would not work. Fifty percent of our aircraft were not mission-capable, and we had enemies round the world taking advantage of this perceived American weakness.

But we rebuilt national security in the 1980s, and as a result of that we brought down the Berlin Wall, and it brought about the dissolution of the Soviet Empire.

That action has allowed us to reduce the defense budget by billions and billions of dollars, and in real terms since about 1985, the defense budget has come down in excess of 40 percent. So if we look at the $300 billion budgets we were funding in the mid-1980s, and put a pencil to that, it means that there are tens of billions of dollars available now that we have plugged into other aspects of the budget, the domestic side of the budget because we were strong, because we maintained peace through strength.

Let me now say we now have a world that is dangerous in different ways. It is a world in which North Korea is acquiring a nuclear weapon. We are not sure exactly what we can do about that. We are sure there is nothing we can do immediately about that problem. China is moving into the South China Sea with some force. They are taking the place of the Soviet Union as the next superpower, I think. We have a cauldron in the Middle east. We have the Balkans exploding. We have a dangerous world in different ways than the world in which the Soviet Union and the United States were the chief protagonists.

We have a duty to our men and women in uniform to keep them safe and to keep them secure and to keep them well-equipped. We can only do that with a good budget, and the Kasich budget has the minimum amount of money we should be spending on national security.

Mr. MFUME. Mr. Chairman, I reserve the balance of my time.

Mr. SHAYS. Mr. Chairman, I yield myself the remainder of our time.

Mr. Chairman, we would like to conclude by just once again emphasizing the extraordinary need to get our fiscal house in order. We have a national debt that is going to go up $1.6 trillion in the next 5 years, and the Democratic package that passed out of the Budget Committee simply allows that to continue to happen.

The President says we need to stay the course, and yet staying the course means we are going to have one of the largest increases in the national debt in my 5-years period happening under his presidency. The Republican budget initiative was just formed around some basic, major Republican principles such as federalism, block granting, real reform in health care, welfare reform and immigration reform. We are also in our package reforming the organization of Government. We attempt to privatize and we attempt to have smaller Government.

We asked ourselves a basic question: Who do we want to help, the people in Washington or the people back home? The people back home need our help. We have to get our financial house in order.

There are going to be four basic budget packages, including a small one by the gentleman from Massachusetts [Mr. FRANK], which makes a fifth. But there is the Democratic plan, there is the Kasich Republican plan, there is the Solomon plan, there is the Black Caucus plan.

I would submit that the Kasich plan deals with major reform, and addresses so many of the problems we need to address today. I would submit, however, that the Black Caucus reform is certainly better than the Democratic package that passed out of the House Budget Committee last week.

Mr. Chairman, I yield back the balance of my time.

Mr. MFUME. Mr. Chairman, I yield myself the remainder of our time.

Mr. Chairman, in conclusion let me just state again that the budget being offered today by the Congressional Black Caucus, which we will again debate tomorrow, represents an aggressive and yet fiscally responsible approach to a number of our problems in our society.

Again let me remind Members that our budget deficit is $1.8 billion less than the budget proposed by the House Budget Committee and still $2.6 billion less than the budget proposed by the administration.

I want to thank the Members of the House Progressive Caucus who have worked in conjunction with us in shaping this document. Clearly we want to thank the staff. My thanks to the gentleman from Ohio [Mr. KASICH] and the gentleman from Connecticut [Mr. SHAYS], both of whose visions and whose sincerity I appreciate in this very difficult process, and both of whom I suspect will have an opportunity to debate again tomorrow, and neither of whom I think could have put together this package without a sincere understanding at least in their perspective of what they wanted to do.

And I appreciate that, and I speak on behalf of the members of the Congressional Black Caucus and the Progressive Coalition who have worked to shape our proposal.

Having said that, Mr. Chairman, I look forward to tomorrow's continuation of this debate.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the concurrent resolution is considered as having been read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 218 is as follows:

H. CON. RES. 218

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $977,800,000,000.
Fiscal year 1996: $1,031,200,000,000.
Fiscal year 1997: $1,079,700,000,000.
Fiscal year 1998: $1,136,400,000,000.
Fiscal year 1999: $1,190,200,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.
Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.
Fiscal year 1996: $106,300,000,000.
Fiscal year 1997: $111,900,000,000.
Fiscal year 1998: $117,800,000,000.
Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,246,800,000,000.
Fiscal year 1996: $1,308,400,000,000.
Fiscal year 1997: $1,374,400,000,000.
Fiscal year 1998: $1,447,800,000,000.
Fiscal year 1999: $1,531,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,225,500,000,000.
Fiscal year 1996: $1,284,700,000,000.
Fiscal year 1997: $1,356,500,000,000.
Fiscal year 1998: $1,419,000,000,000.
Fiscal year 1999: $1,495,000,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $247,700,000,000.
Fiscal year 1996: $253,500,000,000.
Fiscal year 1997: $276,800,000,000.
Fiscal year 1998: $282,600,000,000.
Fiscal year 1999: $304,800,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,968,300,000,000.
Fiscal year 1996: $5,293,800,000,000.
Fiscal year 1997: $5,640,100,000,000.
Fiscal year 1998: $5,996,200,000,000.
Fiscal year 1999: $6,367,300,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:
(A) New direct loan obligations, $26,700,000,000.
(B) New primary loan guarantee commitments, $199,700,000,000.

Fiscal year 1996:
(A) New direct loan obligations, $32,100,000,000.
(B) New primary loan guarantee commitments, $174,400,000,000.

Fiscal year 1997:
(A) New direct loan obligations, $33,800,000,000.
(B) New primary loan guarantee commitments, $164,600,000,000.

Fiscal year 1998:
(A) New direct loan obligations, $35,700,000,000.
(B) New primary loan guarantee commitments, $164,100,000,000.

Fiscal year 1999:
(A) New direct loan obligations, $37,800,000,000.
(B) New primary loan guarantee commitments, $163,500,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:
(A) New budget authority, $263,300,000,000.
(B) Outlays, $270,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $255,300,000,000.
(B) Outlays, $261,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $252,000,000,000.
(B) Outlays, $256,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $258,700,000,000.
(B) Outlays, $256,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $258,700,000,000.
(B) Outlays, $256,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:
(A) New budget authority, $19,200,000,000.
(B) Outlays, $18,100,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $18,000,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $18,500,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $17,000,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $2,600,000,000.
(D) New primary loan guarantee commitments, $18,500,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $16,800,000,000.
(B) Outlays, $17,700,000,000.
(C) New direct loan obligations, $2,400,000,000.
(D) New primary loan guarantee commitments, $18,500,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $17,000,000,000.
(B) Outlays, $17,700,000,000.
(C) New direct loan obligations, $2,400,000,000.
(D) New primary loan guarantee commitments, $16,500,000,000.
(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $17,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $17,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $17,300,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $17,400,000,000.
(B) Outlays, $17,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $17,400,000,000.
(B) Outlays, $17,400,000,000.
(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1995:
(A) New budget authority, $6,000,000,000.
(B) Outlays, $5,000,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $4,900,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $4,700,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $5,400,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1995:
(A) New budget authority, $21,400,000,000.
(B) Outlays, $21,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $22,200,000,000.
(B) Outlays, $21,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $22,100,000,000.
(B) Outlays, $21,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $22,000,000,000.
(B) Outlays, $21,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $21,600,000,000.
(B) Outlays, $21,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1995:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $10,100,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $12,400,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $13,900,000,000.
(B) Outlays, $12,700,000,000.
(C) New direct loan obligations, $9,800,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $9,900,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1995:
(A) New budget authority, $7,300,000,000.
(B) Outlays, −$8,500,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $117,900,000,000.
(E) New secondary loan guarantee commitments, $130,000,000,000.
Fiscal year 1996:
(A) New budget authority, $5,300,000,000.
(B) Outlays, −$10,900,000,000.
(C) New direct loan obligations, $3,000,000,000.
(D) New primary loan guarantee commitments, $103,200,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1997:
(A) New budget authority, $5,100,000,000.
(B) Outlays, −$3,500,000,000.
(C) New direct loan obligations, $3,100,000,000.
(D) New primary loan guarantee commitments, $95,900,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1998:
(A) New budget authority, $5,200,000,000.
(B) Outlays, −$2,900,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $96,600,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1999:
(A) New budget authority, $5,200,000,000.
(B) Outlays, −$1,900,000,000.
(C) New direct loan obligations, $3,400,000,000.
(D) New primary loan guarantee commitments, $99,500,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
(8) Transportation (400):
Fiscal year 1995:
(A) New budget authority, $41,800,000,000.
(B) Outlays, $38,800,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $41,800,000,000.
(B) Outlays, $39,600,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $43,100,000,000.
(B) Outlays, $40,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $43,900,000,000.
(B) Outlays, $40,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $44,700,000,000.
(B) Outlays, $40,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1995:
(A) New budget authority, $9,500,000,000.
(B) Outlays, $9,300,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $9,000,000,000.

(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $9,100,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $9,100,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1995:
(A) New budget authority, $57,000,000,000.
(B) Outlays, $53,400,000,000.
(C) New direct loan obligations, $5,500,000,000.
(D) New primary loan guarantee commitments, $19,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $58,200,000,000.
(B) Outlays, $55,200,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $14,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $59,900,000,000.
(B) Outlays, $58,000,000,000.
(C) New direct loan obligations, $13,200,000,000.
(D) New primary loan guarantee commitments, $13,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $61,700,000,000.
(B) Outlays, $60,600,000,000.
(C) New direct loan obligations, $15,100,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $61,800,000,000.
(B) Outlays, $60,800,000,000.
(C) New direct loan obligations, $16,800,000,000.
(D) New primary loan guarantee commitments, $11,200,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1995:
(A) New budget authority, $123,400,000,000.
(B) Outlays, $122,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $136,600,000,000.
(B) Outlays, $135,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $150,900,000,000.
(B) Outlays, $149,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $166,600,000,000.
(B) Outlays, $165,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $182,900,000,000.
(B) Outlays, $181,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1995:
(A) New budget authority, $162,400,000,000.
(B) Outlays, $160,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $180,500,000,000.
(B) Outlays, $178,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $198,500,000,000.
(B) Outlays, $196,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $217,700,000,000.
(B) Outlays, $215,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $242,200,000,000.
(B) Outlays, $239,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1995:
(A) New budget authority, $219,800,000,000.
(B) Outlays, $220,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $234,500,000,000.
(B) Outlays, $229,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $249,100,000,000.
(B) Outlays, $242,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $261,000,000,000.
(B) Outlays, $253,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $272,200,000,000.
(B) Outlays, $264,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1995:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $6,300,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $11,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $12,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,800,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1995:
(A) New budget authority, $37,200,000,000.
(B) Outlays, $36,600,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $32,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $37,600,000,000.
(B) Outlays, $36,600,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $38,500,000,000.
(B) Outlays, $38,300,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $25,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $38,600,000,000.
(B) Outlays, $38,500,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $25,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $39,700,000,000.
(B) Outlays, $39,700,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $25,300,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1995:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $16,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $19,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $21,700,000,000.
(B) Outlays, $20,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $22,700,000,000.
(B) Outlays, $22,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $22,800,000,000.
(B) Outlays, $22,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1995:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $13,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $14,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $13,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $13,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1995:
(A) New budget authority, $247,100,000,000.
(B) Outlays, $247,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $267,200,000,000.
(B) Outlays, $267,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $282,800,000,000.
(B) Outlays, $282,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $298,500,000,000.
(B) Outlays, $298,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $315,800,000,000.
(B) Outlays, $315,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1995:
(A) New budget authority, −$800,000,000.
(B) Outlays, −$1,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, −$3,600,000,000.
(B) Outlays, −$2,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, −$3,600,000,000.
(B) Outlays, −$2,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$2,900,000,000.
(B) Outlays, −$6,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,400,000,000.
(B) Outlays, −$900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1995:
(A) New budget authority, −$36,100,000,000.
(B) Outlays, −$36,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, −$30,300,000,000.
(B) Outlays, −$30,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, −$30,300,000,000.
(B) Outlays, −$30,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$31,200,000,000.
(B) Outlays, −$31,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$31,600,000,000.
(B) Outlays, −$31,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

SEC. 4. HEALTH CARE REFORM.

(a) If health care reform legislation is reported (including by a committee of conference), budget authority, outlays, and new entitlement authority shall be allocated to committees, and the total levels of budget authority, outlays, and revenues shall be adjusted, to reflect such legislation if the legislation in the form in which it will be considered would not increase the total deficit for the period of fiscal years 1995 through 1999.

(b) Upon reporting of legislation described in subsection (a) and again upon submission of a conference report on such legislation, the chairman of the Committee on the Budget shall publish in the Congressional Record revised allocations under section 602(a) of the Congressional Budget Act of 1974 and revised levels of total budget authority, out-

lays, and revenues to carry out this section. Such allocations and totals shall be considered as the allocations and aggregates under this resolution.

SEC. 5. SENSE OF THE CONGRESS.

It is the sense of Congress that the following legislation should be enacted:

(1) Legislation providing enforceable limits to control the growth of entitlement or mandatory spending.

(2) Amendments to the Budget Enforcement Act of 1990 to establish a regular procedure to provide assistance for disasters and other emergencies without adding to the deficit.

(3) Legislation granting the President expedited rescission authority over appropriations measures, as provided by H.R. 1578, as passed the House.

SEC. 6. SENSE OF COMMITTEE ON THE BUDGET ON SCORING HEALTH REFORM.

It is the sense of the Committee on the Budget that all financial transactions associated with the President's health reform legislation or similar health reform legislation relying on mandated payments to a Government entity be treated as part of the Federal budget, including premium payments by individuals and employees to health alliances (which should be treated as receipts) and payments by health alliances to providers (which should be treated as outlays), for all purposes under the Congressional Budget Act of 1974.

SEC. 7. SENSE OF COMMITTEE ON THE BUDGET.

(a) The Committee on the Budget is troubled by the Federal Government's failure to enforce immigration laws and secure United States borders from illegal immigration. The Government has also failed to investigate and prosecute Federal wage and hour violations, thus creating incentives to hire persons illegally in the United States and exacerbating the problem of illegal immigration.

(b) The Committee on the Budget recognizes that the Federal Government has an obligation to help fund increasing State and local government costs directly resulting from ineffective Federal enforcement efforts in this area. Therefore, the Committee assumes that adequate funding in this resolution will be used to reimburse States and local governments for both authorized program costs and legally binding obligations associated with providing:

(1) Elementary and secondary education for undocumented children in the public schools.

(2) Emergency medical assistance to undocumented persons.

(3) Law enforcement resources and personnel to incarcerate and supervise parole of criminal aliens. This funding can either be used by the Federal Government to take into custody and incarcerate criminal aliens or to reimburse States and local governments for their associated costs.

(4) Services incidental to admission of refugees under the Refugee Admission and Resettlement program.

SEC. 8. SENSE OF THE CONGRESS REGARDING RESERVE FUNDS FOR EMERGENCIES.

It is the sense of Congress that—

(1) the emergency designation under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 has repeatedly been invoked to circumvent the discretionary spending limits for other than emergency purposes;

(2) amounts for emergencies should be set aside within a reserve fund and subject to the discretionary spending limit;

(3) the reserve fund shall total 1 percent of annual budget outlays; and

(4) emergency funding requirements in excess of amounts held in the reserve fund should be offset by a reduction in appropriations.

SEC. 9. SENSE OF THE CONGRESS REGARDING UNFUNDED MANDATES.

It is the sense of Congress that—

(1) the Federal Government should not diminish the fiscal autonomy of State and local governments over their own sources of revenue;

(2) the Federal Government should not shift the costs of administering Federal entitlements to State and local governments;

(3) the Federal Government's share of entitlement programs should not be capped without providing States authority to amend their financial or programmatic responsibilities to continue meeting the mandated service; and

(4) Congress should develop a mechanism to ensure that the costs of mandates are considered during deliberations on authorizing legislation.

SEC. 10. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) FINDINGS.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from an inflated spending level; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

The CHAIRMAN. No amendments are in order except the amendments printed in House Report 103–429, which shall be considered in the order printed in the report and by the named proponent or a designee, shall be considered as read and shall not be subject to amendment.

Each amendment will be debatable for 1 hour, equally divided and controlled by the proponent and an opponent of the amendment.

If more than one amendment in the nature of a substitute is adopted, only the last amendment adopted shall be considered as having been finally adopted and reported back to the House.

At the conclusion of consideration of the concurrent resolution for amendment, there will be a final period of general debate which shall not exceed 10 minutes, equally divided and controlled by the chairman and ranking minority member on the Committee on the Budget.

It is now in order to consider amendment No. 1 printed in House Report 103–429.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment is as follows:

Amendment in the nature of a substitute offered by Mr. FRANK of Massachusetts:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $977,800,000,000.
Fiscal year 1996: $1,031,200,000,000.
Fiscal year 1997: $1,079,700,000,000.
Fiscal year 1998: $1,136,400,000,000.
Fiscal year 1999: $1,190,200,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.
Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.
Fiscal year 1996: $106,300,000,000.
Fiscal year 1997: $111,900,000,000.
Fiscal year 1998: $117,800,000,000.
Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,246,800,000,000.
Fiscal year 1996: $1,308,400,000,000.
Fiscal year 1997: $1,374,400,000,000.
Fiscal year 1998: $1,447,800,000,000.
Fiscal year 1999: $1,531,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,225,500,000,000.
Fiscal year 1996: $1,284,700,000,000.
Fiscal year 1997: $1,356,500,000,000.
Fiscal year 1998: $1,419,000,000,000.
Fiscal year 1999: $1,495,000,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $247,700,000,000.
Fiscal year 1996: $253,500,000,000.
Fiscal year 1997: $276,800,000,000.
Fiscal year 1998: $282,600,000,000.
Fiscal year 1999: $304,800,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,968,300,000,000.
Fiscal year 1996: $5,293,800,000,000.
Fiscal year 1997: $5,640,100,000,000.
Fiscal year 1998: $5,996,200,000,000.
Fiscal year 1999: $6,367,300,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:

(A) New direct loan obligations, $26,700,000,000.

(B) New primary loan guarantee commitments, $199,700,000,000.

Fiscal year 1996:

(A) New direct loan obligations, $32,100,000,000.
(B) New primary loan guarantee commitments, $174,400,000,000.
Fiscal year 1997:
(A) New direct loan obligations, $33,800,000,000.
(B) New primary loan guarantee commitments, $164,600,000,000.
Fiscal year 1998:
(A) New direct loan obligations, $35,700,000,000.
(B) New primary loan guarantee commitments, $164,100,000,000.
Fiscal year 1999:
(A) New direct loan obligations, $37,800,000,000.
(B) New primary loan guarantee commitments, $163,500,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):
Fiscal year 1995:
(A) New budget authority, $260,900,000,000.
(B) Outlays, $270,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $255,300,000,000
(B) Outlays, $261,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $252,000,000,000.
(B) Outlays, $256,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $258,700,000,000.
(B) Outlays, $256,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $258,700,000,000.
(B) Outlays, $256,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):
Fiscal year 1995:
(A) New budget authority, $19,200,000,000.
(B) Outlays, $18,100,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $18,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $18,500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $17,000,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $2,600,000,000.
(D) New primary loan guarantee commitments, $18,500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $16,800,000,000.
(B) Outlays, $17,700,000,000.
(C) New direct loan obligations, $2,400,000,000.
(D) New primary loan guarantee commitments, $18,500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $17,000,000,000.
(B) Outlays, $17,700,000,000.
(C) New direct loan obligations, $2,400,000,000.
(D) New primary loan guarantee commitments, $16,500,000,000.
(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):
Fiscal year 1995:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $17,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $17,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $17,300,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $17,400,000,000.
(B) Outlays, $17,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $17,400,000,000.
(B) Outlays, $17,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1995:
(A) New budget authority, $6,000,000,000.
(B) Outlays, $5,000,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $4,900,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $4,700,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $5,400,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):
Fiscal year 1995:
(A) New budget authority, $21,400,000,000.
(B) Outlays, $21,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $22,200,000,000.
(B) Outlays, $21,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $22,100,000,000.
(B) Outlays, $21,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $22,000,000,000.
(B) Outlays, $21,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $21,600,000,000.
(B) Outlays, $21,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):
Fiscal year 1995:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $10,100,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $12,400,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $13,900,000,000.
(B) Outlays, $12,700,000,000.
(C) New direct loan obligations, $9,800,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $9,900,000,000.
(D) New primary loan guarantee commitments, $7,400,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1995:
(A) New budget authority, $7,300,000,000.
(B) Outlays, −$8,500,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $117,900,000,000.
(E) New secondary loan guarantee commitments, $130,000,000,000.
Fiscal year 1996:
(A) New budget authority, $5,300,000,000.
(B) Outlays, −$10,900,000,000.
(C) New direct loan obligations, $3,000,000,000.
(D) New primary loan guarantee commitments, $103,200,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1997:
(A) New budget authority, $5,100,000,000.
(B) Outlays, −$3,500,000,000.
(C) New direct loan obligations, $3,100,000,000.
(D) New primary loan guarantee commitments, $95,900,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1998:
(A) New budget authority, $5,200,000,000.
(B) Outlays, −$2,900,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $96,600,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1999:
(A) New budget authority, $5,200,000,000.
(B) Outlays, −$1,900,000,000.
(C) New direct loan obligations, $3,400,000,000.
(D) New primary loan guarantee commitments, $99,500,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
(8) Transportation (400):
Fiscal year 1995:
(A) New budget authority, $41,800,000,000.
(B) Outlays, $38,800,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $41,800,000,000.
(B) Outlays, $39,600,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $43,100,000,000.
(B) Outlays, $40,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $43,900,000,000.
(B) Outlays, $40,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $44,700,000,000.
(B) Outlays, $40,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1995:
(A) New budget authority, $9,500,000,000.
(B) Outlays, $9,300,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $9,100,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $9,100,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $3,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1995:
(A) New budget authority, $57,000,000,000.
(B) Outlays, $53,400,000,000.
(C) New direct loan obligations, $5,500,000,000.
(D) New primary loan guarantee commitments, $19,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $58,200,000,000.
(B) Outlays, $55,200,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $14,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $59,900,000,000.
(B) Outlays, $58,000,000,000.
(C) New direct loan obligations, $13,200,000,000.
(D) New primary loan guarantee commitments, $13,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $61,700,000,000.
(B) Outlays, $60,600,000,000.
(C) New direct loan obligations, $15,100,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $61,800,000,000.
(B) Outlays, $60,800,000,000.
(C) New direct loan obligations, $16,800,000,000.
(D) New primary loan guarantee commitments, $11,200,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1995:
(A) New budget authority, $123,400,000,000.
(B) Outlays, $122,300,000,000.
(C) New direct loan obligations, $0
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $136,600,000,000.
(B) Outlays, $135,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $150,900,000,000.
(B) Outlays, $149,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $166,600,000,000.
(B) Outlays, $165,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $182,900,000,000.
(B) Outlays, $181,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1995:
(A) New budget authority, $162,400,000,000.
(B) Outlays, $160,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $180,500,000,000.
(B) Outlays, $178,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $198,500,000,000.
(B) Outlays, $196,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $217,700,000,000.
(B) Outlays, $215,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $242,200,000,000.
(B) Outlays, $239,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1995:
(A) New budget authority, $219,800,000,000.
(B) Outlays, $220,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $234,500,000,000.
(B) Outlays, $229,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $249,100,000,000.
(B) Outlays, $242,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $261,000,000,000.
(B) Outlays, $253,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $272,200,000,000.
(B) Outlays, $264,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1995:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $6,300,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $11,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $12,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,800,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1995:
(A) New budget authority, $37,200,000,000.
(B) Outlays, $36,600,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $32,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $37,600,000,000.
(B) Outlays, $36,600,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $27,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $38,500,000,000.
(B) Outlays, $38,300,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $25,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $38,600,000,000.
(B) Outlays, $38,500,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $25,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $39,700,000,000.
(B) Outlays, $39,700,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $25,300,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1995:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $16,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $19,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $21,700,000,000.
(B) Outlays, $20,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $22,700,000,000.
(B) Outlays, $22,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $22,800,000,000.
(B) Outlays, $22,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1995:
(A) New budget authority, $13,700,000,000.
(B) Outlays, $13,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $14,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $13,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $13,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1995:
(A) New budget authority, $247,100,000,000.
(B) Outlays, $247,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $267,200,000,000.
(B) Outlays, $267,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $282,800,000,000.
(B) Outlays, $282,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $298,500,000,000.
(B) Outlays, $298,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $315,800,000,000.
(B) Outlays, $315,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1995:
(A) New budget authority, $1,600,000,000.
(B) Outlays, −$1,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, −$3,600,000,000.
(B) Outlays, −$2,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, −$3,600,000,000.
(B) Outlays, −$2,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$2,900,000,000.
(B) Outlays, −$6,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,400,000,000.
(B) Outlays, −$900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1995:
(A) New budget authority, −$36,100,000,000.
(B) Outlays, −$36,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, −$30,300,000,000.
(B) Outlays, −$30,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, −$30,300,000,000.
(B) Outlays, −$30,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$31,200,000,000.
(B) Outlays, −$31,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$31,600,000,000.
(B) Outlays, −$31,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

SEC. 4. HEALTH CARE REFORM.

(a) If health care reform legislation is reported (including by a committee of conference), budget authority, outlays, and new entitlement authority shall be allocated to committees, and the total levels of budget authority, outlays, and revenues shall be adjusted, to reflect such legislation if the legislation in the form in which it will be considered would not increase the total deficit for the period of fiscal years 1995 through 1999.

(b) Upon reporting of legislation described in subsection (a) and again upon submission of a conference report on such legislation, the chairman of the Committee on the Budget shall publish in the Congressional Record revised allocations under section 602(a) of the Congressional Budget Act of 1974 and revised levels of total budget authority, outlays, and revenues to carry out this section. Such allocations and totals shall be considered as the allocations and aggregates under this resolution.

SEC. 5. SENSE OF THE CONGRESS.

It is the sense of Congress that the following legislation should be enacted:

(1) Legislation providing enforceable limits to control the growth of entitlement or mandatory spending.

(2) Amendments to the Budget Enforcement Act of 1990 to establish a regular procedure to provide assistance for disasters and other emergencies without adding to the deficit.

(3) Legislation granting the President expedited rescission authority over appropriations measures, as provided by H.R. 1578, as passed the House.

SEC. 6. SENSE OF COMMITTEE ON THE BUDGET ON SCORING HEALTH REFORM.

It is the sense of the Committee on the Budget that all financial transactions associated with the President's health reform legislation or similar health reform legislation relying on mandated payments to a Government entity be treated as part of the Federal budget, including premium payments by individuals and employees to health alliances (which should be treated as receipts) and payments by health alliances to providers (which should be treated as outlays), for all purposes under the Congressional Budget Act of 1974.

SEC. 7. SENSE OF COMMITTEE ON THE BUDGET.

(a) The Committee on the Budget is troubled by the Federal Government's failure to enforce immigration laws and secure United States borders from illegal immigration. The Government has also failed to investigate and prosecute Federal wage and hour violations, thus creating incentives to hire persons illegally in the United States and exacerbating the problem of illegal immigration.

(b) The Committee on the Budget recognizes that the Federal Government has an obligation to help fund increasing State and local government costs directly resulting from ineffective Federal enforcement efforts in this area. Therefore, the Committee assumes that adequate funding in this resolution will be used to reimburse States and local governments for both authorized program costs and legally binding obligations associated with providing:

(1) Elementary and secondary education for undocumented children in the public schools.

(2) Emergency medical assistance to undocumented persons.

(3) Law enforcement resources and personnel to incarcerate and supervise parole of criminal aliens. This funding can either be used by the Federal Government to take into custody and incarcerate criminal aliens or to reimburse States and local governments for their associated costs.

(4) Services incidental to admission of refugees under the Refugee Admission and Resettlement program.

SEC. 8. SENSE OF THE CONGRESS REGARDING RESERVE FUNDS FOR EMERGENCIES.

It is the sense of Congress that—

(1) the emergency designation under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 has repeatedly been invoked to circumvent the discretionary spending limits for other than emergency purposes;

(2) amounts for emergencies should be set aside within a reserve fund and subject to the discretionary spending limit;

(3) the reserve fund shall total 1 percent of annual budget outlays; and

(4) emergency funding requirements in excess of amounts held in the reserve fund should be offset by a reduction in appropriations.

SEC. 9. SENSE OF THE CONGRESS REGARDING UNFUNDED MANDATES.

It is the sense of Congress that—

(1) the Federal Government should not diminish the fiscal autonomy of State and local governments over their own sources of revenue;

(2) the Federal Government should not shift the costs of administering Federal entitlements to State and local governments;

(3) the Federal Government's share of entitlement programs should not be capped without providing States authority to amend their financial or programmatic responsibil-

ities to continue meeting the mandated service; and

(4) Congress should develop a mechanism to ensure that the costs of mandates are considered during deliberations on authorizing legislation.

SEC. 10. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) FINDINGS.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from an inflated spending level; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts [Mr. FRANK] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

PARLIAMENTARY INQUIRIES

Mr. FRANK of Massachusetts. Mr. Chairman, before we begin the debate, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, it is my understanding that the Government Printing Office in printing their report for this bill, misprinted two numbers in my amendment. The original copy of the report submitted to the printing office by the Rules Committee had the correct figures.

Am I correct that it is the numbers which were submitted by the Rules Committee and not those printed erroneously which are the numbers that will be governing this amendment?

The CHAIRMAN. It is the Chair's understanding that there is a printing error in the Rules Committee report. The correct version of the amendment is now pending at the desk.

Mr. FRANK of Massachusetts. A further parliamentary inquiry: That means Members who may have read the report might have been misled in the effect of this amendment I am offering, which would be to reduce the total budget authority by $2.4 billion. The report suggests that it would be taking $2.4 billion and moving it into the allowances function, but in fact under the ruling that the Chair has just given me, adopting this amendment would have the effect of reducing the total budget authority by $2.4 billion and not increasing the allowances function at all. Is that correct?

The CHAIRMAN. The Chair cannot rule on the effect of the amendment, but the Chair agrees with the initial inquiry.

Mr. FRANK of Massachusetts. Let me further inquire then, Mr. Chairman, am I correct that the numbers submitted, which were that the allowances function would remain the same, and the BA function would be reduced by $2.4 billion, that that will be what will govern if the amendment is adopted?

The CHAIRMAN. The amendment is at the desk available for any Member who wishes to read the amendment as it reads now with the correct numbers.

Mr. KASICH. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KASICH. Mr. Chairman, is the amendment at the desk inaccurate as well as the one the gentleman from Massachusetts [Mr. FRANK] has been talking about here?

The CHAIRMAN. The amendment at the desk is accurate.

Mr. FRANK of Massachusetts. If the gentleman will yield to me, the amendment at the desk is accurate and the amendment at the desk reflects that the BA is reduced by $2.4 billion.

Mr. KASICH. They said they had the amendment printed, and I cannot figure out whether the Government Printing Office has printed it right or wrong, or which one is up here.

Mr. FRANK of Massachusetts. If the gentleman will yield, he could figure it out if he was trying seriously, frankly, to deal with this. The Chair has just ruled and made it clear that the error by the Government Printing Office does not govern, that it is governed by the numbers that are there.

Mr. KASICH. I was just making a parliamentary inquiry with the gentleman who is known to have a good sense of humor. But I appreciate what the gentleman is saying.

Mr. Chairman, am I right in saying that the gentleman from Massachusetts' amendment calls for reductions in the authorizing amounts for the Department of Defense, not an increase like it was spelled out? I think everybody should be clear on that.

Mr. FRANK of Massachusetts. If the gentleman will yield, why does not the Clerk read the amount that is before us in only that one appropriate part, since the amendment is technically the whole budget?

The CHAIRMAN. The Clerk will read the corrections that were made in the amendment.

The Clerk will report the corrections.

The Clerk read as follows:

Corrections to amendment offered by Mr. FRANK of Massachusetts:

Section 2, paragraph (2), strike $1,246,800,000,000 insert $1,244,400,000,000.

Section 3, paragraph (19), strike $1,600,000,000 insert −$800,000,000.

□ 1640

Mr. KASICH. Mr. Chairman, I ask unanimous consent that the amendment be laid at the Clerk's table. I would also say that I think it is pretty clear what the amendment does. In an effort to try to accommodate the gentleman from Massachusetts [Mr. FRANK], I ask unanimous consent that the amendment be considered as read and laid there for Members to read.

Mr. FRANK of Massachusetts. I appreciate the gentleman's request.

The CHAIRMAN. Under the rule, the amendment has been considered as read. The Clerk was reading the corrections in the amendment.

PARLIAMENTARY INQUIRY

Mr. BROWDER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BROWDER. Mr. Chairman, the gentleman from Massachusetts made a parliamentary inquiry just a minute ago and received a ruling from the Chair. Then the gentleman from Massachusetts attempted to explain the ruling from the Chair.

Would the chair, please, repeat the ruling on the parliamentary inquiry from the gentleman from Massachusetts?

The CHAIRMAN. The initial parliamentary inquiry asked about the report. The Chair stated that the understanding was that a printing error in the Committee on Rules report did exist and that the correct version of the amendment is available as it is at the desk.

Mr. BROWDER. I thank the Chair.

Mr. FRANK of Massachusetts. I will proceed then, Mr. Chairman.

That is the number that the Clerk then read?

The CHAIRMAN. The gentleman from Massachusetts [Mr. FRANK] is recognized for 30 minutes.

Mr. KASICH. Mr. Chairman, I wish to claim the time in opposition to the amendment, but I want to yield 12 minutes to the gentleman from South Carolina [Mr. SPENCE], the ranking member of the Committee on Armed Services, and 18 minutes to my distinguished colleague, the gentleman from Alabama [Mr. BROWDER], and before we begin, I ask unanimous consent that they then be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 30 minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

The gentleman is lucky the Government Printing Office did not have to print that up for him.

Mr. Chairman, what we have now is an amendment that would reduce the total budget authority in this bill by $2.4 billion.

The reason it is submitted is that many of us on the Committee on the

Budget and elsewhere in the House thought it was a mistake for the President to propose last December a change in the budget agreement that we had adopted only a few months before. We adopted a budget agreement, and it had some tight spending controls.

The Pentagon alone decided that it could not live with those controls. No one was happy with them. The Pentagon then succeeded, as part of the earthquake emergency, in getting an additional billion two over and above the budgeted amount. That is behind us now. Remember, they did get for this fiscal year $1,200,000,000 under the emergency procedures to add on to what was voted in the appropriations process last time.

Now, we have a Presidential request, and this is the first part of it, which would over the remaining 4 years of this 5-year agreement give the Pentagon an additional $11.4 billion. We cannot be sure whether this would be an add-on to the deficit, a subtraction for domestic programs, or, as is likely, some combination thereof.

But giving the Pentagon an additional 11.4 or 11.7 billion is clearly the first breach in the budget wall adopted last year.

All departments have had problems. All departments have been told to absorb inflation. All departments have been told to absorb pay raises. All departments were living within that.

If we set the precedent of giving the Pentagon the first of a 5-year increase, we set a precedent that other departments will follow.

Today, I simply offer an amendment that would reduce total budget authority, and for that reason, it is supported by the National Taxpayers' Union, supported by the Citizens Against Government Waste. They said it was the least deficit reducing, but it was still under the gun, so it reduces total spending authority.

In future years, there would be an outlay effect to this, and we could deal with that. This year, since that additional request came with no additional outlay request, it is simply a budget-authority request.

The question is: Do we begin the process today of saying that the Pentagon gets an $11-billion-plus increase from the budget agreement, an increase that will come either by adding onto the deficit as it did during the earthquake emergency bill or by coming out of other programs?

I believe that there are many places where the Defense Department can continue to save money. I think it would be an error for us to begin the process of breaking down the budget discipline by giving them this exemption.

Mr. Chairman, I reserve the balance of my time.

Mr. BROWDER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, it is important for us to understand what's going on here with this amendment. Or, more importantly, let's focus on what's not going on here! Exactly what does this amendment not do?

In the first place, this amendment does not shift our priorities from a cold war defense to a post-cold war budget. As you can see from the charts in the well, which I requested from the Secretary of Defense who used them in his testimony before our congressional committees, that shift is already taking place. Defense spending is going down dramatically. The question posed by amendments like this is whether we pursue a rational, managed defense downsizing over the years or whether we gut our national security and our economy. As President Bill Clinton said in a letter yesterday to Budget Committee Chairman MARTY SABO, "The committee has done a careful job in balancing the needs of the Nation, and I am prepared to work with you to oppose any cuts in the level of defense funded in the resolution."

Second is deficit reduction. Despite promises in some "Dear Colleague" letters being circulated for this amendment, there is no deficit reduction in the amendment. It absolutely does not reduce budget outlays or the deficit numbers. The Frank amendment includes the exact same budget outlay and deficit figures as the Budget Committee resolution. This amendment simply "squirrels away" $2.4 billion this year and $11.4 billion over the next 5 years for spending somewhere else sometime in the future.

I urge my colleagues to support the President's and the Budget Committee's budget resolution and to oppose the Frank amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I rise today in opposition to the amendment offered by the gentleman from Massachusetts. To suggest that supporters of this amendment are being disingenuous in their comments on the amount allocated for national defense in the budget resolution would be kind. By suggesting that the $2.4 billion at issue here today represents an increase in the Defense budget is to ignore basic simple facts about the Federal budget in general and the Defense budget in particular.

Defense spending as percentages of the Federal budget and of gross domestic product reached their peaks in 1985. Since then, it has declined steadily. The Armed Forces are shrinking; the amount of the Defense budget spent on the actual procurement of weapons has declined by 67 percent over the last 10 years; military careers, many of them exemplary, are being cut short; readiness is degrading; recruiting is suffering. To suggest, as supporters of the Frank amendment do, that Defense has not been reduced and reduced substantially is, Mr. Chairman, simply not correct.

The $2.4 billion in question is the fiscal year 1995 share of a 2.6-percent active duty pay raise Congress passed last year. It does not represent an increase in the Defense budget. The future years Defense plan proposed by the administration was being underfunded in its own budget request by, depending on who you believe, from $30 billion to $50 billion. The proposed $11 billion added back to the Defense budget over the next several years was not an increase in Defense spending so much as a reduction in the amount being underfunded.

Mr. Chairman, I invite supporters of the Frank amendment to venture out into the field to visit with the men and women who serve in the Armed Forces of the United States. These are people who risk their lives in an often harsh, austere environment while separated from their families for long periods of time, all the time knowing that they may return from 6 months at sea or from an extended deployment in a far away desert to discover they are being separated from the service against their wishes. I urge the supporters of the Frank amendment to compare the 2.6-percent pay raise with the amount of locality pay recently provided for Federal civilian employees.

It is just plain wrong to suggest that the Defense budget is receiving preferential treatment because a $30 to $50 billion budget shortfall is being marginally reduced to cover the cost of a 2.4-percent pay raise. No other part of the Federal budget has seen the decline that the part allocated for national Defense has. Yes, I know that the cold war is over. I also know that the military has seen more action—at the behest of its civilian leadership—since the end of the cold war than any time after Vietnam.

Mr. Chairman, I urge my colleagues in the House to reject this cynical attack on a Defense budget already in steep decline. Oppose the Frank amendment.

□ 1650

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 30 seconds to myself in order to refute the inaccurate statement of the gentleman from Alabama [Mr. BROWDER] when he said this money was being squirreled away. The only thing squirrely about that is the logic. The fact is this amendment reduces budget authority. It does not squirrel it away, it does not put it anywhere else, it reduces budget authority by $2.4 billion. That is $2.4 billion less than would be available for the Appropriations Committee when they do it. The budget deals with outlays, but the

appropriations process, which deals with budget authority, will receive $2.4 billion less. That is why both the National Taxpayers Union and Citizens Against Government Waste sided with me.

Mr. Chairman, I yield 4 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding to me.

Let me add a few more things. The prior speaker said that folks had intimated that the Defense budget had not come down. I do not think anyone on our side has said the Defense budget has not come down. But the other side, then, what are you saying? That it can never come down? There is no reason for it to come down?

The issue is the Defense budget in every other country in the world has come down like an elevator with its cable cut. If you add the total amount that we are spending on Defense, it is more than all the rest of the countries on the planet combined.

So I really find it rather shocking to see people standing up and saying if you take $2.4 billion out of an over $2.6 billion budget, it will be the end, as we know it; people will be really left out there, hanging out there with nothing to defend themselves. That really does not pass the giggle test. This is even—it is about 1.5-percent cut, and it was a cut that was not supposed to have been there in the first place. This was an add-on over what we agreed to last year after, as the gentleman from Massachusetts has pointed out, many other add-ons have happened.

So let us put this straight and let us be really honest about this. Here is a chance to save some money, real money.

Let me just point out some of the things that we could cut out of the budget, I think. I am just reading from my own little part of defense bill. How about the tractor rose problem, or the tractor hip problem, or the tractor field problem or the tractor flop problem, the tractor pump problem, the tractor hike problem, the tractor hole, tractor dirt, tractor red, tractor rose, tractor hip again, and here is tractor cage, tractor tread, tractor dump comes back again, tractor dirt, and tractor dirt. That is in the armed services for the Army. That is for research and development.

If you want to get into the Navy, that is an interesting situation: pilot fish, retract juniper, chalk eagle, chalk coral, link hazel—we know these are very important things that we had better have—link hazel, retract maple, link plumeria, chalk weed, retract elm, and chalk poinsettia. You know, if we cut this out, I do not know what we are going to possibly do.

If you also look into the Defense budget, you realize all three branches have their own separate chaplains school. I guess each of them have a different God—I am not quite sure I understand. I never understood why they did not have one chaplain school for the three services.

They have three engineering schools. You would hope engineering for each of the services would be similar.

They have got three different legal schools. Again, you would hope the law would be the same in the different services.

I mean I can go on if you wanted me to. I could find all sorts of stuff in here that does not make any sense that I think we could do without, and we would still have all sorts of money left over.

Let us look at other things. When you look at how every other agency has suffered, no other agency has been able to come out and add to their budget in each supplemental, and they have not been able to add in this year when we have such tight budgets. I certainly think if you can come forward and tell us exactly why you needed this $2.4 billion, why the $260 billion that was decided upon last year was not enough, why we absolutely had to have it, why we are getting ready to spend another $11 billion, I think everyone would listen. But I think this generic talk about, "Oh, my, it is already going down," that does not do it. We know that, but it is going down everywhere. The threat is going down.

I think the taxpayers are due much more than that.

So I salute the gentleman from Massachusetts' amendment, and I would hope all of us would stand up and say we are going to treat each agency equally and if they have something they need to add, we are going to be very critical about it rather than just saying, "We don't want it," and we certainly would not want to deny it.

Mr. BROWDER. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. DICKS], a member of the Subcommittee on Defense Appropriations.

Mr. DICKS. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Massachusetts.

The President, in his State of the Union speech emphasized:

> There are still dangers in the world—rampant arms proliferation, bitter regional conflicts, ethnic and nationalist tensions in many new democracies.
>
> * * * Last year I proposed a defense plan that maintains our post-Cold War security at a lower cost. This year many people urged me to cut our defense spending further to pay for other government programs. I said, no. The budget I send to Congress draws the line against further defense cuts. It protects the readiness and quality of our forces.
>
> * * * We must not cut defense further. I hope the Congress without regard to party will support that position.

President Clinton has reaffirmed his commitment in a letter sent yesterday to Budget Committee Chairman SABO by stating:

> I want to emphasize my opposition to any cuts in the defense budget below the level provided in the resolution.

We have already cut Defense significantly since its peak level in 1985 in recognition of the dramatically changed military threat. The cumulative change to date from 1985 will exceed 35 percent in real terms. During the 1990's, mandatory spending will go up 38 percent in real terms, domestic discretionary will go up 12 percent while defense outlays will decline 38 percent under the President's budget plans.

In order to keep his pledge, and avoid a return of hollow forces, the President approved a modest adjustment in defense spending plans over the 5-year period that restores about one-eighth of the additional cuts that President Clinton proposed beyond the Bush planned reductions. I view this as the absolute minimum that can be accepted. It is still very unclear whether this modest adjustment will meet the identified shortfall below the requirements of the Bottom-Up Review.

Anyone who thinks that Defense cuts are not producing real hardship should visit southern California and talk to unemployed aerospace workers, go to Charleston, SC, and discuss the impact on the community of base closures, or to go to any base in the country and talk to sergeants about the impact of training cuts on his troops.

We had 18 active Army divisions in 1990, we will have only 10 by 1999. Naval ship battle forces have declined from 546 to 1990 to 373 today, and ultimately will go to 346. Air Force active fighter wings have already been cut nearly in half from 24 to 13. Planned bomber cuts are from 315 to 107. Active military manpower has declined by more than half a million, or 32 percent. Defense civilians are going down 330,000 or 29 percent. Even reserve forces will be 20 percent lower than they were in 1990.

There has been some claim that this amendment promotes deficit reduction. But it does not lower discretionary spending caps, and in any event involves no outlays at all.

In addition, the author makes no secret that he views the amendment as a statement of congressional intent to make further adjustments totaling $11.7 billion in additional Defense cuts over the next 5 years. As stated in his dear colleague in support of the amendment "Stopping new spending now will free up resources for domestic priorities in the coming years * * *"

Do not jeopardize the lives of American troops, lead us back to hollow forces and make it impossible for the President to fulfill his pledge. Oppose the Frank amendment.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I rise today to voice my strong opposition to the Frank amendment.

In my view, the President's defense budget for fiscal year 1995 was totally inadequate as originally proposed. The Secretary of Defense is clearly on record as stating that the administration's budget submission already underfunds the force structure specified by the Bottom-Up Review by some $20 billion. This is the force structure that we have repeatedly been told is the absolute minimum acceptable force necessary to fight and win two major regional contingencies.

The amendment that is now pending before the House would impose a cut of a further $2.5 billion this year and $11.7 billion over 5 years on the Defense Department budget. In my view, that is totally irresponsible. The President's budget already represents a reduction in real defense funding of nearly 34 percent from the peak we reached in 1985, and 43 percent by 1999.

For me, the question is simple: Are we going to ask our soldiers, sailors, airmen and Marines to put their lives on the line behind an inadequate force structure? Are we going to rob them of the training and the systems that they need to help secure our national security goals?

I urge this body to defeat the Frank amendment.

□ 1700

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. FRANK] for yielding this time to me.

Mr. Chairman, I did bring my own chart. It was not prepared at great expense by the Department of Defense. It is a little smaller, but there is a point to be made here.

Are we going to overwhelm our enemies with wasteful spending and big charts? Are we going to overwhelm them by being the leanest and meanest military in the world?

Here is the opposition down here.

The question is: Should the United States spend 10 times more than all of its potential enemies combined without any allies? Should we spend 15 times? How much is enough to overwhelm our potential foes?

Here is the United States spending; here is our allies. Add these two up. That is 20 times more than the potential of all the bad guys that the Pentagon can identify.

The Frank amendment is so modest, Mr. Chairman, it is amazing that the fiscal conservatives around here cannot see through the smokescreen that is coming out of the Pentagon. We are talking about $2.4 billion out of a $260 billion-plus budget. My colleagues already heard some examples of some of the extraordinarily frivolous programs that are being funded by this.

If my colleagues do not believe us, how about Lawrence Korb? How did this happen? First, instead of reinventing the Pentagon, the Pentagon reinvented the threat and downplayed the contributions, very considerable, of our allies. The service chiefs convinced Mr. Aspin and Mr. Perry that the regional threats from countries like Iraq and North Korea, whose military spending is less than 20 billion a year, are almost equal to that posed by the Soviet Union which spend $200 billion a year before its collapse. That is Lawrence Korb, my colleagues.

We have finally got to say that we have spent more than enough. We are burying them in dollar bills. We are burying them in contracts. We are burying them in charts. We beat them at real war. Now it is time to get ready for the conflict of the next century, which is economic, and if this country spends itself into bankruptcy, that is the war we are going to lose, the real war, the real conflict of the next century, the economic conflict with our allies, and ex-enemies and the like.

Mr. BROWDER. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. SKELTON], chairman of the Subcommittee on Military Forces and Personnel.

Mr. SKELTON. Mr. Chairman, may I ask that the chart that we had here be replaced?

Mr. Chairman, those who would cut into this military budget have not read the history of this country. After every major conflict and threat that we have had we have substantially reduced our military capability. We paid for it not in dollars, as the previous gentleman spoke of, but we paid for it with the blood of young Americans, Task Force Smith, the Kasserine Pass, other places where we did not have enough, did not have the proper materiel, did not have the proper training. Let us not make that mistake in our day.

Mr. Chairman, the President of the United States correctly in his letter of March 9 to the Honorable MARTIN SABO, the chairman of the Committee on the Budget, stated that, and I read from his letter:

> I want to emphasize my opposition to any cuts in the defense budget below the level provided in the resolution. As pointed out in my State of the Union Address, I am fully committed to the principle that our military must be the best equipped, the best trained, the best prepared in the world.

Mr. Chairman, when was the last time that our defense establishment hit rock bottom, and I speak to my side of the aisle. The last time, sadly, was when the Democratic administration did so. The President, this President, is determined not to repeat that sad experience, and I support him in that effort.

Mr. Chairman, I urge us to defeat this Frank amendment. My colleagues, we are going through the hearing process now dealing with the bottom-up review. Frankly the bottom-up review cannot fulfill, in my opinion, the two major regional conflicts. We also see the Navy coming in with 16 less ships than what was in the bottom-up review, the Air Force coming in with 70-some-odd bombers less. We must maintain what is in this budget.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Massachusetts [Mr. FRANK] to reverse Congress' decision to provide sufficient funding for military pay raises in fiscal year 1994. What we have learned over the past generation is that readiness in a capable and motivated all-volunteer force is, first and foremost, about people. Our young men and women in uniform are the heart and soul of military readiness.

Mr. Chairman, I am at a loss to explain why the President has proposed for the second year in a row to send the wrong signal to the troops by proposing a cut in pay from levels endorsed by Congress less than 6 months ago. Today U.S. military personnel are working harder, deployed away from home longer and remain underpaid relative to their civilian contemporaries. If the President's pay proposals were to be enacted, within 2 years military pay would be a staggering 17 percent below comparable civilian pay. One result would obviously be a worsening of the already troubling trends becoming apparent in recruitment and retention. Today, for example, an E–1, a private, makes $832 a month. That is only slightly above the federally defined poverty level. We have got people in our military on food stamps.

Mr. Chairman, military pay is a key issue. The Frank amendment will only hurt more of our young men and women in uniform.

To its credit, Mr. Chairman, Congress rejected the President's budget last year on the issue of military pay, and I suspect it will do so again this year. Defeating the Frank amendment is an important first step in this process. The Frank amendment would undo what we did last year. The $2.5 billion that the gentleman from Massachusetts [Mr. FRANK] proposes to cut from the fiscal year 1995 defense top line was added to the budget by the administration late last year for the express purpose of funding the military pay raise Congress mandated last year.

I say to my colleagues, "Let's don't pull the rug out from under our troops. Vote no on the Frank amendment."

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WOOLSEY], a member of the Committee on the Budget.

Ms. WOOLSEY. Mr. Chairman, first, I want to say that the budget reported by our committee points the Nation in the right direction in almost every way. I would like to thank the gentleman from Minnesota [Mr. SABO] for his hard work in looking out for President Clinton's priorities—Head Start; child nutrition; job training and job creation.

However, there is one number in this budget which is dead wrong. In a post-cold-war age when we have to focus on our urgent domestic needs, it is criminal Mr. Chairman that the Pentagon is asking for $263.3 billion in defense spending—a $2.4 billion increase over last year.

Mr. Chairman, it is therefore with great frustration that I join the gentleman from Massachusetts [Mr. FRANK] and my other colleagues in offering an alternative which eliminates this $2.4 billion increase in military spending.

When I was first named to the Budget Committee, just over a year ago, if you had told me that military spending would go up by $2.4 billion in 1995, I would not have believed you. This has been quite a wake-up call for a first-term Member of Congress.

This Member was hired by the people of Marin and Sonoma Counties to work for them here, in Washington, to make education our Nation's No. 1 priority and part of this job is to make sure that the military budget reflects post-cold-war reality.

This amendment changes only one part of the budget—military spending—and it does not change it much. But, this is a very important vote. Make no mistake—passage of this amendment will send a clear message that Congress is finally ready to move away from the cold-war budgets of the past, and ready to step up to the challenges of the future—which are: Education, health care, crime, welfare, and deficit reduction.

Mr. Chairman, the President has sent us a budget which begins to step up to these challenges. But we cannot meet them without a post-cold-war military budget that eliminates the unnecessary programs we are funding today. I urge my colleagues to support the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise today to oppose the Frank substitute budget resolution which seeks to cut $2.5 billion in defense spending from the fiscal year 1995 budget resolution. I am not a Member who says—no, never cut the defense budget. Like many others, I have tried to keep our Nation's best interest and national security needs at the forefront of decisions regarding changes in our defense needs. However, I feel strongly that on this occasion we should support our President and his pledge to avoid further reductions in defense spending at this time.

With the cold war over, I can understand the desire of some of my colleagues to bring about additional reductions in spending. We should, however, remember that each major attempt we have made at downsizing our military has gone too far. Given the number of volatile situations, such as the civil war in the former Yugoslavia, which have emerged around the world and the uncertainty of future threats, such as the nuclear hopes of North Korea and others, we must remain vigilant.

I urge my colleagues to remember that defense spending has been reduced by 33.7 percent in real terms since 1985 and by 1999 the real cut will be 43 percent. In 1999, defense spending will be at its lowest post-war levels in terms of its share of GNP, 3 percent, and as a share of Federal outlays, 13.2 percent.

Further reductions in defense spending at this time risk even further damage to an already fragile defense industrial base. The Nation is already dealing with the effects of reductions made thus far. In my own State of Connecticut, thousands of skilled defense workers have been displaced because of a shrinking defense budget. Military personnel levels have also declined by more than half-a-million since 1985. If this $2.5 billion is deleted from the fiscal year 1995 defense budget, the Department of Defense will be forced to seek the funds elsewhere in its budget. This could amount to further reductions in personnel, elimination of weapons systems critical to our future security and a continued erosion in our readiness.

There is yet another side to this question of military expenditures. A further reduction in budget authority in the fiscal year 1995 defense budget translates to a further reduction in budget outlays in the out years. Approving the Frank substitute would force the Appropriations Committee to stretch an already shrinking budget to dangerously thin levels in coming years. Such a shortage could prevent our military from maintaining necessary personnel level or make procurement of needed future weapons system extremely difficult.

I urge my colleagues to follow the Clinton administration in managing our defense needs and urge my colleagues to oppose the Frank substitute.

Mr. BROWDER. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. MCCURDY] the chairman of the Mainstream Forum.

Mr. MCCURDY. Mr. Chairman, I rise in opposition to the Frank amendment. I appreciate and respect my colleague, but we do have a disagreement on his provisions in this amendment.

President Clinton has rightfully cited three pillars for an effective foreign policy: A strong economy, support for democracy, and a strong national defense. He has also stated as his priorities within defense policy and goals to preserve the quality of the forces, the quality of technology, and preserve readiness.

During the Presidential campaign when he was outlining his policy for how to reduce the defense budget while preserving these important priorities, he proposed a reduction of $60 billion on top of what President Bush had recommended. But when he came into office, he found out that the deficit was larger, and therefore he doubled that request and actually cut it $120 billion.

By cutting $120 billion though, he created a serious challenge for the Department of Defense, and that is how do you reduce the overhead, the bases, the infrastructure, the overhead of the Department of Defense, and at the same time not sacrifice the quality of the force, the readiness, and creating a hollow force.

What he has found is that in doing this, and by having such a rapid pace of decline, those very things that he is arguing to protect are being threatened today. That is why after a number of us met with the President and Vice President expressing our concern about readiness, that he decided in his judgment to recommend this offset.

This is $2.4 billion for the pay raise and to adjust somewhat for the increased estimate of inflation.

My colleagues, there is a serious threat in the world today as the changes in Russia are occurring. This is different than when the President first proposed the budget. North Korea is highly unstable and dangerous. My colleagues are still asking for action in Bosnia. We see the changes throughout the world.

I believe that this is a modest adjustment, it is fair, it continues with I think the priorities of the administration, and I think we ought to defeat the Frank amendment.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Chairman, I rise today to oppose strongly this amendment and respectfully disagree with my colleague from Massachusetts. My concern with the amendment before us is the impact it will have on the readiness and capability of our armed forces.

I support President Clinton's statement that we cannot cut defense further than the cuts that President Clinton has recommended. The defense budget has been cut over 33 percent in real terms since 1985. That is right, every year since 1985, the defense budget has been cut.

While we all celebrate the end of the Soviet Union, we now face a different, smaller, and in some ways more complicated threat. As the tension of a bipolar world has decreased, instability in the world has increased. There are now more than a handful of dictators armed with ballistic missiles and other weapons of terror who feel free to make mischief, especially in the Mideast.

If opponents of democracy again rise up, who will defend our interests? Who will we send to join our allies in the region to fight aggression and terror?

It is ironic that at a time when our women and men in uniform are being asked to shoulder more and more responsibilities, such as humanitarian and peacekeeping missions on top of their first responsibility of defending U.S. interests, that some want even deeper cuts in our defense budget than even President Clinton does.

Mr. Chairman, I urge my colleagues to reject this shortsighted amendment and support keeping our women and men in uniform prepared.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from Hawaii [Mrs. MINK], a member of the Committee on the Budget and former national security official of the United States at the State Department.

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the issue that this House must face is the integrity of the decision that we made in August. It was a difficult decision, hard to come by, just barely met, in which the progress of this country was determined. The economy has bolstered, the recession has just about disappeared, people have been put back to work, the confidence of this Nation was established by that budget resolution.

We were committed under that budget resolution to certain targets. We believed in the integrity of that decision. And yet now this House is being asked to violate that compromise which was made in all quarters, painfully for many of us. Many of us felt that there were certain cuts that were made against the disabled and the elderly and the children of our country that should not have been made, but we stuck by the necessity for that resolution.

Today what we are faced with is a violation of that commitment. We are being asked, without any defense or explanation, for an increase of $2.4 billion in the defense budget. I ask this House to consider not the amount of money that is involved here, but the principles which we are being asked to violate, which we established in August. And I think that that is a very, very important point.

Why do we allow the Defense Department alone to come before this House and get an increase of $2.4 billion in budget authority? No other function has been allowed such discretion. Where is the justification? Every other department is being asked to suffer cuts in their payroll, cuts in the number of personnel.

Two hundred fifty-two thousand individuals in all of the departments all across this country are being cut. They are being asked to absorb those deficits. They are being asked to absorb all the other stringent requirements that the budget resolution laid before each of the departments, except for the Department of Defense.

Mr. Chairman, it seems to me that is wrong. The budget resolution ought to be truthful and faithful to the commitment that it made this country in August of last year. I ask this House to support the Frank substitute to the budget resolution.

Mr. BROWDER. Mr. Chairman, might I inquire how much time I have left?

The CHAIRMAN. The gentleman from Massachusetts [Mr. FRANK] has 15 minutes left, the gentleman from Alabama [Mr. BROWDER] has 9 minutes left, and the gentleman from South Carolina [Mr. SPENCE] has 4½ minutes left.

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. MURTHA], the chairman of the Subcommittee on Defense Appropriations.

Mr. MURTHA. Mr. Chairman, let me say that over the last 15 years, the Defense Department budget has been cut by over $150 billion. I do not think anybody can match the record of cuts in defense in any other area of the government. Secretary Perry projects a $20-billion shortfall in the defense budget over the next 5 years. I project the shortfall could be $40 to $50 billion.

What concerns me is in 1980 we could not pull off Desert One. We had the same number of troops in 1991, and we pulled off Desert Storm. Readiness was the key, and we are going to lose that edge and will have a hollow force if we do not provide the money for defense.

The reduction of $2.4 billion is for the pay increase. They are absorbing the outlays, but the budget authority is for extra pay for the troops. The troops are deployed twice as much as they have been in the past years.

The tempo of operation is even greater than when they had a large force. So it is absolutely essential that we defeat the Frank amendment, which has good intentions, but which would destroy the readiness of the Armed Forces.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I thank our ranking member for yielding.

Mr. Chairman, I wanted to reiterate what the gentleman who preceded me just said. The Frank amendment will destroy readiness.

My friends, let me give you a couple of facts. Since Desert Storm, we have flown twice the sorties over Iraq than we flew during Desert Storm.

□ 1720

The airlift in Bosnia has now gone on longer than the Berlin airlift. We are talking about 28 sorties a day. We are spending a ton of money in fees keeping missions around the world, and the military is taking it out of their hide.

We have cut now our fighter force by 50 percent in the military. We have cut, the gentlewoman said we are going to cut 270,000 civilians, where is the cut for the military?

The military, I would say to my colleague from Hawaii, has cut over 500,000 positions since they started downsizing, over twice what the civilian population is taking.

The last issue is credibility. We stay strong and we maintain a strong position in this world because of our credibility.

We have over 30,000 people in Korea whose lives are protected by the credibility of America's strength. If we cut our defense and we have to have another so-called peacekeeping operation, we will spend $2.5 billion, $3 billion in a matter of a couple weeks. This is the worst decision we could possibly make to support the Frank amendment. It is bad. It is bad for readiness. It is bad for the men and women who wear the uniform.

Let us vote it down. Let us be rational. Let us keep America strong.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN], who serves on the Committee on Armed Serves.

Mr. MEEHAN. Mr. Chairman, if any other department wanted to break the budget caps so they could have an extra couple of billion dollars to cover the cost of salary increases, they'd be ridiculed. I'm amazed that the Department of Defense can keep a straight face, when they argue that they should get an extra $2.4 billion for pay raises.

This has nothing to do with the pay raise and everything to do with the fact that the military has to learn to live within the budget. During the early 1980s, the armed forces spent money like drunken sailors, and Congress congratulated them for it. I guess it shouldn't be surprising that the military thinks it's above the budget law, but we have a duty to tell them they're wrong.

The United States continues to spend more on defense than our NATO partners, Russia, Iraq, and a dozen other countries put together. Communism is dead. There's no reason to spend more on defense than all our potential allies and enemies combined.

Some of my friends on the other side of the aisle who would not vote for the President's deficit reduction package, because it did not cut spending enough, and they would not vote for any increases in taxes. And next week they will be here to say they want more spending on defense. They do not want to touch entitlements, but they are for a balanced budget.

If we can't fight and win two regional conflicts at once, maybe the problem is that we're spending too much on the wrong things. A lot of people who complain about hollow forces want money for expensive modernization programs, not O&M. I'm all for supporting adequate levels of readiness, but no one should use a professed concern about readiness as an excuse to support pork in uniform.

The Frank substitute would not cut defense beyond the levels mandated by last year's deficit reduction package. It would simply force the DOD to set priorities like everyone else. Let's make the budget agreement stick.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. MEEHAN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, there are a lot of sailors in my district. I find that none of them use alcohol any worse than anybody else in society.

Mr. MEEHAN. Mr. Chairman, that was an expression to use for the fact that the military spent money in the early 1980's. It has nothing to do with alcohol, and the gentleman probably knows that.

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY], the chairman of the Committee on Veterans' Affairs and vice-chairman of the Committee on Armed Services.

Mr. MONTGOMERY. Mr. Chairman, I rise in opposition to the Frank amendment. Between 1989 and 1999, we will bring down the spending and strength level of the active forces by 36 percent, and we will bring down the spending and the forces of the National Guard and reserve by 20 percent. Really, is that not enough?

Since 1991, some of my colleagues have already lost their active bases in their communities because of the drawdown. In most cases, we have been able to protect the National Guard and Reserve armories and flying units.

If the Frank amendment is adopted, no question about it, National Guard units will have to be cut more than they have been cut.

As I said earlier, we have been able to protect the Guard flags and Reserve flags in our communities. If we adopt the Frank amendment, we are going to have to close these armories, and they are there for the community to help in natural disasters and also national crises.

I ask Members to vote against the Frank amendment to protect the reserve units.

Mr. SPENCE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in opposition to the Frank amendment. I thought everyone knew by now that we are cutting too much from defense. We are doing irreparable harm not only to our national security but also to our economic security.

We have already closed more than 200 bases in this country, and over 600 bases and facilities abroad.

We are in the painful process of base closures, and we have another round of closures coming up next year. We are cutting back too quickly and too deeply.

We have already lost more than one million jobs from our active duty military, reserves, civilian employees, and private sector defense industrial base workers. I suspect that every Member's district in this country has been affected one way or another by these defense cutbacks. I know everyone in this Chamber is aware of and sensitive to the problems being created by the jobs being lost.

We are losing thousands of defense jobs every month, hundreds of thousands a year, and have been since the late 1980's. We have a national defense strategy that was developed by this administration called the Bcttom-Up Review.

The Bottom-Up Review, which was meant to address potential threats that this country might face, is currently underfunded according to administration spokesmen, by at least $20 billion. Some estimates put the shortfall closer to $100 billion.

Even President Clinton, the "mother" of all defense cuts, is opposed to this amendment. I urge Members to vote against the Frank amendment.

Mr. FRANK of Massachusetts. I yield 2 minutes to the gentlewoman from Oregon [Ms. FURSE], who is on the Committee on Armed Services, as I contemplate the reference to the President as the "mother of all defense cuts."

Ms. FURSE. Mr. Chairman, the amendment before us today is about choices. We can choose to reduce the deficit, or we can choose to increase the defense budget.

I support a strong military. But I am opposed to wasting taxpayer dollars. Giving an additional $2.4 billion to the Defense Department is truly wasteful spending. This is not about a hollow force. Just listen to some of the things defense contractors charge the Pentagon for: A California defense firm charged the Pentagon more than one-half a million dollars for employee conferences in Jamaica, Hawaii, Mexico, and the Grand Cayman Islands.

And a Massachusetts military contractor let its employees use its 46-foot fishing boat for their personal enjoyment and charged the Pentagon $62,000, calling it overhead for Government contracts.

Taxpayers in my home State of Oregon, as well as those from around the country should be outraged. I know my constituents would rather pay for more cops on the beat than defense contractors' fun in the sun.

I quote my colleague, Mr. FRANK, we must also choose whether we are Uncle Sam or Uncle Sucker. The rest of the world invests in their own economies while U.S. taxpayers pick up the tab for their defense. I say it's time to stop being Uncle Sucker.

The Children's Defense Fund has endorsed our amendment. Because of poverty or lack of services American babies are at risk.

Mr. Chairman, I choose to help American children grow up in safe and healthy communities. I call on all of my colleagues to answer the following question: Do taxpayers in your district want to pick up the tab for waste and frivolous trips? If the answer is no, then you must support the Frank amendment. The 1994 level of spending appropriated for defense is quite enough.

□ 1730

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. HARMAN], my colleague on the Committee on Armed Services.

Ms. HARMAN. Mr. Chairman, the act of budgeting is about finding balances.

In that regard, I rise to oppose the Frank amendment and to support the committee-reported budget resolution.

Our job is to balance our Nation's critical needs with available resources. As a member of the Armed Services Committee, I know that we have struggled to find the proper balance in the defense budget—to build a military adequate to meet current and future threats during a time of shrinking defense dollars. As President Clinton said during his State of the Union speech, we must "draw the line against further defense cuts."

Though the fiscal atmosphere calls for tough decisions, both the administration and the Budget Committee have managed to retain a strong defense budget and stay within the discretionary spending caps. Taking an additional $2.4 billion out of defense would place our industrial base at risk, and force the Defense Department to make cuts that would leave our military vulnerable. The defense question would change from "How do we best meet global and regional threats?" to "Which threats will go unmet?"

As the representative of the aerospace center of California, I know what is at risk. And it is not pork.

The balance achieved in the committee budget resolution reflects the tough budget choices we made last year, enacting the largest deficit reduction package in history—nearly $500 billion over 5 years. Included in that package was a proposal I coauthored with several of my colleagues to create a deficit reduction trust fund to ensure that net revenue increases and spending reductions included in the package go toward deficit reduction—not new spending.

This discipline has paid off. The deficit is lower than it has been at any point in the 1990's. We have a growing economy, a falling jobless rate, historically low interest rates and negligible inflation. Our direction is sound, and the committee budget resolution keeps us on this fiscal path, and keeps Federal spending within the caps that the Congress enacted last year.

In contrast to maintaining the balance, the Solomon and Kasich alter-

native budgets compromise the investments we need to secure a productive future. The Solomon proposal cuts the technology development associated with the space station; it cuts wastewater treatment, land conservation, job training, education, and law enforcement. The Kasich proposal cuts energy research, including renewable energy research; it cuts environmental cleanup, civilian technology research, transit, student loans, and high speed rail development. And these are cuts beyond the substantial scale-back of discretionary spending under which we are now operating.

That is not to say that additional balanced deficit reduction cannot still be achieved. During the coming months, many of us will be fighting for specific cuts during the appropriations process. We need further tools to ensure that those cuts stick. That is why I have joined with a bipartisan group of colleagues in drafting a Deficit Reduction Lock Box. This lock box will mandate that cuts made in appropriations bills go to deficit reduction instead of simply freeing up the funds for future spending. We need the lock box to make sure that the deficit reduction momentum we have started can continue.

I commend the work of the Budget Committee in adhering to the difficult standards of last year's reconciliation bill and finding the proper balance between necessary investments and necessary cuts. I urge this House to continue to fight for responsible spending in the weeks and months ahead.

Mr. SPENCE. Mr. Chairman, I yield our remaining 30 seconds to the gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. Mr. Chairman, I thank the gentleman for giving me this time. I will just take a minute.

This afternoon we had a hearing in the Armed Services room concerning the Bottom-Up Review, and we had about four academics from different think tanks and other things, and three of them really were opposed to the Bottom-Up Review, and one was pro. And I asked them a very simple question at the end. I said, "It's so simple that all I need is a yes or no." I said, "On July 31 of 1990, would you have predicted that we would have 500,000 uniformed people 8,000 miles away in the desert by Christmas time?" And they all shook their head and said no. I said, "How can a bottom-up review predict where the next conflagration will be?"

Believe me, we need to defeat the Frank amendment and to keep our military strong.

Mr. FRANK of Massachusetts. I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN] a member of the Committee on Agriculture and the Committee on Appropriations.

Mr. DURBIN. Mr. Chairman, as I listened to this debate, from time to time it sounded like a prayer meeting. Those who spoke critical of the Frank amendment kept using the familiar prayerful chant, "Hallowed be thy Army". And yet the simple fact of the matter is if the United States has any other nation in the world which is a threat, we are outspending that nation by at least 10 to 1. And if we combine all of the nations which we fear, the so-called rogue nations, all of their defense spending combined, the United States outspends them by a margin of almost 15 to 1.

This comes down to some pretty tough choices, as budget debates will. Which is more important to America, the defense of Japan or the defense of American families against crime? Which is more important to America, building President Reagan's cold war relic, the Star Wars Program, or building a health care system which protects millions of uninsured working families? Which is more important to our future, better schools or better Trident missiles?

Why in the world should we cut money to be spent on medical research so that we can turn around and give the Department of Defense the only increase over the budget deficit agreement of last year?

Many argue that these are false choices. I disagree. As the chairman of an Appropriations subcommittee, I am facing a freeze in spending. It is not pleasant. I think the Department of Defense should be up against the same kind of a standard.

Let me close by saying this: Next week we will have a vote on the balanced budget amendment. We will hear some of the most soaring rhetoric in the world about cutting spending. Take a close look at this roll call and find out how many of these balanced budget warriors are going to sign up today to actually cut $2.5 billion in spending.

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM], my colleague on the Committee on the Budget.

Mr. STENHOLM. Mr. Chairman, I rise in opposition to the Frank amendment. I do so because of my growing concerns, now supported by this administration, that to cut defense further could unnecessarily jeopardize our Nation's security.

There has also been a great deal of confusion as to whether or not the Frank amendment reduces the deficit. Let me begin by saying that the gentleman from Massachusetts has been very honest insofar as not reallocating the $2.4 billion in budget authority which he removes from function 050, the National Defense function. Where I differ with Mr. FRANK is in his claim that this simple lack of reallocation will cause deficit reduction.

In my opinion, none of the facts of the amendment support such a claim. First, you will note that while the defense BA has been reduced by $2.4 billion, there is no reduction in defense outlays. As we all know, the deficit is an outlay number. If you compare the deficit numbers of the Sabo committee bill with the deficit numbers of the Frank amendment, you will note that they are identical. I do not understand how a deficit reduction claim can be made when the amendment itself shows precisely the same deficit number.

Second, if Mr. FRANK were committed to his new-found conversion to deficit reduction, he would have included in his amendment a lowering of the spending caps. As you will recall from last year's Penny-Kasich vote, the reason those of us who supported that amendment could claim deficit reduction was because we not only made the specific spending cuts, but we also lowered the caps. Only by lowering the discretionary caps is there an iron-clad guarantee of deficit reduction.

In truth, Mr. FRANK, as always, has been very honest about his hopes for these defense savings. His hope is that ultimately it will be the desire of this Congress to reduce the amount our Nation spends on defense and increase the amount we spend on domestic programs. That's a perfectly legitimate position for him to take and I support his right to take it. While I, too, want to reduce discretionary spending, where I differ is that I believe we must invest not in today's programs but in tomorrow's generations by removing the weight of our irresponsible spending from their shoulders.

I am encouraged by my friend's steps toward budget cutting and I hope that in the future we will be able to count on him to join the deficit reduction army.

I urge my colleagues to oppose the Frank amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BLACKWELL], a member of the Committee on the Budget.

Mr. BLACKWELL. Mr. Chairman. I rise in support of the amendment.

The amendment would strike the $2.5 billion increase in defense spending contained in the budget resolution. By implication, the amendment also rejects the proposed $6.4 billion increase in the substitute.

I support the amendment, Mr. Chairman, because I believe it is more important to fund certain, key domestic programs than it is to escalate the production of weapons.

When the Congressional Budget Office scored the President's fiscal year 1995 budget proposal, it found $3.1 billion in overspending. The major part of this overspending was due to an unexpected, proposed increase in defense spending.

Faced with this overspending, the budget committee sought to preserve the increases in defense spending, while

finding reductions in domestic spending to meet the spending caps.

In my view, however, it is more important to fund drug free schools and communities than it is to fund nuclear weapons testing. In this budget, we spend almost twice as much on nuclear weapons testing than on drug free schools.

We spend $818 million for the B-2 Stealth bomber, an amount in excess of half the funds needed to fund the Low Income Home Energy Assistance Program at the fiscal year 1994 level.

We spend two and a half billion for the F-22 advanced tactical fighter. The cost of one of those planes, $134 million, would be more than enough to fund the Impact Aid Program for military dependents.

The list of defense spending goes on and on, while the list of domestic reductions goes on and on. It is time, Mr. Chairman, to put our priorities in order. I urge support for the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. TANNER] my colleague on the Committee on Armed Services.

□ 1740

Mr. TANNER. It is an old axiom that the only certainty in this world is uncertainty. I do not think anyone here, no matter how you are going to vote on this amendment, can seriously argue that we are not cutting defense in an orderly manner.

What we need is certainty in this downsizing. We can downsize the military in this country. We can do it safely without jeopardizing national security, but we must be left to do that job.

This approach, this amendment, is wrongheaded.

May I suggest to you that some had mentioned about pay. There are 20,000 military households that now qualify for food stamps. That is not anything to be proud of, because we asked these young men and women in uniform, and will, remembering that the only certainty is uncertainty, we will ask them again to go to some foreign land at some unknown hour, some unknown day, at some unknown week, some unknown month and year in the future, and lay down their lives for this country.

What we are talking about here is a wrongheaded approach to letting us on the committee downsize in a rational, logical manner.

Please, defeat this amendment.

Mr. BROWDER. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I rise to express my opposition to the Frank amendment.

Since 1985, we have been cutting the defense budget. And we will continue to cut in the future. By the year 1999 the defense will be only 2.8 percent of GDP—the lowest since before World War II.

What this means is the Army will lose 45 percent of its divisions, the Navy will lose 37 percent of its battle force ships and the Air Force will lose almost 40 percent of its attack aircraft.

If we are to continue to have the world's best equipped, best trained, and best prepared fighting forces—we must not undermine our Armed Services by accepting this amendment.

Again, I urge my colleagues to vote against the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS of Texas. Mr. Chairman, I keep hearing we should not give the Department of Defense special treatment. But the truth is if every Federal agency had been cut like the Department of Defense, we would not even have a deficit problem.

The Frank amendment will not reduce the deficit by one dime. What it will do is cut military training, COLA's, housing, and possibly even health care to open the door for pork-barrel politics.

Above all, $2.4 billion in extra cuts would mean we are willing to put the lives of our military personnel at greater risk in future conflicts. We have no right to do that.

Vote "no" on the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield 30 seconds to the gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Chairman, I rise reluctantly to oppose the Frank amendment.

Cutting the 1995 defense budget by $2.5 billion, as proposed in the amendment, cannot be made without serious disruptions.

The demands on the Department of Defense for peacekeeping, disaster relief, environmental cleanup continue to increase while defense resources decrease, exacerbating the impact of any additional cut to defense.

There are no easy cuts left. The choice is either to cripple readiness or debilitate the modernization program. Maintaining readiness of our forces is the first priority, and we have got to maintain it.

I submit that we must oppose the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield 15 seconds to the gentleman from Kansas [Mr. SLATTERY].

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 15 seconds to the gentleman from Kansas [Mr. SLATTERY].

The CHAIRMAN. The gentleman from Kansas is recognized for 30 seconds.

Mr. SLATTERY. Mr. Chairman, I thank my friend, the gentleman from Massachusetts, and my friend, the gentleman from Alabama, for yielding me this time.

I rise in opposition to the Frank amendment. I do so because it was the Commander-in-Chief, our President, who spoke to all of us earlier this year who said it is time for us to draw the line on further defense cuts.

As far as I am concerned, it is the Commander-in-Chief who has the responsibility to defend American interests around this dangerous world, and it is critically important for us not to undermine the judgment of the President of the United States in terms of what his needs are to defend this country.

So I urge my colleagues to oppose the Frank amendment and to support the committee position on defense spending.

Mr. BROWDER. Mr. Chairman, I yield 15 seconds to the gentleman from Florida [Mr. HUTTO], chairman of the Subcommittee on Readiness.

Mr. HUTTO. Mr. Chairman, as chairman of the Readiness Subcommittee, I can tell you if we are going to have this tremendous drawdown, we are going to have to have ready forces. We cannot, if we have this kind of cut.

We have to give them the proper ops tempo, the number of flying hours, the steaming hours, the tank hours that they need. The drawdown is already too severe.

If we are going to have a strong national defense, we cannot tolerate this kind of cut.

Please, vote "no" on this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself the remainder of my time.

First, I have to differ with my friend, the gentleman from Texas [Mr. STENHOLM]. He has been a consistent and principal supporter of deficit reduction. When he said the amendment I am offering does not guarantee defense reduction, he was right, but I must say I think he overspoke when he suggested that it was unrelated to deficit reduction.

You cannot in the budget resolution repeal statutory caps. I concede that. What I can do is to do away with budget authority. Budget authority is what this process cedes to the appropriations committees to make binding future spending commitments. When you reduce budget authority by $2.4 billion, as this does, you take away $2.4 billion in future spending commitments.

That is why the National Taxpayers' Union and Citizens Against Government Waste have endorsed this, because it greatly advances the cause of deficit reduction.

Let us now talk about the reductions that have already held. Several Members here eloquently refuted a statement that no one has made. No one has suggested that there have not been cuts in defense spending. The question is: Have they been appropriate?

Yes, there have been cuts in defense spending. Partly that is because during

the early 1980's, when we had a Commander in Chief named Ronald Reagan, defense spending was bloated. Beyond that, however, there has been a change in the reality that the Defense Department confronts.

I guess I should have had some charts. I would have had one chart which would have talked about reductions in the Warsaw Pact threat, except the chart would have gone down into the first floor.

Ten years ago we were told that one of the major reasons we were spending money in defense was to prevent the Eastern Europeans behind the Soviet Union in a land invasion of Western Europe. NATO was created for that. We were spending tens and tens of billions of dollars to protect Western Europe against an attack in which the Soviet Union led the Warsaw Pact countries to the West.

There is no Soviet Union. There is no Warsaw Pact. And several of those countries do not exist anymore.

No agency of the Federal Government has seen external reality change for the better as much as the Defense Department.

Yes, there are threats in the world. But let us not pretend they are new. People said, "Well, we have these other threats, Iraq and Iran." Iraq and Iran are menacing countries, but they are not new. What were Iraq and Iran in 1984? Disney World?

There has been a substantial drop in the nature of the threat we face. The capacity of the Soviet Union to damage us in nuclear war has been substantially diminished, although not totally abolished, and the Warsaw Pact has completely disappeared. The significant threat is gone.

So, of course, we have made some reductions. It would have been nuts not to.

The question is: Have we made enough? People say, "Well, there is a shortfall in defense." No doubt from the standpoint of the people who run that agency, there is a shortfall, but we have got some other shortfalls. We have a shortfall in police protection in this country. We have promised and promised and promised again more police protection, but you will spend it up when the Pentagon says, "We need it first."

We have shortfalls in education, shortfalls in health research at the NIH, shortfalls in environmental cleanup, shortfalls in health care for people. Yes, there are shortfalls.

The nature of Government in a time of limited resources is to try to do the best you can to deal with shortfalls, but there are people here who get scared politically and who will tell you that the one area where we must immunize them against the threat of shortfall is the Pentagon.

Where we are talking national defense, that is one thing. But we are talking more than national defense. We are talking about the greatest charity program in the history of the world, the one by which the taxpayers of the United States subsidize again and again and again the richest nations in the world in Western Europe.

Our Western European allies spend a small fraction of what we spend as a percentage of national wealth, but that is because there are people in this body who believe it is somehow the American taxpayer's obligation to subsidize France, Norway, Belgium, Germany, Italy, and other countries, because subsidize them we do.

They will cut their military budgets. They will provide greater services for their own people. And we will take up the slack for them.

No one doubts that we are by far the strongest Nation in the world with a considerable margin of superiority over everyone else. Of course, we should be. The question is whether we will continue when the rest of the world gets richer and when the threat gets smaller to spend disproportionately on defense.

There are plenty of places in this function that they can find $2.4 billion. We have intelligence. The intelligence agencies are the only ones who, when they screw up, say they need more money. When they do not do well, that is an argument for giving them more money.

We have the burdensharing where we carry Western Europe. We have weapons systems there. And is it a coincidence, or was there a high correlation between those who came and spoke for the budget and those who have defense money spent in their districts?

□ 1750

Now, the Defense Department, like any other department, has a mission and it also has goodies to hand out. It also has people who benefit from it. Some of my friends on the other side talked again about the jobs we would lose. One of the great inconsistencies in this country is that conservatives who tell you that the Government is a detractor from jobs, the Government hurts the economy, when the Government spends, it doesn't hurt anything—except for defense. Where defense is concerned, suddenly they become Harold Ickes's and Harry Hopkins. Defense, for them, is the WPA.

Defense spending ought to be treated the same as any other. Yes, it has dropped some from the days when it was way too high, but the threat has also dropped. If we do this for the Defense Department today, it comes either out of the deficit or out of other domestic programs. I think that is an unnecessary restriction to place upon ourselves.

The CHAIRMAN. The gentleman from Alabama [Mr. BROWDER] has 2 minutes remaining.

Mr. BROWDER. Mr. Chairman, I yield the balance of my time to the majority leader, the gentleman from Missouri [Mr. GEPHARDT], who will urge our Members to support the budget resolution recommended by the President and the Committee on the Budget.

Mr. GEPHARDT. Mr. Chairman and members of the committee, I rise with great respect of the author of this amendment and the argument he has made. On many occasions I have voted with him on issues like this because of my belief that we have had to cut our defense budget because we live in a different world today than we lived in a few years ago.

But I also believe that we have to pay attention to our President, who has made a decision and asked us to stand behind that decision. I would read from his letter, which has probably been read from before, where he said on March 9:

> As I pointed out in my State of the Union Address, I am fully committed to the principle that our military must be the best equipped, best trained, and the best prepared in the world. My fiscal year 1995 defense budget was based on a careful, bottom-up review of our defense requirements. It funds the forces required to meet our national defense strategy.

I think we should stick with that judgment. I understand and sympathize with many of the arguments that have been made. I think that not only because our strategists in the Pentagon feel we have to be prepared to fight a war or 1½ wars or whatever it is, but because I think in the world we are in we are beginning to take on a lot of peacekeeping responsibilities. We have been peacekeeping in Somalia, we have peacekeepers in Somalia. We have peacekeepers in Macedonia. We are likely to have some more there. We are likely to have some more in Bosnia if we can get a peace treaty in Bosnia. We are likely to be committing peacekeepers in the Middle East if we are fortunate enough to get a treaty in the Middle East.

It is a new world, but it is not a world that is without danger and it is not a world without needs for us to keep the peace. That takes defense dollars as well as dollars in other areas.

I urge Members to consider all of this as they vote on this amendment. I think what the Budget Committee did was appropriate. I think what the President asked for was right, and I hope the Members will stick with the President's budget, and I reluctantly speak against my friend's amendment.

Mrs. LLOYD. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Massachusetts.

My colleagues, I am a member of the Armed Services Committee. Over the years I have become intimately familiar with the issues surrounding our national defense. I have studied programs affecting readiness, personnel, and acquisition. We on the committee

have attempted to change our defense budget priorities to reflect the end of the cold war and the changing threats that we may face.

The administration also has presented Congress with its view of defense spending and posture for the next 5 years. Defense spending is being cut significantly. I have expressed concerns that we may be cutting too much too fast. But I really must caution the membership against supporting any further cuts beyond the 5-year plan envisioned by the administration in the bottom-up review. We are pushing the envelope here.

The Frank amendment cuts $2.5 billion from our defense budget for fiscal year 1995. This is beyond the cuts asked for by the administration or the Budget Committee and clearly beyond any good judgment.

Mr. Chairman, we on the committee are about half way through our budget hearings. We have heard from all the services. If one walks away from those hearings with anything, it is the notion that we are getting perilously close to the hollow force of the 1970's. Readiness and operations and maintenance is being called into question. Make no mistake about it, this type of budget situation has a direct impact on the men and women who serve in the military. We have a responsibility to provide these men and women with the best equipment, training, and benefits we can. The Frank amendment and any further cuts, I believe, jeopardizes that commitment.

My colleagues, sadly, we continue to have a problem with sexual harassment in the military. Efforts so far to remedy this situation have fallen short. Further resources may be needed to develop the type of programs that will educate the military about this issue and hopefully eradicate sexual harassment of any kind from the military. I could go on and on about other areas that need funding to keep the military at a minimum level of readiness.

Please vote "no" on the Frank amendment.

Mrs. MALONEY. Mr. Chairman, I rise in strong support of the Frank amendment to the budget resolution.

We've all seen the graphs and heard the figures—next year the United States plans to spend as much on defense as the rest of the world combined, over $260 billion. In real dollars that's more than Richard Nixon's administration spent on defense at the very height of the cold war 20 years ago. Today the Soviet Union is gone and the Russian military is only a shadow of its former self. The Pentagon, however, insists that it still needs as much money as it had when the Soviet threat was real. The bottom-up review starts from the premise that the United States must be able to fight two Gulf War type conflicts simultaneously. Even given that dubious assumption, I fail to understand why this country must spend 23 times more than Iraq and North Korea combined.

I also find specious the argument that we must vote this increase to offset the pay raise that Congress mandated last year. The size of the military is decreasing—and many experts argue that we should downsize as much as 25 percent.

Mr. Chairman, three decades ago President Eisenhower warned the American people against the "conjunction of an immense military establishment and a large arms industry" and "the acquisition of unwarranted influence * * * by the military-industrial complex." His warning is one we should be heeding, especially at a time when our national security interests need to involve deficit reduction as a high priority. Congress courageously took the first important steps along that path last year, and now is no time to backtrack.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SPENCE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 105, noes 313, not voting 20 as follows:

[Roll No. 51]

AYES—105

Abercrombie
Ackerman
Andrews (ME)
Barca
Barrett (WI)
Becerra
Beilenson
Berman
Blackwell
Brown (OH)
Bryant
Cardin
Clayton
Collins (MI)
Conyers
Coyne
Danner
de Lugo (VI)
DeFazio
Dellums
Duncan
Durbin
Engel
English
Eshoo
Evans
Farr
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Frank (MA)
Furse
Gordon
Hamburg
Hinchey
Hoke
Inslee
Jacobs
Johnson (SD)
Johnston
Kennedy
Kildee
Kleczka
Klein
Klug
LaFalce
Lambert
Leach
Lewis (GA)
Maloney
Margolies-Mezvinsky
Markey
McDermott
McKinney
Meehan
Mfume
Minge
Mink
Moakley
Morella
Nadler
Neal (MA)
Norton (DC)
Nussle
Oberstar
Olver
Owens
Payne (NJ)
Penny
Peterson (MN)
Petri
Poshard
Rahall
Rangel
Roukema
Roybal-Allard
Rush
Sanders
Sangmeister
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Shepherd
Slaughter
Stark
Stokes
Studds
Synar
Towns
Unsoeld
Upton
Velazquez
Vento
Waters
Watt
Waxman
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—313

Allard
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Carr
Castle
Chapman
Clay
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Cramer
Crapo
Cunningham
Darden
de la Garza
Deal
DeLauro
DeLay
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dornan
Dreier
Dunn
Edwards (TX)
Ehlers
Emerson
Everett
Ewing
Faleomavaega (AS)
Fawell
Fazio
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hilliard
Hoagland
Hobson
Hochbrueckner
Hoekstra
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson, E.B.
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kennelly
Kim
King
Kingston
Klink
Knollenberg
Kolbe
Kreidler
Kyl
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Mann
Manton
Manzullo
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McNulty
Meek
Menendez
Meyers
Mica
Michel
Miller (FL)
Mineta
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murphy
Murtha
Myers
Neal (NC)
Obey
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Reed
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Rowland
Royce
Sabo
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Scott
Sharp
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Traficant
Tucker
Underwood (GU)
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—20

Andrews (NJ)
Andrews (TX)
Brooks
Collins (IL)
Crane
Dooley
Edwards (CA)
Ford (TN)
Gallo
Gutierrez
Hastings
Kopetski
Lewis (CA)
McMillan
Miller (CA)
Natcher
Pelosi
Reynolds
Torricelli
Washington

□ 1817

Messrs. OBERSTAR, STOKES, and HOKE changed there 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.

The CHAIRMAN. It is now in order to consider Amendment No. 2 printed in House Report 103–429.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate this 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. SOLOMON:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $977,800,000,000.
Fiscal year 1996: $1,031,200,000,000.
Fiscal year 1997: $1,079,700,000,000.
Fiscal year 1998: $1,136,400,000,000.
Fiscal year 1999: $1,190,200,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.
Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.
Fiscal year 1996: $106,300,000,000.
Fiscal year 1997: $111,900,000,000.
Fiscal year 1998: $117,800,000,000.
Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,185,600,000.
Fiscal year 1996: $1,215,000,000.
Fiscal year 1997: $1,255,700,000.
Fiscal year 1998: $1,313,900,000.
Fiscal year 1999: $1,360,100,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,187,600,000,000.
Fiscal year 1996: $1,183,000,000,000.
Fiscal year 1997: $1,218,000,000,000.
Fiscal year 1998: $1,245,700,000,000.
Fiscal year 1999: $1,288,700,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $209,500,000,000.
Fiscal year 1996: $151,400,000,000.
Fiscal year 1997: $140,500,000,000.
Fiscal year 1998: $108,900,000,000.
Fiscal year 1999: $98,100,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,939,300,000,000.
Fiscal year 1996: $5,200,900,000,000.
Fiscal year 1997: $5,453,400,000,000.
Fiscal year 1998: $5,862,500,000,000.
Fiscal year 1999: $6,193,900,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:
(A) New direct loan obligations, $26,000,000,000.
(B) New primary loan guarantee commitments, $196,500,000,000.

Fiscal year 1996:
(A) New direct loan obligations, $30,400,000,000.
(B) New primary loan guarantee commitments, $170,300,000,000.

Fiscal year 1997:
(A) New direct loan obligations, $31,900,000,000.
(B) New primary loan guarantee commitments, $160,600,000,000.

Fiscal year 1998:
(A) New direct loan obligations, $33,700,000,000.
(B) New primary loan guarantee commitments, $159,800,000,000.

Fiscal year 1999:
(A) New direct loan obligations, $35,900,000,000.
(B) New primary loan guarantee commitments, $160,800,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:
(A) New budget authority, $263,700,000,000.
(B) Outlays, $270,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $255,300,000,000.
(B) Outlays, $261,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $252,000,000,000.
(B) Outlays, $256,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $258,600,000,000.
(B) Outlays, $256,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $265,000,000,000.
(B) Outlays, $257,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:
(A) New budget authority, $15,400,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $2,900,000,000.
(D) New primary loan guarantee commitments, $17,000,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $14,000,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $17,500,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $14,300,000,000.
(C) New direct loan obligations, $2,600,000,000.
(D) New primary loan guarantee commitments, $17,500,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $2,400,000,000.
(D) New primary loan guarantee commitments, $17,500,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $14,200,000,000.
(C) New direct loan obligations, $2,400,000,000.
(D) New primary loan guarantee commitments, $17,000,000,000.
(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:
(A) New budget authority, $15,100,000,000.
(B) Outlays, $15,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $15,100,000,000.
(B) Outlays, $15,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $15,400,000,000.
(B) Outlays, $15,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $15,400,000,000.
(B) Outlays, $15,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $15,700,000,000.
(B) Outlays, $15,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1995:
(A) New budget authority, $5,000,000,000.
(B) Outlays, $4,300,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $3,600,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $4,100,000,000.
(B) Outlays, $2,700,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $3,900,000,000.
(B) Outlays, $2,600,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1995:
(A) New budget authority, $18,100,000,000.
(B) Outlays, $20,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $20,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $16,400,000,000.
(B) Outlays, $17,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $16,800,000,000.
(B) Outlays, $17,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $17,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1995:
(A) New budget authority, $11,400,000,000.
(B) Outlays, $11,200,000,000.
(C) New direct loan obligations, $9,900,000,000.
(D) New primary loan guarantee commitments, $6,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $9,900,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $8,400,000,000.
(D) New primary loan guarantee commitments, $4,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $10,000,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $8,500,000,000.
(D) New primary loan guarantee commitments, $4,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $8,500,000,000.
(D) New primary loan guarantee commitments, $4,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $9,200,000,000.
(C) New direct loan obligations, $8,800,000,000.
(D) New primary loan guarantee commitments, $4,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1995:
(A) New budget authority, $6,700,000,000.
(B) Outlays, −$10,200,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $117,900,000,000.
(E) New secondary loan guarantee commitments, $130,000,000,000.
Fiscal year 1996:
(A) New budget authority, $4,650,000,000.
(B) Outlays, −$13,050,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $103,100,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1997:
(A) New budget authority, $3,100,000,000.
(B) Outlays, −$6,200,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $95,900,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1998:
(A) New budget authority, $3,200,000,000.
(B) Outlays, −$6,200,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $96,600,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
Fiscal year 1999:
(A) New budget authority, $3,400,000,000.
(B) Outlays, −$5,300,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $99,500,000,000.
(E) New secondary loan guarantee commitments, $110,000,000,000.
(8) Transportation (400):
Fiscal year 1995:
(A) New budget authority, $32,500,000,000.
(B) Outlays, $33,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $33,400,000,000.
(B) Outlays, $34,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $34,900,000,000.
(B) Outlays, $34,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $36,700,000,000.
(B) Outlays, $34,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $37,500,000,000.
(B) Outlays, $35,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1995:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $9,800,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,800,000,000.
(B) Outlays, $9,800,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1995:
(A) New budget authority, $50,900,000,000.
(B) Outlays, $50,900,000,000.
(C) New direct loan obligations, $5.500,000,000.
(D) New primary loan guarantee commitments, $19,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $49,800,000,000.
(B) Outlays, $47,900,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $14,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $50,300,000,000.
(B) Outlays, $48,500,000,000.
(C) New direct loan obligations, $13,200,000,000.
(D) New primary loan guarantee commitments, $13,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $51,200,000,000.
(B) Outlays, $49,800,000,000.
(C) New direct loan obligations, $15,100,000,000.
(D) New primary loan guarantee commitments, $12,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $51,800,000,000.
(B) Outlays, $50,400,000,000.
(C) New direct loan obligations, $16,900,000,000.
(D) New primary loan guarantee commitments, $11,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1995:
(A) New budget authority, $118,800,000,000.
(B) Outlays, $118,100,000,000.
(C) New direct loan obligations, $0
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $124,500,000,000.
(B) Outlays, $123,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $131,800,000,000.
(B) Outlays, $130,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $140,400,000,000.
(B) Outlays, $138,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $151,100,000,000.
(B) Outlays, $149,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1995:
(A) New budget authority, $162,400,000,000.
(B) Outlays, $151,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $180,400,000,000.
(B) Outlays, $153,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $198,400,000,000.
(B) Outlays, $167,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $217,500,000,000.
(B) Outlays, $179,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $242,100,000,000.
(B) Outlays, $193,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1995:
(A) New budget authority, $207,200,000,000.
(B) Outlays, $213,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $208,700,000,000.
(B) Outlays, $210,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $217,700,000,000.
(B) Outlays, $218,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $232,600,000,000.
(B) Outlays, $220,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $228,200,000,000.
(B) Outlays, $229,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1995:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $6,300,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $11,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $9.000,000,000.
(B) Outlays, $12,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,800,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1995:
(A) New budget authority, $36,600,000,000.
(B) Outlays, $36,500,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $32,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $36,200,000,000.
(B) Outlays, $34,900,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $36,100,000,000.

(B) Outlays, $36,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $25,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $35,600,000,000.

(B) Outlays, $35,600,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $35,500,000,000.

(B) Outlays, $35,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $25,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1995:

(A) New budget authority, $15,300,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $15,200,000,000.

(B) Outlays, $15,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $15,100,000,000.

(B) Outlays, $14,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,300,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,200,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1995:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $10,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $9,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1995:

(A) New budget authority, $242,900,000,000.

(B) Outlays, $242,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $258,300,000,000.

(B) Outlays, $258,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $266,800,000,000.

(B) Outlays, $266,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $273,700,000,000.

(B) Outlays, $273,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $285,700,000,000.

(B) Outlays, $285,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1995:

(A) New budget authority, −$11,900,000,000.

(B) Outlays, −$4,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$13,400,000,000.

(B) Outlays, −$9,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$13,600,000,000.

(B) Outlays, −$11,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$14,000,000,000.

(B) Outlays, −$12,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$14,500,000,000.

(B) Outlays, −$13,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1995:

(A) New budget authority, −$36,200,000,000.

(B) Outlays, −$36,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$30,600,000,000.

(B) Outlays, −$30,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$30,700,000,000.

(B) Outlays, −$30,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$31,700,000,000.

(B) Outlays, −$31,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$32,200,000,000.

(B) Outlays, −$32,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 5. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) FINDINGS.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from inflated spending levels; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

SEC. 6. ADJUSTMENT OF PAY-AS-YOU-GO SCORECARD.

It is the sense of the Congress that upon enactment of a reconciliation bill pursuant to section 4, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net change in the deficit achieved through the enactment in that Act of direct spending and receipts legislation for that year.

SEC. 7. SPENDING REDUCTIONS.

Nothing in this concurrent resolution on the budget commits the Congress to making the specific spending reductions used as assumptions in deriving the appropriate budgetary levels in this concurrent resolution, with the full understanding that the Congress may make comparable spending reductions in other areas to arrive at the same appropriate budgetary levels.

The CHAIRMAN. Pursuant to the rule, the gentleman from New York [Mr. SOLOMON] will be recognized for 30 minutes, and a Member opposed, the gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. SOLOMON].

MODIFICATION TO AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I ask unanimous consent to modify the Solomon amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SABO. Mr. Chairman, reserving the right to object, and I will not object, I do so in order that the gentleman from New York may explain his modification.

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Mr. SOLOMON. Mr. Chairman, if the gentleman will yield, because the Congressional Budget Office was unable to complete scoring of the Solomon substitute and others, we were unable to have the exact figures we have. We had plugs in what we had offered. We are now asking to have the corrections submitted at the desk.

Mr. SABO. Mr. Chairman, I withdraw my reservation of objection.

The text of the amendment in the nature of a substitute, as modified, offered by Mr. SOLOMON, is as follows:

Modification to amendment in the nature of a substitute offered by Mr. SOLOMON:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $975,683,000,000.
Fiscal year 1996: $1,028,844,000,000.
Fiscal year 1997: $1,079,570,000,000.
Fiscal year 1998: $1,136,278,000,000.
Fiscal year 1999: $1,190,049,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.
Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.
Fiscal year 1996: $106,300,000,000.
Fiscal year 1997: $111,900,000,000.
Fiscal year 1998: $117,800,000,000.
Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,154,722,000,000.
Fiscal year 1996: $1,176,157,000,000.
Fiscal year 1997: $1,222,353,000,000.
Fiscal year 1998: $1,279,873,000,000.
Fiscal year 1999: $1,324,885,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,176,773,000,000.
Fiscal year 1996: $1,173,966,000,000.
Fiscal year 1997: $1,211,781,000,000.
Fiscal year 1998: $1,239,458,000,000.
Fiscal year 1999: $1,281,851,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $201,090,000,000.
Fiscal year 1996: $145,122,000,000.
Fiscal year 1997: $132,211,000,000.
Fiscal year 1998: $103,180,000,000.
Fiscal year 1999: $91,802,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,924,400,000,000.
Fiscal year 1996: $5,150,300,000,000.
Fiscal year 1997: $5,363,000,000,000.
Fiscal year 1998: $5,547,900,000,000.
Fiscal year 1999: $5,713,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:
(A) New direct loan obligations, $26,000,000,000.
(B) New primary loan guarantee commitments, $196,500,000,000.

Fiscal year 1996:
(A) New direct loan obligations, $30,400,000,000.
(B) New primary loan guarantee commitments, $170,300,000,000.

Fiscal year 1997:
(A) New direct loan obligations, $31,900,000,000.
(B) New primary loan guarantee commitments, $160,600,000,000.

Fiscal year 1998:
(A) New direct loan obligations, $33,700,000,000.
(B) New primary loan guarantee commitments, $159,800,000,000.

Fiscal year 1999:
(A) New direct loan obligations, $35,900,000,000.
(B) New primary loan guarantee commitments, $160,800,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:
(A) New budget authority, $267,433,000,000.
(B) Outlays, $274,301,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $260,977,000,000.
(B) Outlays, $267,033,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $259,878,000,000.
(B) Outlays, $263,928,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $267,416,000,000.
(B) Outlays, $265,068,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $275,866,000,000.
(B) Outlays, $266,899,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:
(A) New budget authority, $13,260,000,000.
(B) Outlays, $16,299,000,000.
(C) New direct loan obligations, $2,900,000,000.
(D) New primary loan guarantee commitments, $17,000,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $10,177,000,000.
(B) Outlays, $13,613,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $17,500,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $9,604,000,000.
(B) Outlays, $12,404,000,000.
(C) New direct loan obligations, $2,600,000,000.
(D) New primary loan guarantee commitments, $17,500,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $8,890,000,000.
(B) Outlays, $11,346,000,000.
(C) New direct loan obligations, $2,400,000,000.
(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $8,200,000,000.

(B) Outlays, $10,630,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:

(A) New budget authority, $14,666,000,000.

(B) Outlays, $15,601,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $14,655,000,000.

(B) Outlays, $14,734,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $14,946,000,000.

(B) Outlays, $14,770,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $14,935,000,000.

(B) Outlays, $14,942,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,223,000,000.

(B) Outlays, $15,131,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1995:

(A) New budget authority, $3,294,000,000.

(B) Outlays, $2,551,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $3,000,000,000.

(B) Outlays, $2,529,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $2,500,000,000.

(B) Outlays, $1,848,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $1,885,000,000.

(B) Outlays, $629,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $1,453,000,000.

(B) Outlays, $381,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1995:

(A) New budget authority, $14,700,000,000.

(B) Outlays, $18,729,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $14,700,000,000.

(B) Outlays, $16,691,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $11,899,000,000.

(B) Outlays, $12,998,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,258,000,000.

(B) Outlays, $12,244,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $11,853,000,000.

(B) Outlays, $11,784,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1995:

(A) New budget authority, $7,734,000,000.

(B) Outlays, $7,722,000,000.

(C) New direct loan obligations, $9,900,000,000.

(D) New primary loan guarantee commitments, $6,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$254,000,000.

(B) Outlays, −$1,408,000,000.

(C) New direct loan obligations, $8,400,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $3,829,000,000.

(B) Outlays, $2,590,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $4,275,000,000.

(B) Outlays, $2,488,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $3,484,000,000.

(B) Outlays, $2,397,000,000.

(C) New direct loan obligations, $8,800,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1995:

(A) New budget authority, $3,537,000,000.

(B) Outlays, $−11,074,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $117,900,000,000.

(E) New secondary loan guarantee commitments, $130,000,000,000.

Fiscal year 1996:

(A) New budget authority, $935,000,000.

(B) Outlays, $−14,664,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $103,100,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1997:

(A) New budget authority, $−238,000,000.

(B) Outlays, $−8,215,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $95,900,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1998:

(A) New budget authority, $−779,000,000.

(B) Outlays, $−8,506,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $96,600,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1999:

(A) New budget authority, $−1,139,000,000.

(B) Outlays, $−7,888,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $99,500,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

(8) Transportation (400):

Fiscal year 1995:

(A) New budget authority, $28,110,000,000.

(B) Outlays, $30,831,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $28,747,000,000.

(B) Outlays, $30,537,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $29,932,000,000.

(B) Outlays, $30,037,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $31,379,000,000.
(B) Outlays, $30,069,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $31,810,000,000.
(B) Outlays, $30,007,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1995:
(A) New budget authority, $8,321,000,000.
(B) Outlays, $13,941,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $8,474,000,000.
(B) Outlays, $12,049,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $8,577,000,000.
(B) Outlays, $9,863,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $8,260,000,000.
(B) Outlays, $9,203,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,032,000,000.
(B) Outlays, $9,156,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $2,800,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1995:
(A) New budget authority, $50,304,000,000.
(B) Outlays, $50,670,000,000.
(C) New direct loan obligations, $5,500,000,000.
(D) New primary loan guarantee commitments, $19,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $49,551,000,000.
(B) Outlays, $47,677,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $14,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $50,441,000,000.
(B) Outlays, $48,689,000,000.
(C) New direct loan obligations, $13,200,000,000.
(D) New primary loan guarantee commitments, $13,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $51,921,000,000.
(B) Outlays, $50,576,000,000.
(C) New direct loan obligations, $15,100,000,000.
(D) New primary loan guarantee commitments, $12,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $53,883,000,000.
(B) Outlays, $52,537,000,000.
(C) New direct loan obligations, $16,900,000,000.
(D) New primary loan guarantee commitments, $11,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1995:
(A) New budget authority, $118,701,000,000.
(B) Outlays, $118,116,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $122,861,000,000.
(B) Outlays, $121,787,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $130,082,000,000.
(B) Outlays, $128,786,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $138,587,000,000.
(B) Outlays, $137,091,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $149,089,000,000.
(B) Outlays, $147,493,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1995:
(A) New budget authority, $161,599,000,000.
(B) Outlays, $153,661,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $178,555,000,000.
(B) Outlays, $167,028,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $196,607,000,000.
(B) Outlays, $180,463,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $215,309,000,000.
(B) Outlays, $193,254,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $238,147,000,000.
(B) Outlays, $202,479,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1995:
(A) New budget authority, $197,875,000,000.
(B) Outlays, $207,863,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $201,872,000,000.
(B) Outlays, $207,237,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $211,513,000,000.
(B) Outlays, $215,134,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $227,128,000,000.
(B) Outlays, $218,039,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $224,967,000,000.
(B) Outlays, $227,998,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1995:
(A) New budget authority, $6,760,000,000.
(B) Outlays, $9,360,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $6,255,000,000.
(B) Outlays, $9,355,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $8,250,000,000.
(B) Outlays, $11,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $8,940,000,000.
(B) Outlays, $12,240,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,730,000,000.
(B) Outlays, $13,030,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1995:
(A) New budget authority, $36,388,000,000.
(B) Outlays, $36,413,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $32,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $36,058,000,000.
(B) Outlays, $34,772,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $27,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $36,030,000,000.
(B) Outlays, $36,174,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $25,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $35,939,000,000.
(B) Outlays, $35,921,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $25,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $35,724,000,000.
(B) Outlays, $35,906,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $25,300,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1995:
(A) New budget authority, $15,491,000,000.
(B) Outlays, $15,830,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $15,461,000,000.
(B) Outlays, $15,692,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $15,428,000,000.
(B) Outlays, $15,241,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $15,693,000,000.
(B) Outlays, $15,478,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $14,155,000,000.
(B) Outlays, $15,274,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1995:
(A) New budget authority, $10,260,000,000.
(B) Outlays, $11,742,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $9,870,000,000.
(B) Outlays, $10,710,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $9,339,000,000.
(B) Outlays, $9,947,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $8,775,000,000.
(B) Outlays, $9,077,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $8,421,000,000.
(B) Outlays, $8,216,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1995:
(A) New budget authority, $245,763,000,000.
(B) Outlays, $245,763,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $261,542,000,000.
(B) Outlays, $261,542,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $270,219,000,000.
(B) Outlays, $270,219,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $277,157,000,000.
(B) Outlays, $277,157,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $283,663,000,000.
(B) Outlays, $283,063,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $8.
(E) New secondary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1995:
(A) New budget authority, −$13,097,000,000.
(B) Outlays, −$5,161,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, −$15,625,000,000.
(B) Outlays, −$11,248,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, −$15,789,000,000.
(B) Outlays, −$13,795,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$16,395,000,000.
(B) Outlays, −$15,154,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$16,976,000,000,000.
(B) Outlays, −$15,932,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1995:
(A) New budget authority, −$36,385,000,000.
(B) Outlays, −$36,385,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, −$31,700,000,000.
(B) Outlays, −$31,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$30,700,000,000.

(B) Outlays, −$30,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$31,700,000,000.

(B) Outlays, −$31,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$32,300,000,000.

(B) Outlays, −$32,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 5. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) FINDINGS.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from inflated spending levels; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

SEC. 6. ADJUSTMENT OF PAY-AS-YOU-GO SCORECARD.

It is the sense of the Congress that upon enactment of a reconciliation bill pursuant to section 4, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net change in the deficit achieved through the enactment in that Act of direct spending and receipts legislation for that year.

SEC. 7. SPENDING REDUCTIONS.

Nothing in this concurrent resolution on the budget commits the Congress to making the specific spending reductions used as assumptions in deriving the appropriate budgetary levels in this concurrent resolution, with the full understanding that the Congress may make comparable spending reductions in other areas to arrive at the same appropriate budgetary levels.

"(5) the Federal government should suspend regulations mandating compliance with federal statutes that result in direct costs to state and local governments until reimbursement for these costs are provided by the Federal government."

The CHAIRMAN pro tempore (Mr. TORRES). Without objection, the amendment in the nature of a substitute offered by the gentleman from New York [Mr. SOLOMON] is modified.

There was no objection.

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

In just 1 hour from now this Congress is going to have the opportunity to live up to your rhetoric and, for the first time in many years, actually vote for a balanced budget.

Mr. Chairman, this country is drowning in a sea of red ink that has literally turned this great country into a debtor nation; where the accumulated debt has grown so large—a debt incidently owned by mostly foreign nations—the interest on which is now larger than the amount we spend on our military budget.

Mr. Chairman, the Democrat budget before us today does noting to stop this hemorrhaging red ink, adding almost $200 billion a year to this unconscionable deficit.

Mr. Chairman, the balanced budget we present to you today stops that deficit spiral, and actually produces a surplus that begins to pay off the debt in the year 1999, 2000, and 20001.

Mr. Chairman, this balanced budget contains more than 500 specific cuts totalling more than $600 billion.

To build this consensus balanced budget, we included recommendations and suggestions from: the Concord Coalition, the Grace Commission, the Congressional Budget Office, Citizens Against Government Waste, Individual Member Initiatives, National Taxpayers' Union, Heritage Foundation, The Porkbusters Coalition, and many others.

Mr. Chairman, during the recent Senate debate on the balanced budget amendment, President Clinton, OMB Director Leon Panetta, (in twisting arms to vote against it), made the point that we don't need a balanced budget amendment.

What we need is a Congress willing to vote for a balanced budget.

Well Members, Congress is going to get their chance to do just that today.

Other critics and Members—including Senate Majority Leader GEORGE MITCHELL—claimed that you could not balance the budget without dipping into the Social Security retirement trust fund, slashing earned benefits for veterans and without raising taxes.

Well, that kind of rhetorical scare tactic was wrong too and we prove it with this balanced budget.

This balanced budget does not touch the Social Security retirement fund.

It does not cut a dime from veterans benefits.

It does not raise taxes.

And, instead of decimating the defense budget, it actually restores about $50 billion in cuts proposed by President Clinton.

Mr. Chairman, in this budget, everyone will be asked to tighten their belts, including Congress itself.

Our budget is tough medicine. It cuts congressional spending by 25 percent.

Cuts White House spending by 25 percent.

Consolidates departments like Energy and Interior.

Terminates many Federal commissions.

Eliminates programs like the space station.

Privatizes programs like NOAA.

Contracts out items like the U.S. Printing Office.

Eliminates 90 percent of crop subsidies.

Bars financial assistance to illegal aliens.

Merges job training programs.

Sells off the governments direct loan portfolio to the private sector.

And, in all of this belt tightening, which touches every branch of Government, we only cut spending by a mere 3½ percent yet we manage to balance the Federal budget.

Is a 3½ percent cut over five years too much to ask of this Congress?

Well we think not and the American people think not.

And we are asking Congress to summon the courage to vote for this balanced budget today.

The buck stops here, ladies and gentlemen.

No longer can we blame past or present Presidents for the deficit crisis.

We can only blame ourselves if we fail to vote for a truly balanced budget today.

Budget Committee members in the other body, over in the Senate, have reviewed this balanced budget that we have before Members here today. They are so impressed that they have scored it and have printed it as a working document, which I have right here in front of me. They are going to use this working document. I would expect them to present this in the other body as the official Republican substitute, a balanced budget, which the American people insist on.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

As I understand it, the gentleman's amendment increases defense spending about 50 billion beyond the President's projections over the next 5 years.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, that is correct.

Mr. SABO. And makes no reductions in Social Security?

Mr. SOLOMON. Mr. Chairman, if the gentleman will continue to yield, that is correct.

Mr. SABO. And then $600 billion elsewhere?

Mr. SOLOMON. With one qualification. As most Members know, the Kasich budget, which is the official Republican alternative, which I am supporting, is a part of this Solomon balanced budget task force substitute.

What we have simply done, so every Member understands, we have removed all the tax cutting provisions out of the Republican alternative.

Mr. SABO. Which provisions?

Mr. SOLOMON. All of the tax cutting provisions out of the Republican alternative. And then we have added an additional $300 billion-plus in spending cuts, which we have itemized and have passed out to all Members. That is how we arrived at this official figure, which I have just given the gentleman, which indicates we are reducing the deficit over the 5-year period by $698 billion, over the 5-year period, leaving a surplus in the fifth year, 1999, a surplus of $8 billion.

Mr. SABO. Mr. Chairman, I am curious what the gentleman is doing with farm programs, because as we read the budget, in 1996, it produces a billion four of revenue to the Federal Government.

Mr. SOLOMON. Mr. Chairman, I would say to the gentleman that we do not touch any of the agricultural programs other than what is in the Kasich budget, except we eliminate the CCC, the Commodity Credit Corporation. We eliminate all of it but the milk price supports, which certain members of the task force did not feel was a commodity crop program.

Mr. SABO. But I am curious, the Ag programs end up making money for us in 1996.

Mr. SOLOMON. If that is the case, we show that as a revenue in our budget.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would like to ask the gentleman, what he is saying is, he cut out all farm programs affecting wheat, corn, rice, cotton, tobacco, everything. For whatever reason, we leave dairy alone in this program, and the dairy program also on occasion costs the Government some money.

I support it, but I do not understand, for the life of me, why the gentleman wants to say to the wheat farmer, the corn farmer, the rice farmer, the cotton farmer and all of the other farmers in the country that they are going to suffer. And by the way, they are in bleak economic times, as it is.

The removal of these programs will probably throw thousands of farmers, if not ten of thousands, into bankruptcy. But the gentleman leaves the dairy farmer alone.

□ 1830

Mr. SOLOMON. The gentleman raises a very, very good concern. As a matter of fact, when I mentioned that we had taken all of the recommendations by the Grace Commission, the Concord Commission, et cetera, we had over a trillion dollars in cuts, and included in that was a recommendation to do away with the dairy as well and a lot of other things. They had a recommendation, for instance, to raise the Medicare qualifications from 65 to 67 years. That was dropped. The dairy was dropped. If we had had the votes, we could have kept it all in, but we were unable to do that.

Mr. GLICKMAN. Just 1 additional second, if the gentleman will yield.

Mr. SABO. I am happy to yield to the gentleman from Kansas.

Mr. GLICKMAN. First of all, I compliment the gentleman from New York. He at least comes up with something that makes real proposals. I disagree with most of them, but there is at least some intellectual honesty in here.

The problem with his proposals is that it will throw, just this one piece of it, vast portions of rural America into cataclysm. With no advanced warning the gentleman is removing the entire safety net that the government provides for crops in this country, and that will produce a great deal of havoc for the people who rely on food and fiber in America, and for that reason alone I would ask Members to vote against the amendment.

Mr. SOLOMON. Will the gentleman yield further?

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. Because of that very concern, because there are a lot of things in here that I do not like, one of them, for instance, is privatizing of Amtrak which runs 270 miles right straight through my district, and I have probably more stops than anyone, yet I cannot vote against this whole budget because it happens to be in here. I put in a caveat so if we have a reconciliation bill later on, or if we have our 13 appropriation bills and the agricultural appropriation bill comes forth, there is nothing to prevent the gentleman from substituting and putting back in the CCC, and making light cuts within the domestic programs. And I would imagine the gentleman would see fit to do that. We were looking out for the gentleman's interests when we put this in here.

Mr. SABO. Mr. Chairman, I reserve the balance of my time.

Mr. SOLOMON. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. FAWELL], a gentleman who has taken this well many times as the chairman of the Porkbusters Task Force, and I thank him for his input.

Mr. FAWELL. Mr. Chairman, this is a historic vote that we will be having. I rise in support of the Solomon balanced budget resolution, and I do for one particular reason at least, but there are others. It is because I do not see that the administration, nor do I see anywhere else that there are any plans whatsoever to balance the budget either in this century or the one that is coming up. And lo and behold, come fiscal year 1999, we are going to have new debt, counting trust fund borrowing, of over $350 billion as we go into the next century.

I came to Congress in January of 1985. The debt was $1.4 trillion. I have witnessed all kinds of 5-year plans and fancy deficit reduction promises, promising literally trillions of dollars of deficit reductions. And what have we got but trillions of dollars of new debt, $300 billion just to pay interest on that.

Why is this so? The problem, I suggest, is that all of the deficit reduction plans that we have had are founded on the idea of decreasing increases in spending. We all know what that means. What we have in this budget is not perfect, but it makes the hard choices of eliminating and cutting literally hundreds, 500 programs.

It has been said if you die and go to heaven, and you want to come back and have eternal life, come back as a Federal program because we never cut. We can put the lie to that.

Will the Clinton 5-year so-called deficit-reduction plan change anything? No, because the Clinton plan adds $1.7 trillion of new debt over its 5-year span, and this is based on the improbable assumption that, first, all of the plan's $250 billion in new taxes will be collected—they won't—and also on the assumption that all of the plan's $255 billion in deficit cuts will be made—they won't. In fact, 80 percent of Mr. Clinton's deficit cuts come in years four and five of the 5-year plan and we all know that Congress' 5-year deficit reduction plans don't even last that long. But, even with these assumptions, Mr. Clinton's 5-year deficit reduction plan would add $1.7 trillion to the national debt by fiscal year 1999. And, by fiscal year 1998 the debt will be a minimum of $6 trillion, and it will be $6.3 trillion by fiscal year 1999. These are right in the President's 5-year budget presented this year!

We're going to hear all kinds of things from special interest groups who won't like these cuts in the Solomon-Fawell-Upton balanced budget. "This is not the time," they will say. For 24 years it has "not been the time" for Congress to balance its budget! No matter what economic times we've had during the last 24 years, good or bad, it's never the right time for Congress to balance its budget. Well, I ask if now is not the right time, what time is the right time?

There are, however, some people you will not hear from in regard to the issue of Congress finally balancing its budget. I can tell Members who will not be calling them. For one, Emily Heap, 5 years old, Naperville, IL, will not be calling you. Zoe Fawell, 6 years old in Naperville, IL, will also not call you. They are two of my eight grandchildren, and your grandchildren and children will not call you either because do you know what? They trust the Congress. They really trust the Congress. Nobody has told them that no one is even planning to do anything about balancing the Congressional budget—in this century, nor the next. No one. But we know one thing for

sure—the national debt will climb to at least $6.3 trillion by 1999. The President's budget guarantees the children of America about that—it's right there in the President's budget.

This balanced budget is for Emily and Zoe and the millions of other children who will have a brighter economic future if Congress has the guts to actually balance its budget over the next 5 years. We can do it. This budget shows we can do it, if this Congress really wants to.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong opposition to the Solomon substitute to House Concurrent Resolution 218 and in support of the concurrent resolution.

Since I have arrived in Congress, the message has been consistent: With precious few dollars to go around, we must pay for programs that have a proven track record of working, and we must continue to invest in the American people. Both the Solomon and the Kasich substitute amendments fail this test.

The Solomon substitute guts assistance for seniors by cutting the valuable Senior Community Service Employment Program as well as by cutting Medicare reimbursements to hospitals for health care and lab services. If you represent a rural community heavily populated by seniors, this alone should convince you to vote "no." Rural health care facilities that are disproportionately dependent on Medicare would be big losers under this Solomon provision.

But the slash-and-burn tactics do not stop with our seniors. The Solomon substitute hurts young adults by slashing education assistance in the form of guaranteed student loans and health professional education subsidies. This is not frivolous spending, this is investment in our future.

These are programs that invest in our people, both young and old. These are programs that need and deserve our support.

We also need to fund programs that we know work.

The Byrne Formula Block Grant has been zeroed out by the administration and was not reinstated by the Budget Committee. Yet just last week, I and some of my colleagues on the Government Operations Committee heard testimony from law enforcement professionals that stated that the Byrne Formula Grant must be restored if we are to have any success in the war on drugs. My testimony on this issue which was submitted to the Budget Committee further illuminates the success that States like Michigan have enjoyed under the Byrne Formula Grant Program. While the American people have told us that they are willing to spend money on an improved criminal justice system, Mr. SOLOMON's substitute makes significant cuts in this and other justice assistance programs making any such investments impossible.

The chairman has done an excellent job of keeping us within our discretionary spending limits. This new fiscal discipline, however, mandates that we be more careful in choosing spending programs. Funding for the Coast Guard is another example of where we should be investing. All of the budgets before us today reduce the administration's request for Coast Guard acquisition, construction, and improvement. Mr. Chairman, this money is not political or controversial. The Coast Guard requires a minimum of between $500 and $600 million a year just to maintain the assets they have right now. While the Coast Guard is running as lean as possible, it would be a mistake to put off investing in its most basic capital needs. These reductions would seriously degrade the Coast Guard's ability to protect our precious water resources in the Great Lakes region.

Mr. Chairman, where is the investment in our people? Where is the investment in programs that have shown success? They are not in the Solomon or Kasich proposals. I urge a no vote on the Solomon amendment.

I would urge my colleagues to cast a vote for investment in the American people.

Vote "no" on Solomon.

□ 1840

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I say to my good friend, the gentleman from Michigan [Mr. STUPAK], you know, the same cuts he is complaining about were those that were in Penny-Kasich that he and I helped to craft and we both voted for.

Mr. STUPAK. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Michigan.

Mr. STUPAK. For the same reason I had to vote against Penny-Kasich, because it cut seniors and it cut the other programs.

Mr. SOLOMON. Mr. Chairman, I yield 2½ minutes to the gentleman from New Jersey [Mr. ZIMMER] who has had a great input into this piece of legislation.

Mr. ZIMMER. Mr. Chairman, it is time to put up or shut up. In today's Washington Post a deputy House majority whip is quoted as saying we don't need a balanced budget Constitutional amendment. "We shouldn't hide behind the Constitution," he says. He goes on to say "If we want to balance the budget we should have the courage to just do it." Well, here is your chance to just do it. The Solomon budget is your only chance. Neither the President nor the Budget Committee majority has a plan to balance the budget this year, this century, next century or ever. The Solomon budget is the only game in town. For those of you who say all we need is courage, you can show some today by voting yes.

For those of us who are committed to a balanced budget amendment because we believe it is the only thing that will force Congress to get its fiscal house in order, here is an opportunity for us to show we have the courage of our convictions and to move from easy rhetoric to painful reality. Here is a chance to put the taxpayers' money where our mouth is.

There are cuts in the Solomon budget that I strongly disagree with. If I had written it myself I would have done it differently. But those of us who advocate a balanced budget have a moral obligation to get specific and show how it can be done.

Let us show our constituents that Congress is able to do what every family has to do, what every business has to do, indeed what every State Government has to do and that is to live within our means. Support the Solomon amendment.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. POMEROY], one of the distinguished new Members of the House and one who represents my native State in Congress.

Mr. POMEROY. Mr. Chairman, I rise to oppose the Solomon amendment.

Mr. Chairman, in my analysis, this is the most complete and absolutely devastating attack on rural America that I have seen in the now 14 months I have been a Member of this body.

The Solomon amendment would eliminate all farm commodity programs vital to virtually every agricultural community in every region of this country. It would eliminate Farmers Home, a critical source of farm credit, particularly for struggling farmers, family farmers, trying to remain on the land.

It would eliminate the Rural Electric Associations. And what would be the consequence of these eliminations? Just a few farmers suffering a little more pain? Absolutely not. The result would be dramatically higher electric rates for more than 25 million REA subscribers across this country.

The result would be dramatically higher grocery bills because what we have with the farm program is not an expensive farm program. What we have is a cheap food policy, and the results translate directly into the amounts the consumers in rural, in urban, in virtually every city of this country pay when they go to their grocery store. That would be the consequence of the proposals relative to agriculture proposed in the Solomon amendment.

What is most mystifying to me is that cuts of such a draconian nature

must be crafted under some kind of belief that everything is fat out on the farm when, in fact, the results shows that absolutely directly opposite conclusions must be drawn.

In my State, and I represent North Dakota, one of the most rural States in the country, we had 42,000 family farmers in 1975. The count as of 1992 showed down to 33,000 family farmers, and the out migration proportionate in North Dakota, as reported by United Van Lines, is consistently ranked at the very top or near the top of the 50 States in the country.

I can tell you from the personal experience that I see every weekend in the coffee shops across my State what a dire and difficult time this is for family farmers. I do not just speak for North Dakota when I make that point, Mr. Chairman.

In a survey taken of the 14 plain States, 500 of the 633 counties experienced serious out migration.

If you want to forecast yet additional consequences of voting for the Solomon amendment this afternoon, you can add the ramifications of a huge new population in our urban areas as people now struggling to remain on the farm and sustain family farm agriculture into the next generation are forced to throw in the towel and move to the cities.

There are a lot of other cuts that I seriously question the wisdom of, and the deep savaging of Medicare, I think, ought to raise grave concern for anyone contemplating supporting this measure.

But particularly when it comes to agriculture, this matter, this proposal, really goes way too far.

I urge defeat of the Solomon amendment.

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will point out to the gentleman that, first of all, we do not eliminate Farmers Home. We simply cut it like we do other programs.

We do not decimate Medicare. We do not even cut it anywhere near what President Clinton does in his Health Care Program.

Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I rise in support of the only budget amendment before us today that will actually balance the budget, and I commend the gentleman from New York for offering it.

The Solomon-Fawell-Upton budget alternative will give every Member the chance to vote for what the overwhelming majority of Americans are saying: Cut spending first.

Mr. Chairman, the Solomon alternative balances our budget in 5 years.

It does not cut Social Security or earned veterans benefits. It does not devastate our already weakened defense budget, and it does not raise taxes.

It does not touch Medicare benefits. In fact, the Medicare budget grows under the Solomon proposal.

Mr. Speaker, what the Solomon budget proposes to do is cut unneeded and unnecessary federally subsidized programs that we just simply cannot afford any more. I wish we could, but we cannot.

Mr. SOLOMON's proposal cuts $27 billion that we have been giving to illegal aliens.

It puts a moratorium on land purchases. In fact, the National Park Service already has a backlog of $5.6 billion in land acquisition costs. That would take us 37 years to pay off.

It ends additional U.S. financial support for the International Monetary Fund [IMF] and the World Bank, which have consistently failed to promote economic development through their lending programs.

It eliminates the Advisory Commission on Intergovenmental Relations which studies Federal-State frictions. This duplicates the work of various executive branch and State governments.

The Solomon amendment would cut in half, by $5 billion, Federal spending on furniture and office decorations.

It would reduce the amount the Federal Government uses to pay consultants, saving $24 billion over 5 years, and the list goes on. Sadly, these programs are only the tip of the iceberg in unneeded and unnecessary programs.

We have a debt of more than $4.3 trillion. We are spending almost $1 billion a day of money that we do not have.

Our Federal debt continues to increase and our children and grandchildren will have to pay for this ridiculous expenditure.

I urge support for the Solomon budget proposal.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to the gentleman from Sanibel, FL [Mr. GOSS], who has had tremendous input in trying to once and for all balance this budget.

Mr. GOSS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the Solomon budget ensures we can meet a balanced budget amendment by cutting waste by fiscal year 1999, and America can understand that, while the Clinton budget leaves us way off the mark, in fact, about $6 trillion off the mark in terms of the national debt.

The Solomon balanced budget provides for a specific realistic blueprint for achieving a balanced budget, and even recording a surplus into the next century.

This is not a vague pronouncement of principle. This is tough cuts. It is hard choices, and it is real deficit reduction.

Of course, we all find difficult the tradeoffs on this list of more than 500 line item budget cuts. Clearly each of us might have done a list a little differently as we are hearing in this debate. I, in fact, have done House Resolution 377, called the Spirit of '76, and it is a list of 76 cuts that does not touch Social Security, does not touch Medicare, does not touch Medicaid, does not touch veterans' benefits, but does cut $285 billion over 5 years.

Fortunately, many of my cuts are included in the Solomon substitute.

Clearly, each Member might prefer cutting more in one area in the interests of maintaining more resources in another area. That is what this is about. That is why we asked in the Committee on Rules to have a deliberate process in considering the Solomon budget where any Member could have sought to substitute one cut for another as long as the total value of the deficit reduction achieved by the package was not reduced.

Even though the Committee on Rules declined to give us that flexibility, I hope my colleagues will agree that this package does represent a breakthrough in the campaign to bring our Federal budget into balance by cutting.

This package deserves our support. Seventy percent of America is telling us, "Balance the budget."

Now is the time. We can vote for a true balanced budget plan.

And in the reported words of the gentlewoman from the Commonwealth of Pennsylvania from across the aisle, "We are putting our money where our mouth is," and we urge our colleagues from both sides of the aisle to follow that advice as well.

Mr. SABO. Mr. Chairman, I would ask the gentleman from New York, could you describe the Medicare cuts that you have in here?

Mr. SOLOMON. If the gentleman will yield, all of our Medicare cuts are again what is in the Kasich budget. We do not touch the eligibility of it. Just, for example, I think I told the gentleman that there was a rumor that we had raised the qualification requirement from 65 to 67 years. We do not do that. We do not touch it at all.

We simply took the entire Republican alternative and incorporated it into our budget.

Mr. SABO. Maybe the gentleman could explain one thing that I do not understand in that alternative. They take and have some seniors pay 100 percent of the national cost, average national cost, for part B of Medicare. I looked at that issue last summer and discovered that in 95 percent of the counties in this country the actual costs were substantially less than the national average.

□ 1850

In my home State of Minnesota, every county, every county was substantially below the national average, and in some States the difference was even more pronounced. So a very significant number of the elderly in this country to which this provision would apply would be paying substantially more than the 100 percent of part B premiums.

Mr. SOLOMON. I would say to the gentleman I was not a member of this committee, but in talking to the members of the Committee on the Budget

on the Republican side, they had informed me that the reason that they put that in there, in their budget, is because it only affected those people, single people with incomes above $70,000 and couples above $90,000.

Mr. SABO. That is right, but there are still significant parts of the country which would be asked to pay substantially more than actual costs. I have always tried to understand that rationalization. Over 95 percent of the counties, the actual costs there are below the national average.

Mr. GILCHREST. Mr. Chairman, would the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Maryland.

Mr. GILCHREST. I thank the gentleman for yielding.

Mr. Chairman, is the gentleman not asking that seniors, fairly wealthy seniors at that, just have their subsidy from the Federal Government reduced?

Mr. SABO. If the gentleman would yield. No.

Mr. GILCHREST. That is a subsidy that they are getting from the Federal Government.

Mr. SABO. No. Currently, they pay 25 percent of the national average. They go to 100 percent of the national average. The reality is that in 95 percent of the counties, the actual cost is significantly below the national average. So for those seniors, they would be paying substantially more than 100 percent of the actual cost for part B.

Mr. GILCHREST. I am not sure if I would use the word "substantially," but we are talking about seniors, fairly wealthy seniors with that income, having their subsidy reduced for that particular health insurance.

Mr. SABO. No, you eliminate all the subsidy plus ask 95 percent of the counties to pay more than 100 percent of their actual cost.

So, they are being asked to—and I forget what the actual average is, something like $130 a month—there are significant parts of the country where the actual costs are less than $100 a month.

Mr. GILCHREST. Apparently, there are significant parts of the country where there are wealthier seniors.

Mr. SABO. No. What there is around the country is significant differences in health care costs and significant difference in Medicare reimbursements around the country.

So, for most of the counties, most rural counties and even many urban areas, those seniors would be asked to pay substantially more than 100 percent of actual cost.

You might want to check into this and find the rationalization.

Mr. SOLOMON. I would just say to the gentleman I would certainly like to check into it. Again, that is why we have written into our substitute these caps that would allow the Committee on Appropriations or the Committee on the Budget, the reconciliation, later on, to make those substitutions if there is a problem there. Does the gentleman's bill deal with it at all?

Mr. SABO. No. As a matter of fact, the President has a recommendation for changing Part B premiums in his health care proposal. That is something the committees will have to be looking at. That is one of the potential sources of revenue for funding health care reform in this session of Congress.

Mr. SOLOMON. Mr. Chairman, the gentleman knows I have great respect for him and the work that he does, and even Members on that side of the aisle, but you know, the gentleman from North Dakota said we are decimating rural America. I represent rural America. This budget hurts everybody, it is tough medicine, but it does not just go to rural America; it goes to suburban America, it goes to inner-core cities. Everybody has to take their fair cut. And that is what we are doing in this budget.

We would certainly be glad to hear any other recommendations to get to the balanced budget amendment to prevent what is happening there, and that is a $204 billion deficit 5 years from now in that 1 year alone.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the heart of changing that long-term deficit in this country is for us to fundamentally deal with health care reform. There is one part of the Federal budget that is growing very rapidly, and that is health care, Medicare, Medicaid reimbursements. To get a handle on the totality of the health care costs in this country, and the same thing happening in the private sector, clearly the most compelling issue before this session of Congress is to find agreement on health care reform, how we can achieve universal coverage to make sure people in this country have health insurance and at the same time control the escalating costs for both the public and private sectors.

There is no issue more important to individual Americans and their individual lives, there is no issue more important to us than to be able to control the long-term deficit in this country.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield briefly?

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Chairman, I really share a lot of the same concerns with the gentleman from Minnesota. That is why—you know, President Clinton is proposing to abolish Medicare, for all intents and purposes——

Mr. SABO. No.

Mr. SOLOMON. I do not think he ought to be doing that. We ought to maintain it. That is a part of the system that is not broke.

Mr. SABO. The gentleman from New York [Mr. SOLOMON] is totally inaccurate in his description of the President's program. That is a comprehensive plan for reform, a base where we consider as we move to deal with that most important issue.

The fact is the gentleman from New York would substantially impact all kinds of programs that are of prime importance to millions of Americans while the real issue before us this session is whether we can move forward on the very important issue of reforming our health care system.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from New York [Mr. SOLOMON] has 16½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 10 minutes remaining.

Mr. SOLOMON. Mr. Chairman, this body is going to lose one of its most valuable Members at the end of this session. If there is anyone who has tried to focus on the terrible deficits which are just ruining this country, it is the speaker I am going to recommend from the other side of the aisle. I refer to one of the most respected Members of this body, the gentleman from Minnesota [Mr. PENNY], who has announced his retirement at the end of this year.

Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. I thank the gentleman from New York for yielding this time to me.

Mr. Chairman, I applaud the chairman of the Committee on the Budget for his articulation of the health reform issue, because clearly we must reform out health system with an eye toward reducing the Federal deficit. Health care reform that does not cut Federal health care expenditures is not worthy of the word "reform."

The health care reform plan adopted by this Congress must show budget savings in the first 5 years, not after the turn of the century.

We have before us today, however, a budget resolution. This comes just 1 week ahead of a vote on a balanced budget amendment. A two-thirds' vote is required to pass a balanced budget amendment, and there are currently 260 cosponsors of that measure, nearly the two thirds required to pass it.

With or without a balanced budget amendment, we need to make the tough choices. What we want to find out today is whether we have a similar number of legislators who are willing to vote for a tough budget that would actually balance the Federal accounts within the next 5 years; 260 cosponsors of the balanced budget amendment, how many of them will vote today for a balanced budget? There is only one budget under consideration that cuts nearly $700 billion and would balance

the budget within 5 years. It is the Solomon budget, and it deserves our support.

Any tough budget includes controversial items, and clearly none of us would agree with all the details of the Solomon plan. But we ought to agree with the goals set forth by this plan.

I think it is critically important to convey to the American public just how painful and far-reaching the cuts must be in order to reach a balanced budget, which most Americans claim they want us to achieve.

Most of this plan I can wholeheartedly endorse. As suggested by a previous speaker, I too would have some problems with the severity of the agricultural cuts. But on the other hand, I do not believe we need to add back money in the Pentagon budget. I can live with the President's number. But the totality of this plan still gets us a balanced budget in 5 years and it does convey that there are no easy choices.

□ 1900

Too many other budget alternatives gloss over the fact that we still have a major deficit problem, and I would rather be identified with a budget that takes the deficit seriously rather than one which pretends the deficit is no longer a threat.

Admittedly we have made some progress with the passage of the President's economic program, and the deficit is coming down in the near term. But under that program, Mr. Chairman, the deficit has climbed again in the outyears, and more heavy lifting will be required in order to tackle the deficit at that time. We ought to face those choices now and not wait a few years, until the deficit crisis resurfaces.

Last year, Mr. Chairman, I think the gentleman from New York [Mr. SOLOMON] deserved credit for offering what was the best budget. But it only received a handful of votes, and unfortunately in my time in Congress I have noticed that the toughest budgets always get the fewest votes. We have to change that record, and we ought to start tonight. Instead of empty rhetoric about a balanced budget amendment, instead of rhetoric about the near term success of the President's economic program, let us challenge ourselves and the American public to finally face reality.

Mr. Chairman, we either have to vote for tough budget cuts or we cannot have a balanced budget. The Solomon budget places that challenge before this institution and before the country. It deserves our support.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. ZELIFF]. New Hampshire has gone through unbelievable weather this year, along with my neck of the woods. This gentleman has done much since he came here to try to bring this budget under control.

Mr. ZELIFF. Mr. Chairman, I rise today in support of the Solomon balanced budget proposal. I am proud to have worked with the balanced budget task force in creating this proposal to produce a budget surplus in just 5 years.

Mr. Chairman, what we have done today is to present to this House a document that shows that a balanced budget is possible—without touching Social Security retirement or earned veterans benefits, or raising taxes.

This is a significant accomplishment. It shows all the naysayers that real spending cuts can be used to reach a balanced budget.

On the day of the balanced budget amendment vote in the Senate, our former colleague and friend, the OMB Director, Leon Panetta, said this country does not need a balanced budget amendment. We do not need to change the Constitution to force us to do what we are elected to do.

Mr. Panetta said that a constitutional amendment "doesn't give anybody the guts or courage that they need to make the right choices." Mr. Chairman, the Solomon amendment enables us to make those tough choices today.

Mr. Chairman, we cannot have it both ways. The administration does not want a constitutional amendment to balance the budget. The administration also will not support our effort to propose a real balanced budget with those tough choices today.

There is no question that this is a tough package of spending cuts. And I have to tell you that I do not agree with all of the cuts in the Solomon plan. But in the interest of balancing our Federal budget, I support it. We need to start somewhere.

To those Members who do not like these specific cuts, I say: It would have been nice to have an open rule on spending cuts. My good friend from New York [Mr. SOLOMON], and I asked the Rules Committee for an A to Z style open rule. This would have allowed the House to examine and vote on each specific spending cut in this package.

An open rule would have allowed Members to either add or delete a particular program. Unfortunately, we did not get the opportunity and we must now vote on the package of cuts before us.

Mr. Chairman, the Solomon package is a reasonable attempt to balance the Federal budget. It is tough medicine, but it is only a 3.5-percent spending cut. Any business in this Nation could find a way to cut 3.5 percent from their budget, so I ask, "Why can't the U.S. Congress make a 3.5-percent cut?"

It is time that we stop playing the game of telling people back home that we care about living within our means and then come back down here and do something else. The Solomon budget before us is balanced, and while not perfect, will do the job.

Our problem is spending. It is time to take the medicine, my friends, and stop passing our examples on to future generations. Here is the plan. Now we need your vote.

I urge my colleague to vote yes on the Solomon amendment.

Mr. SOLOMON. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. GILCHREST], another Member who has been so active in trying to bring this deficit under control.

Mr. GILCHREST. Mr. Chairman, I thank the gentleman from New York [Mr. SOLOMON] for yielding this time to me. I want to make a couple of comments.

Mr. Chairman, I do not live in North or South Dakota, but I live in a very rural area of Maryland, and there are certainly things in this budget that I would not put as my priority, but in the overall scheme of things this is not only good for the country, but it is good for rural areas, and I represent a rural community, and, unless we balance this budget soon, and that is in 5 years, our debt will consume all our dollars, and there will be no money for any programs. Over $290 billion just for interest on the national debt, and that amount is increasing, not decreasing. That money does not go for seniors, it does not go for educational programs, it does not go for health reform, it does not go for public safety, it goes for nothing, and it is about time that we get a handle on the debt.

I am sure that all of us agree that the deficit needs to be eliminated; about two-thirds of us will probably vote for a balanced budget amendment in the near future. But for most of us, it seems that deficit elimination should be the responsibility of some other Congress, some other time, cutting some other people's programs or raising some other people's taxes. This mentality—deficit elimination, but not on my watch—is threatening to bankrupt our children.

Too many of us fail to realize that every year we wait, it will be harder to balance the budget because of demographic factors and growing interest on the debt. The deep cuts in the Solomon budget may seem draconian today, but in a few years they will be necessary just to meet the interest payments, and still deeper cuts will be required to pay for our spending today.

Those draconian cuts today will seem mild compared to what we will have to do in the future if we do not cut the debt today.

Many Members are probably concerned about how the Solomon budget cuts this program or that program in somebody's district; about how certain groups might be offended, about how

this could hurt them politically. Let us be clear on one thing: this is a budget resolution. The only thing binding in this resolution is the bottom line, and that is the spending cuts, and that is what we need to do today.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to another gentleman from Maryland [Mr. BARTLETT], a freshman Member in this House whom we deeply admire.

Mr. BARTLETT of Maryland. Mr. Chairman, I was pleased to be a member of the Balanced Budget Task Force, and I rise in strong support of the Solomon budget. This budget does what American citizens have asked us to do. It balances the budget.

Mr. Chairman, there is no way, no way, that we are ever going to balance the budget without some discomfort and perhaps without some pain. This discomfort and pain is reflected in the appeals of those who have stood to oppose this budget.

It causes me some personal pain, but I say to my colleagues, I think that if you're No. 1 in the world, you're the only superpower in the world, you need to act like you're No. 1 in the world, and that means pursuing programs like the Space Station. But I tell you it's far more important to me to get our country back on a track to solvency than it is to at this moment pursue the Space Station. I'm willing to put that on hold until we balance the budget, and then we'll do programs like that, high priority programs on a pay as you go basis.

My colleagues, let us not send the message to the American people that we have just been funning them when we talk about a balanced budget amendment, that we are not really serious. Let us make the tough choices before we bankrupt our country. Let us vote for the Solomon budget resolution.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. SCHAEFER], a Member of this body who was deprived of offering his amendment by the rule that brought this budget to the floor. His cuts are a part of this budget, and we appreciate his cooperation.

□ 1910

Mr. SCHAEFER. Mr. Chairman, I rise in support of the balanced budget substitute offered by Mr. SOLOMON.

I wish that the full House of Representatives had the opportunity to vote on more than deficit reduction substitute. Unfortunately, the Rules Committee blocked a vote on my substitute, which ordered a $560 billion reconciliation, based on the spending reductions in H.R. 3958, the Fiscal Responsibility Act.

Nevertheless, I am pleased to support the Solomon substitute. Too many are content that we have done enough deficit cutting for the time being. I am here today to tell you that such complacency would be misplaced and dangerous.

Any deficit relief derived from the 1993 reconciliation will be very temporary. Within only a few years, the deficit will surpass its current levels and race toward new records.

Mr. Chairman, now is the time to press the attack on the deficit—not a few years from now when it is again reaching record levels. We have the deficit up against the ropes. We should go for the knockout punch.

The Solomon substitute is that knockout punch and I urge my colleagues to support it.

Mr. SOLOMON. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. INSLEE].

Mr. INSLEE. Mr. Chairman, 80 percent of us in this Chamber I believe want to get to the summit of a balanced budget. What route are we going to take to get there? I think we ought to put a lot of green lights up there for this particular bill tonight. Maybe not because it is the right route, but because it follows something my brother did for me once when I was young. We were trying to climb a mountain. And I looked up at the mountain, and it was a long ways up there. There was a cliff. I did not see any good way of getting there. All the routes were risky. All of the routes involved potential risk to me. I was a little leery about taking any of them.

My brother went up there, and he took a route, and it was not the route I would have picked, but he went to the top. And he got there.

Maybe this bill will not pass or this amendment will not pass tonight, but we ought to put some green lights up there to send a message to everyone in this country, to the leadership, and our leader in the White House, that there are people willing to go up there, to take some route to get to the top, even though it involves risk in every one of our districts and to every one of our constituents.

Mr. SOLOMON. Mr. Chairman, let me say to my good friend, the gentleman from Minnesota [Mr. SABO] that we have one closing speaker.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, just let me briefly say that I rise in opposition to the amendment. I commend the gentleman for his work. He clearly has put a great deal of work into this amendment. It achieves the goal the gentleman sets. It achieves it in a fashion that in my judgment would be very detrimental to the economy of this country and to the economic future of this country.

I have to remind this body that we are on a course of significant deficit reduction. We moved from $255 billion in the 1993 budget to around $225 billion in 1994, to a projection of $175 billion in 1995. We are there because the economy responded to the economic package we passed last year, which was a disciplined deficit reduction plan. It worked. The economy responded.

We had many people on the other side of the aisle who were telling us that things simply were not going to work when we passed it a year ago. Fortunately, we passed the program, and the economy has responded. It is growing. Jobs are being produced again. So we are on the right track.

I hope and would urge Members to vote down this amendment, but I commend the gentleman from New York, Mr. SOLOMON, for his hard work and the sincerity with which he approaches it.

Mr. Chairman, I yield back the balance of my time.

Mr. SOLOMON. Mr. Chairman, let me just say to the gentleman from Minnesota, [Mr. SABO] who is the chairman of the Committee on the Budget, he is one of the most respected Members on that side of the aisle because we know of his perseverance and the hard work he does. We commend him for it.

Mr. Chairman, I yield the balance of our time to the gentleman from Michigan [Mr. UPTON], one of the cochairmen of the Balanced Budget Task Force, who has done yeoman's work for so many years trying to bring the budget under control.

Mr. UPTON. Mr. Chairman, I think that everyone here in this House would individually write a different budget than is being offered today, and I think that is one of the reasons why so many of us in fact voted against the rule which denied so many other excellent alternative amendments.

Mr. Chairman, I am voting for the budgets that reduce the deficits in the outyears. In the few years that I have held office, I can almost count on one hand those special interest groups that have stopped by my office asking me to reduce spending. Instead, almost every group out there is asking for more, and more, and more. That is no way to run a railroad, and it is certainly not the way to run the Government.

Mr. Chairman, several years ago a number of us drafted a freeze budget. Everyone sacrificed. However, the Committee on Rules refused us the opportunity to even offer that budget for a vote here on the House floor. Consequently, we are far worse off today with a $4.5 trillion national debt. Too bad we can't turn back the clock and consider that amendment anew.

Mr. Chairman, next week we are debating the constitutional amendment to balance the budget. We will hear a lot of rhetoric from the opponents of such saying instead that we need only the courage to reduce the national debt and the annual deficit.

Well, unfortunately we have not shown much courage, as was witnessed just yesterday when this House failed to approve a couple of cuts that even the President cut in his own education budget.

Remember last year's budget battle, when we finally got rid of the beekeeper subsidy that had been stinging the taxpayer far too long.

Mr. SOLOMON's budget is not perfect, but it does balance the budget. And for those of us that want to believe that this place is not the Land of Oz, where deficit spending goes on and on and on down that yellow brick road, it is time to get back to reality.

Mr. Chairman, you can show your courage tonight by voting for the Solomon substitute, because if you believe in fiscal responsibility, it is indeed time to walk the walk, and not just talk the talk.

Mr. Chairman, in closing, I would just like to point out this chart indicating the CBO deficit projections in terms of where this budget process is taking us. Under the Solomon budget, in fact, we get to a balanced budget; in fact, we get to a surplus in the fiscal year 1999. And I think for all of us that go to those town meetings and read our mail and sign it back to the folks that sent us here, they know it is time to cut spending first, and that is what this budget does.

Mr. Chairman, I would encourage my colleagues to show courage tonight. Go take a medal from the lion from the Wizard of Oz. You can do it tonight by voting yes on the Solomon substitute.

Mr. SMITH of Michigan. Mr. Chairman, I am supporting the Solomon amendment because it is the only opportunity to vote on a balanced budget this year. I am disappointed that the Rules Committee would not allow an open rule so that we could consider changes to these proposals.

I disagree with several cuts in this substitute. In particular, I am in very strong disagreement with the language in the Solomon proposal that does away with essentially all farm programs starting next year. We do need to move to Federal farm policy that allows farmers to get reasonable prices at the marketplace. However, this needs to be a gradual adjustment to assure that we continue the high quality of food and fiber that's available at the lowest prices in the world.

Hard working farmers, abundant natural resources, world-class research and extension, and the free enterprise system have made the United States the largest and most efficient producer of food and fiber in the world. As a result, Americans spend just 12 percent of their disposable income on food, the lowest in the world. The average farmer in 1960 fed 16 people. Today that farmer feeds 96, with even greater nutrition and quality.

The fact is that if we want to have a stable supply of food and fiber in this country, a farmer cannot stay in business and sell below his cost of production. Farm programs have been an inefficient way to make adjustments and need to be drastically modified, but cannot be totally eliminated as suggested by SOLOMON.

In conclusion, I commend Mr. SOLOMON for having the only balanced budget amendment on the floor. Because this budget resolution is a guideline for spending and not a mandate to what programs are cut, I am casting my vote in favor of a balanced budget.

Mr. PACKARD. Mr. Chairman, I rise in support of the budget alternative presented by my distinguished colleague, Mr. SOLOMON.

I support Mr. SOLOMON'S alternative to President Clinton's budget for several reasons.

But the most compelling reason for my district in southern California is that Mr. SOLOMON'S alternative eliminates benefits for illegal aliens.

Now this House has recently been through a very emotional debate about benefits for illegal aliens. The debate degenerated into a name calling session. Apparently, if you support eliminating benefits for those who have broken our laws to enter this country, you are a fascist. You can be accused of being a racist.

Mr. Chairman, I commend Mr. SOLOMON and his colleagues for recognizing this for what it is: an economic issue. It is appropriate that eliminating these benefits is put in the context of a budget debate, because that is where it belongs.

As Members of Congress, we are sworn to uphold the laws of this land. It is illegal to enter our country without going through the proper naturalization process to become a citizen. I don't care what your motivation is, that is the law.

However, the Federal Government will give benefits to those who enter our country illegally. This ought to be stopped. Vote for the Solomon budget alternative and make this a reality.

Mr. PORTER. Mr. Chairman, the Budget Committee has jurisdiction not over the allocation for each function of Government, such as agriculture, defense, transportation, and so forth, but only over the overall spending amount.

The Solomon budget would balance the budget by fiscal year 1999 solely by restraining spending, not by raising taxes.

While I do not agree with the detail the gentleman from New York offers in support of his overall spending limit, I do agree with his balanced budget goal and that it is achievable through spending restraints, this spirit, and with this understanding, I support the Solomon budget substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as modified, offered by the gentleman from New York [Mr. SOLOMON].

The question was taken, and the Chairman announced that the "ayes" appeared to have it.

RECORDED VOTE

Mr. SABO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 73, noes 342, not voting 23, as follows:

[Roll No. 52]

AYES—73

Armey
Bachus (AL)
Baker (LA)
Ballenger
Barcia
Bartlett
Barton
Burton
Callahan
Coble
Collins (GA)
Condit
Cox
Cunningham
Deal
DeLay
Dornan
Dreier
Duncan
Fawell
Fingerhut
Fish
Franks (NJ)
Gilchrest
Goodlatte
Goodling
Goss
Greenwood
Hancock
Hoekstra
Hoke
Hunter
Inslee
Istook
Johnson (GA)
Knollenberg
Kreidler
Margolies-Mezvinsky
McCandless
Mica
Miller (FL)
Minge
Moorhead
Murphy
Orton
Packard
Paxon
Payne (VA)
Penny
Petri
Porter
Portman
Pryce (OH)
Quillen
Ramstad
Ravenel
Rohrabacher
Roth
Royce
Schaefer
Sensenbrenner
Shays
Smith (MI)
Solomon
Stenholm
Sundquist
Swett
Tauzin
Taylor (MS)
Upton
Weldon
Zeliff
Zimmer

NOES—342

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Applegate
Archer
Bacchus (FL)
Baesler
Baker (CA)
Barca
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Buyer
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (MI)
Combest
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dunn
Durbin
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Foglietta
Ford (MI)
Fowler
Franks (CT)
Frost
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Grams
Grandy
Green
Gunderson
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Kolbe
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella

Murtha	Roukema	Synar
Myers	Rowland	Talent
Nadler	Roybal-Allard	Tanner
Neal (MA)	Rush	Taylor (NC)
Neal (NC)	Sabo	Tejeda
Norton (DC)	Sanders	Thomas (CA)
Nussle	Sangmeister	Thomas (WY)
Oberstar	Santorum	Thompson
Obey	Sarpalius	Thornton
Olver	Sawyer	Thurman
Ortiz	Saxton	Torkildsen
Owens	Schenk	Torres
Oxley	Schiff	Towns
Pallone	Schroeder	Traficant
Parker	Schumer	Tucker
Pastor	Scott	Underwood (GU)
Payne (NJ)	Serrano	Unsoeld
Peterson (FL)	Sharp	Valentine
Peterson (MN)	Shepherd	Velazquez
Pickett	Shuster	Vento
Pickle	Sisisky	Visclosky
Pombo	Skaggs	Volkmer
Pomeroy	Skeen	Vucanovich
Poshard	Skelton	Walker
Price (NC)	Slattery	Walsh
Quinn	Slaughter	Waters
Rahall	Smith (IA)	Watt
Rangel	Smith (NJ)	Waxman
Reed	Smith (OR)	Wheat
Regula	Snowe	Whitten
Richardson	Spence	Williams
Ridge	Spratt	Wise
Roberts	Stark	Wolf
Roemer	Stearns	Woolsey
Rogers	Stokes	Wyden
Romero-Barcelo (PR)	Strickland	Wynn
	Studds	Yates
Ros-Lehtinen	Stump	Young (AK)
Rose	Stupak	Young (FL)
Rostenkowski	Swift	

NOT VOTING—23

Andrews (TX)	Gallo	Pelosi
Brooks	Gutierrez	Reynolds
Collins (IL)	Hastings	Shaw
Crane	Kopetski	Smith (TX)
Dooley	Lewis (CA)	Torricelli
Edwards (CA)	McMillan	Washington
Ford (TN)	Miller (CA)	Wilson
Frank (MA)	Natcher	

□ 1942

The Clerk announced the following pairs:

On this vote.

Mr. Lewis of California for, with Mr. Shaw, against.

Mr. McMillan for, with Mr. Dooley, against.

Mr. JOHNSON of South Dakota, Mr. MFUME, Mrs. BYRNE, and Messrs. KIM, MANZULLO, and EHLERS changed their vote from "aye" to "no."

Messrs. PAYNE of Virginia, GOODLATTE, KREIDLER, BARTON of Texas, FINGERHUT, and SWETT 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.

Mr. SABO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SMITH of Iowa) having assumed the chair, Mr. SERRANO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 218) setting forth the congressional budget for the U.S. Government for the fiscal years 1995, 1996, 1997, 1998, and 1999, had come to no resolution thereon.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 417

Mr. FOGLIETTA. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 417, the Securities Private Enforcement Reform Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMUNICATION FROM HON. STEVEN SCHIFF, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Hon. STEVEN SCHIFF, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 9, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that a member of my staff has been served with a subpoena issued with regard to a Special Court-Martial appointed pursuant to appropriate military authority.

After consultation with the General Counsel to the Clerk, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

STEVEN SCHIFF.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on House Administration:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 10, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L of the Rules of the House that the Committee on House Administration has been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is not inconsistent with the privileges and precedents of the House.

Sincerely,

CHARLIE ROSE,
Chairman.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REDUCTION IN REGULATORY CONTROL OF FEDERAL RESERVE BOARD IS SUBJECT OF PROPOSED LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, for several days now and weeks I have been addressing this question of the Federal Reserve Board and its total lack of accountability.

One reason that there is dire need to have accountability is that all history shows no matter, irrespective of what society, all through mankind's recorded history, that when power, particularly tremendous power, or wholesale grants of power flow to any individual, group of individuals, no matter what, whether they be public, private, even religious institutions, that there will be a corruption and misuse of that power ultimately.

The fundamental premise of our Government, even before the Constitution and even during the beginning and the first glimmers of nationhood, the question of accountability was foremost.

For example, the issue the First and Second Continental Congresses, and then the body under the Articles of Confederation was what is technically known as fiscal agent or banker was going to be used.

□ 1950

And if any of my colleagues would like to know what such great Americans as Thomas Jefferson thought of bankers and the confraternity, I invite you to read his remarks about it.

But at this point, for whatever reason, and particularly since the war, that is the 1940's, neither the Congress, which created the Federal Reserve Board, incidentally—the Federal Reserve Board was not heaven-sent—it was created by the Congress and the Congress has not seen fit, nor the executive branch in its power to appoint the Chairman and some of the members, has not been able to have any kind of accountability flowing from the Federal Reserve Board.

As a result, Americans know and are feeling now the effects of this unaccountability of power because it is the power that determines the allocation of a credit, who does it, who will benefit, who will have access to credit which always from the beginning of our nationhood has been the central question.

With the Federal Reserve insisting that it has an almost divine right to retain its regulatory function over bank holding companies, as I brought out last night and the night before, it may come as a surprise to some that the central bank came into this position of power as an accident of the political battles with the Nixon administration.

For example, interest rates: All during the war, President Roosevelt and the Government did not have to pay even an average of 2 percent on its borrowing to wage and win the war. How did that happen? How could that have been done when now the Government has to pay not only interest of huge amounts, in fact, just a few years ago it was paying as much as 16 percent on long-term bonds, which is usury, but worse than that it is compound interest. We keep going that way and forget about ever resolving the national debt, which is now really not acceptable, over $4 trillion, and that does not account for the private debt, that is us Americans, and corporate debt, which is almost equal to that governmental debt.

So we are in deep trouble, and it is the policies set by a board that has no responsibility to account for its actions to anybody. In the name of what? Independence.

So what? The difference is that after the war and when we went into the 1970's and the Nixon administration, things happened that changed everything from the management of the debt and the handling of the debt and the function that the Congress set forth for the Federal Reserve Board has been usurped. The Federal Reserve Board Act of 1913 says the Federal Reserve Board shall be the fiscal agent of the U.S. Treasury. But, lo and behold, it is the one that is printing our money.

I ask my colleagues to reach into your pockets and pick out any note, a $1 note, $5 note, $10 note, $20 note, and see if you do not see "Federal Reserve note." That used to be, not too long ago, "U.S. Treasury note." Therein is a big story.

But during the Nixon period, in the banking industry, then under the head of Paul Volcker, later the Chairman of the Fed, who was then at the Chase Manhattan Bank, presented a plan to scatter the Fed's regulatory authority to three different agencies. And the rest is history.

I will continue to bring out the sorry and dreary results to the detriment of Americans who find themselves, as Jefferson said we will find ourselves, "Americans homeless, rootless in our own land," made so by the bankers.

Mr. Speaker, with the Federal Reserve insisting that it has an almost divine right to retain its regulatory functions over bank holding companies, it may come as a surprise to some that the central bank came into this position of power as an accident of political battles with the Nixon administration. Some would also be surprised that the Nixon administration's Treasury Department with its banker leadership including Paul Volcker, then at Chase Manhattan Bank, presented a plan to scatter the Fed's regulatory authority to three different agencies. It was the great former House Banking chairman, Wright Patman, who was compelled to choose the lesser of two evils in 1970—to allow the Federal Reserve to retain its present authority just as the holding company plan of organization was beginning to spread throughout the banking industry.

Over the last two decades the holding company form of organization of banks has exploded. Today the Federal Reserve regulates holding companies, which have 93 percent of the country's banking assets. Before the 1970's the Federal Reserve had few regulatory responsibilities and it did not protest or cry that it needed to supervise banks and bank holding companies in order to formulate monetary policy.

The historical record shows this endowment of regulatory power is merely the result of political fights in the 1960's and 1070's between former House Banking chairman, Wright Patman, the Office of the Comptroller of the Currency—which examines national banks—and the Nixon administration, which wanted to weaken control over bank holding companies by giving it to three banking regulators. To avoid this scenario, the Congress passed legislation in 1970 giving full authority to the Federal Reserve to regulate bank holding companies.

Although the 1933 Banking Act provided for mild regulation of bank holding companies, it exempted most one-bank holding companies ostensibly on the grounds that they were small local enterprises that shouldn't be subject to "onerous regulation." The Federal Reserve historically had been conservative in its approach to nonbanking activities and had established relatively narrow limits on bank holding companies' activities after the passage of the 1956 Bank Holding Company Act.

However, in the 1960's, the Office of the Comptroller of the Currency, beginning with Comptroller James Saxon, allowed holding companies to branch to the outer limits by approving a variety of nonbank acquisitions and activities by national banks, even though existing law prohibited banks from getting into nonbanking businesses. Eventually, Comptroller Saxon had to defend his positions in lawsuit after lawsuit brought by entities threatened by the entry of banks into their business. Saxon lost consistently in the courts.

The Comptroller's liberal policy was a bonanza to large banks. By the late 1960's large banks—anxious to bypass the law and expand their role in commerce—had seized on the loophole and formed one-bank holding companies that branched into a wide range of activities—even Shakey's Pizza Parlors and S&H Green Stamps. With the explosion of the myth of one-bank holding companies being sleepy rural entities, the banking industry saw the opportunity to weaken federal restrictions on multi-bank holding companies as well.

The Nixon administration took up the cause of both reducing regulation of bank holding companies and taking regulatory authority away from the Federal Reserve. Even before Nixon took office, his transition team made it clear that holding company legislation would be one of the administration's first initiatives.

President Nixon's Treasury Department—headed by David Kennedy, president and CEO, Continental Illinois National Bank, Charles Walker, executive director, the American Bankers Association, and Paul Volcker of Chase Manhattan Bank and later, Federal Reserve Chairman—drafted legislation which broadened the closely related clause for holding company activities and scattered the regulation among the three banking agencies—the Office of the Comptroller of the Currency, the Federal Reserve, and the Federal Deposit Insurance Corporation—with the regulator of the lead bank getting the jurisdiction over the holding company.

Former House Banking Chairman Wright Patman dubbed this the "three-headed monster." To his credit, when Paul Volcker later went to the Federal Reserve, along with Chairman Arthur Burns, he exhibited some caution on nonbank activities of holding companies.

Chairman Patman, after President Nixon's election, introduced legislation the first day of the new Congress that retained existing requirements for close regulation of holding companies and retention of holding company authority by the Federal Reserve. The 1970 amendments to the 1956 Bank Holding Company Act put the holding company regulatory functions exclusively at the Federal Reserve.

Anyone who interprets Congress 1970 preference for Federal Reserve regulation of bank holding companies as some kind of historical endorsement for the continued presence of the Federal Reserve in the regulatory structure is missing the point of the 1967–1970 fight. As far back as the 1950's, Chairman Patman was a staunch proponent of a single bank regulator which would have stripped regulatory duties from the Federal Reserve. He was forced by the Comptroller of the Currency and the initiatives of the Nixon administration to settle for leaving the regulation of holding companies with the Federal Reserve.

The historical record hardly supports Federal Reserve Chairman Greenspan's arguments for the vital need for this regulation. Chairman Greenspan is waging a classic turf war on behalf of the Government bureaucracy largely controlled by the bankers. This is why I urge my colleagues to consider the new, independent single bank regulator advocated by the Clinton administration, which will prove more cost-effective and less duplicative than our present Federal bank regulatory system.

H.R. 3982, THE OCEAN RADIOACTIVE DUMPING BAN ACT OF 1994

The SPEAKER pro tempore (Mr. LAUGHLIN). Under a previous order of the House, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON. Mr. Speaker, yesterday, Chairman ORTIZ and I introduced the Ocean Radioactive Dumping Ban Act of 1994. The act conforms the U.S. law to the international treaty known as the London Convention which, effective February 20, 1994, banned the dumping of radioactive waste at sea.

Currently, the ocean dumping of radioactive waste is regulated under the Ocean Dumping Act [ODA]. The ODA allows dumping of radioactive waste only after Congress has passed a joint resolution authorizing the dumping. Although this provision has been in force since 1985, Congress has yet to authorize any radioactive dumping.

For decades, U.S. law on ocean pollution has been more stringent than international law. At the time of enactment, the radioactive dumping provisions in ODA were among the most restrictive in the world, going well beyond international treaty obligations. That is no longer the case.

The Ocean Radioactive Dumping Ban Act corrects this by eliminating ODA's current arduous permitting process and replacing it with a simple ban. It ensures that the United States retains its leadership position in protecting the world's marine environment.

The relevance of the United States' banning radioactive dumping is far reaching. Historically, the United States has set international policy on ocean dumping of radioactive waste. Until last year, the United States had resisted an international ban. Through the United States influence, the issue was left unresolved.

That all changed last November, when the Clinton administration reversed the United States policy and announced its support for a ban. The reversal, which was brought on in part by heavy lobbying from the Global Legislators Organization for a Balanced Environment [GLOBE], enabled the international community to amend the London Convention to ban the ocean dumping of nuclear waste.

As the ranking Republican on the Oceanography, Gulf of Mexico, and Outer Continental Shelf Subcommittee and the newly appointed chairman of the GLOBE Ocean Protection Working Group, I have spent the last year working to eliminate radioactive contamination of the sea.

On September 30, 1993, at my request, the Oceanography Subcommittee held a hearing on the threat of contamination from the Russian dumping of nuclear waste. For four decades the former Soviet Union, and now the Russian Republic, has been dumping nuclear waste from nuclear submarines and weapons plants into the world's oceans. The information gathered by the subcommittee was sobering.

The West's first concrete evidence about the dumping came last summer following the release of the Yablokov Report, which was commissioned by President Boris Yeltsin to detail the extent of Soviet nuclear disposal at sea. According to the report, the Soviet Union had dumped over 2.5 million curies of radioactive waste into the Arctic Ocean and other marine environments. By comparison, the accident at Three Mile Island in my home state of Pennsylvania released 15 curies of radiation.

During the hearing, the subcommittee discovered that since 1959, the former Soviet Union dumped 18 nuclear reactors, a reactor screen 11,000 to 17,000 cannisters of nuclear waste, and hundreds of thousands of gallon of liquid radioactive waste. It also learned that solid nuclear fuel waste totaling 10 million curies is currently stored aboard vessels in Murmansk Harbor.

Even after the fall of communism, Moscow has continued to dispose of radioactive waste at sea. In October 1993, Russia dumped 900 tons of low-level radioactive waste in the Sea of Japan in violation of a previously agreed upon international moratorium. According to Japanese press accounts, high ranking Russian officials have admitted that ocean dumping is likely to persist.

The Russian Federation's actions following the October dumping have only reinforced these fears. Russia was one of only five nations to abstain from voting to approve the London Convention radioactive dumping ban in November 1993. Then, just last month, it became the only nation to declare its intent not to comply with the new international ban on dumping.

Hopefully, with pressure from the United States, the Russian Federation can be convinced to change its policy. With ten million curies of radiation stored aboard ships in Murmansk Harbor and awaiting disposal, the risk to the marine environment is significant if we fail.

Clearly, the world's oceans should not be used as nuclear disposal sites. Before the United States can pressure Russia to comply with international law, we must set a strong example ourselves. We must pass H.R. 3982 and ban this destructive dumping once and for all.

Mr. Speaker, only through strong U.S. leadership is there any hope that the ongoing nuclear contamination of marine environments can be stopped. I encourage all my colleagues to join me in this effort by cosponsoring the Ocean Radioactive Dumping Ban Act of 1994.

□ 2000

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAUGHLIN). Under the Speaker's announced policy of February 11, 1994, the gentleman from Ohio [Mr. KASICH] is recognized for 60 minutes as the designee of the minority leader.

THE REPUBLICAN BUDGET ALTERNATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. KASICH] is recognized for 60 minutes.

Mr. KASICH. Mr. Speaker, I want to take a few minutes tonight to talk a little bit about the Republican budget alternative, the putting families first, Kasich, Republican, budget that will be voted on tomorrow, we believe, and I know that maybe some of our listeners are a little bit tired of all the budget talk they heard today. I know some of the people are tired of listening to this discussion about the budget. But I know they are not tired of thinking about the fact that each one of them may qualify because they have children who would be eligible for the $500 tax credit.

More on that later for those that are listening. I want to go back and kind of paint the picture of where we have been in the last 15 months.

I say to my colleagues, you might remember that last year the President came up here, and he said, "If you don't like my tax and spend program, then, Republicans, let us have your specifics," and so the budgeteers sat down, and we basically began to reinvent government, and we put our specifics on the table, and what we did is we said that we would be able to reduce the deficit by as much as the President without a tax increase.

Mr. Speaker, we sent our specifics down to the President. He rejected them. We sent them to the majority party, the Democrats, in the committee. They rejected them. We came to the House floor, and we were rejected here. They were not interested in our specifics to offset their taxes.

But we did not quit. The reconciliation, or tax bill, came to the House floor, and the President said, I would say to the gentleman from Connecticut [Mr. SHAYS], the President said, "If you don't like my specific taxes, tell us how you would get rid of them," and we did. We gave our specifics about how to reduce the influence of the Federal Government in all of our lives and to have deficit reductions through tax increases because we fundamentally believe that big government, big taxes, and big regulation stifles economic growth in this country.

Well, they did not like our proposal that time, beat us again in favor of more for Washington and less for the people.

Well, Mr. Speaker, then the gentleman from Minnesota [Mr. PENNY] and I got together, along with a distinguished group of legislators, and our goal was to try to reduce spending again by a penny on a dollar to get the momentum rolling for change in this country. We sent our specifics to the President. He said he did not like them. So did the vast majority of the majority here. They said they did not like them, and so one more time they beat down our specifics that were designed to downsize the Government, to reduce the influence of Washington. They voted at that point to give more to Washington and less to the people.

And then this year the President came for his State of the Union speech, and he said, "You know my budget is the toughest budget ever, toughest budget in 40 years." I do not remember exactly his remarks, but he claimed that he was sending us a tough-minded

budget, and, as I pointed out today in the debate, if we let these automatic spending increases occur as provided for under law, if in fact we put the Government on automatic pilot and the President had not sent his budget to Capitol Hill, we would have lower deficits and lower spending than the budget that the President sent us.

And so Republicans said, "We can do better," and so I would say to the gentleman from Connecticut [Mr. SHAYS] that we got together again, and this time we got even more serious about reinventing government. We privatized programs. We consolidated programs. We eliminated some of the programs like the helium reserve and the Interstate Commerce Commission. We decided on elimination, and privatizing and consolidating programs to eliminate Federal waste and on letting people at home have more control over solving the problems with their money that they send here to Washington.

Basically what the President said is, "I want more for Washington and less for the people, and, oh, by the way, that middle income tax cut—forget it. You can't have it."

And so what we did is we went through all nooks and crannies of the Federal budget, and we truly have begun to reinvent government. But we felt that reducing the deficit was our No. 1 priority, and so what we did was we reduced the deficit in all 5 years by a greater amount than the President, and cumulatively over the 5 years we are $150 billion lower in deficits.

Let me emphasize again, I say to the gentleman from Connecticut and to our other colleagues, this budget that the Republicans will offer tomorrow has $150 billion in lower deficits than the administration.

Now we think there are some other things that should happen as a result of downsizing the Government. We think the family, the American family, ought to share in the benefits of downsizing the operation of the Federal Government. After all, it is their money.

Now this $500 tax credit, $500 per child, per family, up to $200,000 in income is going to be the first installment on an effort by Republicans to try to help the besieged American family, and we pay for it. We are not providing benefits or tax credits to somebody, and taking that money and saying, "Well, we'll pay for it later." We have paid for it in our Republican budget.

We have also said there ought to be a crime bill. We ought to pay for more prisons. We ought to put more police on the street.

We also say there ought to be some real welfare reform, and the leader of the welfare reform movement in the House and frankly, I think, the national leader on this welfare reform movement, the gentleman from Pennsylvania [Mr. SANTORUM], a member of the Committee on Ways and Means, he is going to be with us tonight to talk a little bit about what the welfare reform package is.

And we also make a down payment on health care reform by introducing the Republican health care bill which relies on market forces rather than the Government to begin to fix this health care problem.

And we have also provided help for the American worker. How? Well, not by turning more money over to Washington, but we have provided some help for the American worker by, No. 1, giving business the ability to buy more plant, buy more machinery, become more efficient and more effective and hire more people so we can be even more competitive internationally.

And we also provide for everyone in this country a provision to protect their investments against inflation. Now let me explain that for a second. We index the capital gains tax.

I have some next-door neighbors who are senior citizens. They probably bought their house for, I do not know, $30,000 or $40,000. I do not know what their house is worth now. But I can promise my colleagues that that house has gone up in value not just because of an increased value on that home, but because of inflation driving up the price of that home. If they should sell that home, I do not think they should have to pay taxes on the inflation value of that home.

So, we are not only trying to help business and the American worker by making it more possible for them to expand and export, to have higher productivity, but at the same time we are also saying that we will index the capital gains for industry and for individuals, and at the same time, Mr. Speaker, of course we want the American family to share in a piece of the reinventing government that we have started in this Congress of the United States.

Imagine $150 billion in lower deficits under the Republican plan, $500 per child, per family, up to $200,000, more incentives for business to expand and hire people, a crime bill, a welfare reform bill, the down payment on health care, all within this package.

□ 2010

I would say there is no reason to vote against this proposal, because do you know what this proposal represents? This proposal represents more for the people, and less for Washington. And that is how it will be judged on the vote tomorrow, should it come tomorrow, or next week, if it comes next week. And it will be judged for the rest of this year. Decide who you want to choose up sides with, just like when you were a kid picking teams at a baseball game. Do you want to choose to play on the team with the Washington establishment, or do you want to vote to help the people of this country who are back home in the districts we represent?

Mr. Speaker, at this time I would yield to the distinguished gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget, who has done such yeoman's work in terms of aiding our effort, all of our team effort, to reinvent government.

Mr. SHAYS. I thank the gentleman for yielding. I am struck by your talking about what happened in the last 15 months. When the President presented his plan last year, I remember you had already got us working on the Republican side of the aisle to start to find ways to match the President's numbers on deficit reduction with no tax increase.

We spent 2 months before the President actually even began his plan. When we knew his numbers, then we started to come forward with a deficit reduction package of $500 million without a tax increase.

I remember it wasn't easy at first. When we did this, some Members in the caucus said why should we do this? We are not in control. But you and others felt very strongly, and I felt that some way, that it was our job to show that you could balance the budget with no tax increases, or at least meet the President's numbers with no tax increases. And we did it.

The impact of that was significant, because the President came in with $3.53 of taxes for every dollar it cut in the increase in spending. And you got them to realize they had to cut more, and they did. And they got their numbers down to $1.50 of taxes for every $1 of spending cuts.

What you did not say, which I wish you had said, was that when the President got his package through it was considered a great victory. He got it through by two votes. And if one Member in the House had not voted, it would have been a tie vote and would not have passed. But to get it through, the Speaker of the House said this is just the beginning. We need to cut more. We need to cut more spending, get this deficit down. This is just the beginning. And he promised that there would be the Penny-Kasich opportunity, that Mr. PENNY would have an opportunity.

Mr. PENNY comes in a bipartisan basis, and you put forward a plan with others. And we go to the White House and say, you asked for specifics; we are giving you specifics. You said work on a bipartisan basis, and Mr. PENNY is doing that with us. And now we can move forward; $90 billion of cuts. And the White House snuffed it out. They worked hard against it, as they are doing now.

I see we have the expert on welfare here, and I just am intrigued by his comments today. I would like to return the floor to him very quickly. But I

just want to make this point to you. It just astounds me that rather than opposing this package, the White House would not support it.

We have $150 billion of cuts, $150 billion of cuts, specific cuts. We reform welfare, we reform immigration, we have crime control, and we have a plan that, while I was not an advocate as strongly as others, we are returning $500 to the family of every child. And if there are two in a family, they get $1,000, and it is to the families that need it.

It just seems to me that there is every reason to support this package. The choice tomorrow is we can go with Mr. Clinton's plan, or we can go with the Kasich Republican plan. The Kasich Republican plan is $150 billion of deficit reduction over 5 years, welfare reform, immigration reform, reorganization of government, consolidation of programs.

You know what? This wasn't a sudden plan put together in a week or two. This was the culmination of what happened 15 months ago. You started us 15 months ago on this plan. When our plan was defeated in March, we kept working on it, and this is the result of a lot of hard work. And I just hope that tomorrow we are going to see Democrats willing to step forward in support of a plan that truly deserves bipartisan support.

I would like to continue to participate, but we have others as well, and I yield back.

Mr. KASICH. I would like to yield to the distinguished gentleman from Pennsylvania [Mr. SANTORUM]. I wish you would just take 5 minutes, that is a long time in a special order, but take a little bit of time, if you would, and repeat for our colleagues tonight what you talked about today, the SSI Program, because I would say to the gentleman, Members came on the floor as you were talking and they were locked in place, they were really locked in disbelief of what you were saying. And then maybe give a little broader explanation of what our welfare reform package does.

Mr. SANTORUM. What I talked about today was the explosion of the SSI Program with respect to drug addicts. There is an odd provision in the Supplemental Security Income Program that allows drug addicted individuals who are so badly addicted to drugs or alcohol that they can no longer work, and as a result, they are eligible for cash assistance, they are eligible for treatment, and they are eligible for Medicaid.

In 1985 there were about 4,000 people on this program. Today, as of 1993, there were almost 80,000 people in this country who are on that program. That sounds like an explosion of a program. It is roughly $300 million we spend on drug addicts who are so addicted that they simply cannot work.

What happens? Well, I asked the Commissioner of Social Security, I said now, these people are required to be in treatment in order to get them off their drug addiction so they can get back into the mainstream of life and off SSI. What percentage of the people in this program are on drug treatment?

She said, well, anywhere from 3 to 9 percent. Even though they are required to be in the program, in order to receive the cash, only about 3 to 9 percent are in the program.

I said, well, what are you doing with the other 91, 97, whatever, percent of the people who aren't in treatment? She says, well, we do not know where they are. We simply send them the check.

Now, the odd thing is they do not really send them the check. They send the check to a representative payee, because the Social Security Administration figured out you don't send a check to drug addicts. You send the check to someone who manages the money for the drug addict. So the money is sent to someone who is appointed to receive the money for the drug addict and take care of their funds.

The problem is the General Accounting Office testified at this same hearing a few weeks ago that in ever increasing numbers, the person turning out to be the representative payee is the drug dealer or the bartender. There is the case in Denver, CO, of a bartender who receives almost $16,000 a month in SSI cash benefits to take care of the alcoholics who visit his bar.

Now, it even gets worse. I asked the Social Security Administrator, I said, now, how effective is this program? And she said we have—listen to this, I didn't say this today—in the history of this program, in the history of this program, there has not been one documented case of anyone getting off this program because they have been cured of their addiction. They have absolutely no evidence that anyone has gotten off this program.

Mr. KASICH. Let me ask the gentleman, if I could get him to yield for just a second, does the Kasich Republican budget begin to address this problem?

Mr. SANTORUM. It hits it right between the eyes.

Mr. KASICH. Does the Clinton budget address this problem?

Mr. SANTORUM. Let me tell you what the Clintons are doing now that you mentioned it. We found, and the Social Security Administrator reported to us, that three States have 60 percent of these 80,000 drug addicts, 3 States, California, Michigan, and Illinois.

Now, you say wait a minute, California, Michigan, and Illinois, they are big States, but certainly not 60 percent of the population of this country. Why do they have such a disproportionate number?

The reason, because the Social Security Administration figured out that these people are sick and they need our help. And so we are going to set up outreach centers, and they did, several years ago, in Chicago, in Detroit, and Los Angeles, to go out and find drug addicts and alcoholics to sign them up so they can receive Government benefits, Medicaid, and drug treatment.

Now, the Social Security Administration says this has been so successful because the program has grown so dramatically, this is success in Government terms, getting more people on the benefit rolls, that they are now going to set up outreach centers in every State in the country, in all major cities, to go out and find these people and bring them into the system.

They just set up one in Washington DC. They have 18 now in the pilot program, and they are going to expand it even further. That is what the Social Security Administrator told us at the hearing, this is a successful program. This program will double in size. The number of people in this program will double in size.

□ 2020

Now, that is what we talked about as one aspect of the SSI problem. There are many more.

Mr. KASICH. Does the Kasich Republican budget alternative begin to address this problem?

Mr. SANTORUM. It hits it right between the eyes. We simply say this: We say that if you are someone who is on this program, we will do a drug test. And if you fail the drug test in the sense that you have an illegal substance in your body, and you fail that drug test, then you will be removed from cash assistance and Medicaid. You will continue to receive drug treatment. We will give you drug treatment as long as you need the treatment in order for you to get off. We will allow you to come back and test again after a period of time to see if you have gotten off drugs. But we are not going to continue to subsidize behavior which is, in fact, destructive.

The basic premise is, if you want more of something, subsidize it.

We are subsidizing the kind of behavior that is not what we want to see in this country, and so that is the solution that we put forward. We believe it saves not only a lot of money, but we think it sets the right kind of response.

Mr. KASICH. That language is not contained in the Clinton budget.

Mr. SANTORUM. It is not only not contained in the Clinton budget, but as I suggested before, they wanted to expand this program.

Mr. KASICH. Would the gentleman spend a few minutes talking about the bill that he has pioneered here that is included in this budget, the welfare reform section.

Mr. SANTORUM. The welfare reform section, not only does it save $20 bil-

lion, I know that is one of the major reasons it is in this bill, because it saves a lot of money, but it does what is really consistent with the Kasich, and I just have to commend CHRIS SHAYS for the tremendous amount of work that he has done on this bill. There is not anybody who comes to the floor and is more diligent in trying to get this budget reduced, and willing to put forward and put their good name on the line every single day—to come out here and do that. I want to commend you for your work on the committee and here on the floor.

It is consistent with what you folks have been trying to do, which is to do programmatic reform, to try to come up with, in a sense, reinventing government to make it work better, to create the right incentives.

What our plan simply does is attack the two major societal issues that lead to poverty in this country. One is obvious, nonwork. People do not work, they are poor. In fact, 86 percent of families who have no workers in the family are in poverty. That does not come as any surprise to most people, except when you look at what happens when people work.

If you take families with one full-time year round worker, if you have families, if you look at all families that have one full-time year round worker, whether it is two parents or single-parent families, only 6 percent of American families that have one full-time year round worker are in poverty, versus 86 percent that have no workers that are in poverty.

Work pays. What we need to do is get people to work in jobs so they can get out of poverty. How do we do that?

The Republican plan tries to be, in a sense, to strike a cord of bipartisanship in reaching out to the President, reaching out to the Democrats, and say, we will adopt your 2-year limitation on welfare and then require work. And we have some very serious provisions that if you do not work, if you do not work, you do not receive your benefits. Simple as that. You lose the cash portion of your benefits.

It is a requirement, and it is a requirement to give you an opportunity to get out of poverty. What we need to do is to move these people and give them the opportunity to go out and work, to learn the ethic, and to get up every morning, get ready, and go to work, and get their children off to school. Most working families in this country, all working families in this country, do in America.

So we think that is a very important part of the plan. It is in here, and it is something that we hope to get a lot of support for.

The second problem is the problem of out-of-wedlock births, illegitimacy. The numbers are just astounding, the growth of children born out of wedlock in this country. Sixty-eight percent of all African-American children born in this country are born out of wedlock. Twenty-two percent of children in the white community are born out of wedlock. That is a startling number. It is one that is, frankly, as many are considering, the biggest societal problem that we have. Because it, in fact, has dual consequences of, No. 1, having a bunch of young males not attached to families out in communities joining with gangs instead of moms. And you have children being raised in single-parent families where mom is being stretched to the limit and not able to provide the kind of nurturing and support needed and—that fathers are so important for young children. So we have both of those problems being created by the problem of illegitimacy.

It is causing a disintegration not only of families but a disintegration of communities and neighborhoods and is the root cause, in my opinion, of the crime problem in this country.

We take a very pro-active position on that. Two ways: No. 1, fathers.

Fathers are often ignored in welfare debates. We do not ignore them in this case. We say fathers are necessary. Fathers are no longer disposable, that fathers are going to be encouraged to stay with families, that we are not going to penalize families if fathers stay, which is what we do now.

If dad leaves, mom gets more money, which is the perverse incentive that the welfare system creates.

We changed that. We allow States to allow the benefit to continue, even though the father who is not married to the mother may be around or living and supporting the child. That is No. 1.

No. 2, we find out who dad is. Over half the children on welfare today, who are born out of wedlock, do not know who their fathers are. That is absolutely unforgivable, and it is not necessary. Because the fact of the matter is, mom knows who the father is. So what we have to do is somehow convince mom that it is important to have both mother and father supporting children and that we are not going to say that fathers are okay to leave.

So what we do is, we tell mothers that they have to give us the name of the father in order for them to be eligible for welfare benefits, if they so want to apply.

Mr. SHAYS. One of the things that is so clear in this budget, because of the good work that you have done, is that we know that 12-year-olds having babies, 14-year-olds that are selling drugs, 16-year-olds that are killing each other, 18-year-olds that cannot read their diplomas are the legacy of a welfare State.

What we are trying to do, as Republicans, is be pro-active and recognize that Government has helped create the very problem that we are now left with.

The incredible story you tell of the Government sending money to people to further their addiction is just a continuation. It furthers that process.

I was speaking with JOHN KASICH about it. He said, "This just points out where Government is headed and what we need to do."

What I like about the Republican plan and what you did is, it is not like we stand back and say, no, Government cannot get involved. We just realize that Government is involved in the wrong way. We need to switch it around, get Government involved in the right way and change it.

To me, that is what President Clinton said he would do. He was going to change America.

Mr. SANTORUM. And welfare, as we know it. And if you look at some of his early drafts, over a year into his Presidency and his No. 1 campaign issue that made him the moderate that he was has still not been delivered to the Congress and the United States. We are still waiting. If you look at the preliminary documents being circulated, they are not even close to ending welfare as we know it.

I would argue that they extend welfare as we know it. It is not a bold plan. It is not a dramatic plan. It is a sellout plan.

What we have done in this budget is put forward a plan that is meaningful, that changes behavior, that sets expectations, that demands responsibility, that says that the American people are very giving and loving people and they want to help, but they do not want to encourage a lifestyle that is simply unproductive and unsafe for this country and for its future.

If I could just finish, the other thing we do is something that a lot of conservatives are pushing for to be done across the board. A lot of pressure is coming these days to say that if you have a child born out of wedlock, no welfare benefits. That is the end of discussion right now, to cut all children born out of wedlock and moms off welfare.

We believe that that maybe makes nice philosophical talk and that you do not want to encourage behavior that in fact you think is not necessarily productive for a society.

□ 2030

But that is a rather dramatic step to take on a theory. So what we have suggested is let us apply it to the population, on those who it makes the most sense to try that theory out, and that is the young children, teenagers who have children out of wedlock. They are predominantly, almost exclusively the welfare-dependent population of this country, because if you have a child at 14, and do not finish school, and you end up on welfare, you are probably going to be on welfare for a long, long time.

So what we have done is focus in on that generation because No. 1, there is

a potential for long-term and massive destruction. No. 2, in fact because they are younger, they have more of an ability to be influenced by society and by rules and regulations. And No. 3, they have a family network which has a legal obligation, if not a moral obligation, to continue to support them until they get out of their teenage years.

So what do we do? We end welfare for minor children who are under the age of 18 who have children. No cash benefits; no housing benefits. They are required to live at home, and we are requiring and encouraging people to do exactly what the gentleman from Connecticut said, which is to replace the Federal Government's role of giving people fish and saying it is time for the community, the family, the individual, the churches to begin to take back these people, to begin to say that they in fact are the principal folks who are going to help care for the poor and give the poor the opportunity to rise up in our society.

I have done about 30 meetings on welfare reform around the State of Pennsylvania, and the theme that I keep hearing come back and back is the story of a Government that is taking over more and more of our lives and making us not only dependent on Government, but less dependent on each other. We are a country that used to know who our neighbors were, all of us. We do not anymore, or not as much anymore. We are a country that used to be committed to organizations, used to go out and do a lot of community service and be committed to each other, and to support each other as a community. If we look at the VFW's, if we look at the Rotarys and all of these clubs, they are declining in enrollment. There was an article the other day on record clubs. Record clubs used to sell long-term contracts to buy records. They can only sell 1-year memberships now. Why? Because Americans will not commit to anything longer than that.

You see we have become more isolated as a country. Government has done more for us. We pay our taxes and then it is not our job anymore. It is somebody else's job to take care of my next-door neighbor. It is not my job. I am too busy. I have too many things to worry about myself. That is what the danger is in our society.

I will give the best example. I was watching the Olympics the other night and I saw the biathlon coach for the United States who was from Lithuania. He was talking about his sister who is still in Lithuania, and he got a call from his other sister just before the Olympics, and she called and she told him that his sister was dying, his other sister was dying in the hospital. She had sepsis, a massive bacterial infection, and that there was not any medicine in the country, and no one would get the medicine, it was available other places but no agency, no individuals, no institution would take the time or take the trouble to go out and save this person who could be saved. So what did he do? He called his friends. And they were able to organize and get the medicine, and someone else got him to the airport in New York, someone else bought the airplane ticket, all individuals, and they flew him over to Lithuania and he saved his sister's life. And what he said was so important and so central to this debate as to what welfare will be. He said, "In my country, in my old country of Lithuania, because of government-run institutions, and because of socialism for so many years, people do not care about each other anymore. In America we are a great country because we do."

Mr. KASICH. Mr. Chairman, I want to thank the gentleman for taking the time to talk about this very important section of our bill. I think we are all disturbed about the fact that the President came here and he gave a beautiful speech where he talked about all of the things that he wanted to see done, but you know, it is kind of like the middle-income tax cut. The President said the centerpiece of any economic program that he will present to the American people will be a middle-income tax cut. Of course, we still do not have it.

But the Republicans are going to give everybody in this country a chance to vote on a tax credit for children, paid for with a budget proposal $150 billion under the President's by downsizing government. We reduce the deficit, then give the American family a piece of those savings. After all, they are the ones that sent all of the money here to begin with.

I wonder if the gentleman might have a comment on the tax credit.

Mr. SANTORUM. I would love to comment, and then I would like to yield to my colleague from Iowa [Mr. NUSSLE]. We always like to say in the 102d Congress we were the two youngest Members of the U.S. House of Representatives, and both of us have two young children. He has Sarah and Mark, and I have Elizabeth and little Johnny, not named after JOHN KASICH, I would add. But we both have two young children, and we care very much about families.

What we have done to the American family over the past 40 years in this country is simply criminal. What have we done? I always say, you know, when I was growing up and I was a kid, I used to watch Leave it to Beaver, and I used to watch "Ozzie and Harriet," and I wondered how Ward and June Cleaver did it, how they could live in that nice house with just one person working, and Ward got home at 5 o'clock in the afternoon, and how did they do it? How were they able to survive in America living in that situation? I do not know whether there was a Ward and June Cleaver ever, but I can tell you that there were better chances for it in the 1950's. Why? Exactly what the gentleman from Ohio was referring to. We were a lot friendlier in the tax code to families. The average American family in the 1950's paid 2 percent of their income to the Federal Government in taxes, 2 percent of the average-income family. Today that same average-income family pays 24 percent of their hard-earned dollars to Washington, DC. The principal reason for that is the dependent tax deduction. If you had taken what the dependent tax deduction was in the 1950's and indexed it to inflation, then instead of it being $2,650 for a dependent or per child today, as it is today, it would be over $8,000 per child.

What have we done with all of this money? What we have done by taking all of this money away from families is that we have paid a bunch of people here in Washington to help you. I think a lot of Americans back home are saying stop helping me. Let me keep my own money and let me take care of my own family.

Mr. NUSSLE. Mr. Speaker, will the gentleman yield?

Mr. KASICH. I am happy to yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Speaker, I think that is exactly right. And I would just comment on the thrust of some of the comments the gentleman made when he was wrapping up his conversation on welfare.

Do you know what struck me? It was when the gentleman was talking about the organizations that have maybe gone a little bit south and have not had some of the support they had in the past, and the fact that we do not know our neighbors, and maybe we seem to be a little more closed off and that we are not as responsible. And the thought came to my mind that really what JOHN KASICH is trying to do, and the people that supported his plan, and those of us that have tried to add our 2 cents to his effort is we are really trying to recapture the American dream. That is really what this is all about.

The $500 per child tax credit is just one very small downpayment on that American dream.

I just looked through the information that we had here on what the $500 per child tax credit would mean to my State and to my district. We always talk about it in this Chamber, and even over at the Senate as well about how we are able to bring home the bacon to our folks. And maybe it comes in the form of a road sometimes, maybe it comes in the form of a research grant another time, but it is usually snuck through in a special project. Here is something very demonstrative that we can do for every child in our district. We can give them an ability to start to recapture the American dream, put a downpayment on it, if you will. Just for my district it is $61 million, $61 mil-

lion, and for my State, $303 million, just for my State alone. That is what this downpayment that we give for every child in this country would mean, a downpayment on the American dream.

And I think we still see some glimmer of hope. I would not say the American dream is yet something that we have lost. But I do think we have to start fighting for it.

The way I like to describe it is I am a volunteer fireman in Manchester, IA, and one of the things that always struck me as interesting was that when I went out to a fire, let us say it was a farm, maybe a barn was burning down, right after the fire trucks came over the hill to help try and put out the fire, then the neighbors came in the pickup trucks, usually with a covered dish of some sort to help out the family. They are neighbors, they are doing more than maybe their fair share. They are being responsible, they are reaching out. There is no Government program. There is no research study that says how much a damaged family from a fire might eat in casseroles in one evening. We do not need the Government to do it, and yet we still have that American dream, we still have that neighborly attitude in many parts of this country. And I guess that is what we are looking for. We are just looking for an opportunity to share that.

The President did break, I think, many of his promises. We have already heard about the middle-class tax cut. We are fulfilling the promise through this kind of tax cut to our kids.

□ 2040

Welfare was a centerpiece of his campaign. You give it to the American people through your plan, through the Kasich plan, and I think that is exciting.

Crime: We are able to fund our crime bill in here. The President has yet to put his crime bill on the table.

So as Americans look at this and they wonder whether or not they have the American dream and whether their kids, for that matter their grandkids, are going to be able to recapture or renew the American dream, I think the John Kasich plan, the plan that was put together I think in a very responsible way with other leaders of the Republicans in the House and many of us who had an opportunity to add our 2 cents even though we may be new around here, I think is a way to do just that, not only fulfill the promises, but put a downpayment on a process to get there.

I would ask my friend, the gentleman from Arkansas [Mr. DICKEY], and find out if the American dream is alive in the South these days.

Mr. DICKEY. If the gentleman will yield, I have a definition I got in the mail today of several different things. One is if we expect our fathers to take care of us that is called paternalism. If we expect our mothers to take care of us, we call that maternalism. If we expect the Government to take care of us, we call that socialism. If we expect our comrades to take care of us, that is communism. If we take care of ourselves and our neighbors, that is called Americanism. That is what we are talking about, is it not? That is exactly what we are talking about.

Let me tell you something that has happened that is not happening in America for us, that would be a good example for us, and that is in Mexico to the south. We had inflation that was going wild down there, 1,000 percent a year. We had a debt that was out of sight, taxes that were unbelievable, and oppressive, and we had government taking over, thinking that it could do better than private enterprise taking over the economy.

We never would have accepted a NAFTA Treaty if that situation had existed.

So what happened? Without our help and without our example, they said, "We have to raise revenues." So what did they do? They cut taxes. They got the government out of business. They sold or they privatized all the businesses they thought they could run better in the private enterprises, and they got money for that and they also got taxes from the operations because they became successful.

They paid off the debt in 2 to 3 years. Inflation is down to 8 or 9 percent.

Now, how they did that was by cutting spending, by being disciplined, by being just like we are when we in our home budget come to a point where the money that is coming in is not enough to pay out for the debts or expenses, so we stop the expenses and we go back and start paying the debts off. That is what we have to do as a Nation.

I am concerned, because what I am seeing as a freshman legislator in the United States of America is people of this body and of Congress saying to the people of America and to the freshmen and to the inexperienced, "What you are saying to us about cutting spending first is rhetoric. You do not really mean it, because when we start cutting spending, when we start voting for the Kasich or the Penny-Kasich bill or this type of operation or this type of bill, what we are saying is we are going to have to sacrifice, and those people back home do not want to sacrifice." They are saying, "JAY, do not believe those people at home when they say, 'Cut spending first' and that helps them at the barbershop, that helps at the coffee shop and in their conversation and that even helps them with you as they communicate with you, but they do not mean it, because when you start cutting spending, watch what they do."

When we got back to the definition of socialism and communism and Americanism, we have to bring in the fact that we are going to cut spending, and it is not going to kill us.

The people in this body have got to understand that there is life after spending cuts, and that we can raise revenues by cutting taxes.

Mr. KASICH. Let me ask the gentleman, let us go back to the coffee shop in Arkansas. In fact, it would be fun to be there this Saturday to see their reaction. I am going to be in a coffee shop in Westerville, OH, this Saturday.

If you went to the people at the counter and you said, "You know, we have got a budget plan. It really does cut the number of paper clips and the number of trips that bureaucrats make around this country especially in the fourth quarter of the fiscal year, and it is going to mean you are going to not be able to print as many papers," and just look around this place today and all the paper just sitting here, and you are going to have to cut back some of these overhead expenses in the Federal Government, and you said to them, "You know, we are going to take this money, and some of it, tougher choices, and we are going to apply a big, big chunk of it to reducing the national or to reduce the deficit, but we are going to give your kids, we are going to give your kids a little bit of it, we are not going to make your kids pay for it later by giving it to you, we are going to pay for what we are giving them now, but we are going to reduce the deficit by $150 billion more than the President does," and I am going to tell them that at this coffee shop that, "I want to give you a little benefit from that right now for your family who has been under siege," what do you think the reaction would be at your luncheon counter?

I know what it is going to be in Westerville. What will it be in Arkansas?

Mr. DICKEY. Let me tell you what I think is going to happen. I think Arkansans, we are proud people and independent, and stand up and say, "You are not giving me anything. This is money that I have earned. You are just not taking it from me." That is the first thing that I think Arkansans would say, particularly the people in the fourth district. They would say, "You all," being the Government, "are not earning anything. We are the ones earning it. We are giving it to you. You are acting like you are giving it back to us."

Then they would say, "Yes, we can spend it better than the Federal Government, and there will not be any middleman in the way to take our money and be inefficient with it."

Mr. KASICH. In other words, if people in that coffee shop have the money in their pocket rather than sending it to the Government and somehow it filtering down and, of course, that $500

that they would have sent up here, by the time it would get back to them, instead of giving them the tax credit, by the time it gets back to them probably it would not be enough to buy a cup of coffee with, they would be pretty happy about this, would they not?

Mr. DICKEY. Let me say this, $53 million in my district alone will be given or will be kept by the people in the fourth district if this vote is passed. That money will then multiply. That money will then bring more revenue and more taxes into the coffers in my opinion because it circulates seven times.

Mr. KASICH. Do you not think these same folks in this country would say, "You know, I do not want to have a tax credit if we are going to lay it on other people?" Would they not feel good if they knew we made choices so that we made this money or so that we could refund some of this money to them?

Mr. DICKEY. Yes, sir; yes, sir.

Mr. KASICH. It is hard to believe, is it not, I say to the gentleman from Arkansas, that we could actually have a package that has crime reform, welfare reform, health care, and incentives to business, some refunds back to the children of these folks, and still have $150 billion in lowered deficits; can you imagine how anybody would come here and vote no on that and vote for a status quo budget that reaffirms the tax increases from last year?

Mr. DICKEY. Only if the crusted leadership in this body is correct in saying that it is rhetoric. I do not believe it is rhetoric. I think cut spending first is what the groundswell is from America. I believe what the fourth district is saying is what the rest of the Nation is saying. We have got to start that, and this bill will do it.

Mr. KASICH. I yield to the gentleman from Iowa.

Mr. NUSSLE. I think there are some people who are going to be able to come here tomorrow and vote no on that kind of a plan, and I think the reason is it is a matter of who they trust.

I see in your plan a willingness to trust the decisionmaking that happens around the kitchen tables of America, you know, when they are balancing their checkbooks, trying to decide how they are going to send their kids to school, to college, what to do about next month's bills; they have got to make some pretty tough choices, in fact, tougher choices than I think sometimes we give them credit for but also tougher choices than we make. We trust them to make those decisions. We trust them to make those better decisions that affect their daily lives.

I think there are a lot of folks around here who do not trust that anymore, that do not trust the power of the individual, the family, the neighborhood, and the community to make those decisions. You not only see it with raising taxes, but you see it manifested in another way that we have not really even talked about and that is the mandates, that is the unfunded mandates, because somebody said to me in a town meeting, they said, "The big print giveth and the small print taketh away." That is exactly right. We have got a lot of small print in the budget that came down from the White House that has a lot of mandates that tell us what to do. Do not give us the money; tell the American families, the American communities how they are going to operate, and yet do not give the opportunity to pay the bills.

□ 2050

And they have to figure out around their kitchen table, with their county supervisors' meetings or city council meetings, how to do that. It is a matter of trust. There are folks who trust people and some who do not trust.

Mr. KASICH. We have mandated relief language in this bill. We also say that we want to decrease the total amount of regulation on this economy downward to a lower percentage of the gross domestic product. Why? Because the lower that amount of regulation is, the more jobs that get created because regulation is a job killer. It increases prices and it kills jobs.

We actually have a provision in here that says that the standing committees—and I say that to my colleagues though we have never even talked about this provision—that we would give the standing committees authority to only regulate to a certain percentage of the GDP. They could not regulate beyond it because regulations beyond it will kill jobs in this country. It is a very unique concept that we are going to begin to push the rest of this year.

I want to say to the gentleman from Iowa [Mr. NUSSLE] that he touched on a very important point about trusting people at home. Part of the way in which we pay for this budget—and it drives me crazy when I try to explain to people why it is we cannot get this adopted—but if you take the nutrition programs of the Federal Government and you put them altogether and you block-grant them to the States, you can save money and increase the amount of money that goes to feed poor people.

Now, why is that? Because if you start money in a Federal agency, every hand that it touches, you are burning up the money. If you consolidate offices and say to the people of Iowa, "We are just going to send you the money. We are not going to put strings on it. You go ahead and feed people in the most efficient and effective way," you save money.

Job retraining: Our idea is consolidate the job retraining programs, send it out to Iowa, to Ohio, to Arkansas, to Connecticut, and to Pennsylvania; send it out there, get rid of all the bureaucrats and let the people out there, the county commissioners, the Governors' offices, the legislature, let them work together to design a job training program to employ people.

Now, if you do not think the people in Iowa, Arkansas, Ohio, Connecticut, and Pennsylvania are capable of doing that, you do not like that program or you do not like that idea. You know, in many respects this is almost like a Reagan budget of the early 1980's. It has tax incentives, but there is a difference: We pay for them.

There is a consolidation of programs, returning to the States the authority, but we also give them the money. This is in a way like Reagan-II.

I know the gentleman knows this, there is just no confidence that the people back home can solve problems for themselves. That is why there are strings and mandates.

The Secretary of Labor, Mr. Reich, came before us and I said, "Why do we have to do job training from the top down? Why not from the bottom up?" He said, "States, if they want waivers to get this money, they can ask for them."

Why do the people in Columbus, OH, have to ask a Federal bureaucrat who does not even know what time zone it is in Columbus for a waiver so they can try to help a poor person get a job? It is just a matter of fundamental philosophy.

The gentleman is right, it is just not family at the kitchen table, but it is the idea that people back across this country cannot solve problems unless there is somebody in Washington telling them how to do it.

Mr. Speaker, I yield to the gentleman from Arkansas.

Mr. DICKEY. Mr. Speaker, I go back to this: Where are we dealing with rhetoric? The rhetoric, it seems to me, at this point, what the people here in Washington are saying is that the rhetoric at home is to cut spending first, but that they do not mean it. They want pork barrel coming in. I do not believe that. I believe the real rhetoric is here with the people in Washington. Those people who are trying to get reelected and say, "We would like to cut spending." The rhetoric is here, it is time for us to show what we really are in this situation. We are going to vote on it. I hope the people of this body will refer back to what the folks at home want and need and vote for this bill and say that the rhetoric is here in Washington, it is not at home.

Mr. KASICH. I want to thank all my colleagues for participating. I understand there have been a lot of calls coming into the offices of our colleagues from people all across America, the ones that we want to help. I hope that the public calling is going to make a difference on deciding whether

you are going to go with Washington, more for Washington, or whether we are going to give incentives and whether we are going to rebate part of the benefits of this program to the American people.

I think it is an interesting debate and a critical debate and one that is just not going to go away.

REPORT TO THE CONGRESS FROM A VERY IMPORTANT GROUP OF YOUNG PEOPLE: STUDENTS, YOUNG ADULTS OF 19TH CONGRESSIONAL DISTRICT OF THE STATE OF OHIO

The SPEAKER pro tempore (Mr. LAUGHLIN). Under the Speaker's announced policy of February 11, 1994, the gentleman from Ohio [Mr. FINGERHUT] is recognized for 15 minutes as the designee of the majority leader.

Mr. FINGERHUT. I thank the Speaker for this time. I thank the majority leader for designating this time for me so that I can make a few remarks for the RECORD which really is more than a typical speech at this time of our session, but rather a report to this body from a very important group of constituents in my district, the 19th Congressional District of Ohio, and that is the young people, students, young adults in the 19th Congressional District.

I have never been more proud of my constituents than I have been on the many occasions, virtually every week that I have had the chance to visit one school or another in my district and talk to the students of all ages about their views of their community, our State, our Nation, and the problems that face us.

During the Presidents Day recess, I conducted a series of very special seminars with the high school students throughout my district. The subject of the seminars was the problem of crime.

Mr. Speaker, I represent three different counties in the State of Ohio: Ashtabula County, Lake County, and Cuyahoga County. In each of those communities the superintendents and principals of the high schools were good enough to bring together students from all of the different high schools, public and private, into a seminar setting where I could meet with them, discuss with them the issue of crime and learn from them what they would like Congress to do.

I explained to the students in each of these seminars that their views on issues are as important as the views of their parents; they are as important as the views of any of my constituents in the district; their ideas are as valid, their perceptions about what is happening in our community are real. That, I feel, all too often we in public life neglect to ask the young people in our communities for their opinions.

I told them that what we are trying to do in these seminars was to reinstitute the process of building a community.

You know, at the beginning of the 19th century Alexis de Tocqueville wrote admiringly of the process that Americans go through in their communities where they meet together, talk together, discuss, sometimes we argue and debate, but we solve our problems through that process.

Together the students, educators, law enforcement officials in my district and I participated in this process. We educated each other, learned from each other in a give-and-take that I hope had an impact on all of us.

The students in all of our districts participated, all three of our districts, participated in the debate over such issues as gun control, drugs in the schools, gangs, criminal sentencing, prisons, community involvement, role models, and other questions.

The students understood, often better than the adults, what commonsense solutions we need to address this most distressing problem in our country, the problem of crime.

I asked the students three questions: First, what are the problems that you face in your communities and in your schools? Second, what are your ideas about what we ought to be doing to solve the crime problem in your schools and in your communities? And third, what are your comments or suggestions about the various issues that the Congress is proposing to deal with the problem of crime?

□ 2100

Let me go through each of these questions and just highlight a few of the answers that I received from the students in my district.

On the question of what the problems are that they face in their communities, Mr. Speaker, I was quite disturbed to hear some of the answers. First they were concerned about the easy accessibility of alcohol, of drugs, and even of cigarettes to minors, to people who should not be able to get any of these substances. Mr. Speaker, they said that it is not a problem for them to have alcohol brought for them by adults, to have alcohol provided to them at events outside of the schools, that it is not a problem for them to get their hands on drugs, if they need to, and, as I said, even some students mentioned the fact that, if they can walk into stores and be sold cigarettes even when they are under age, that that in itself sends a message about what kind of a community it is that we have provided for them.

They also mentioned a very troubling thing about the use of drugs, and that is that in their opinion the peer pressure that should be working against the use of alcohol and other addictive drugs—and of course alcohol is an addictive drug. I separate it out only because our laws provide a different set of rules with respect to these two different kinds of addictive drugs. But they talked about the lack of a peer pressure that is working against the use of these substances.

A number of them referred to the DARE programs in their communities, and a number of students commented that they felt that the programs were too little and too late, that by the time they actually got to the DARE program that their minds had already been formed. Some said that the DARE program, after getting off to an initially strong start in our communities, seems to have tapered off in its effectiveness.

Others mentioned the fact that the antidrug advertising that had been so prevalent on our televisions and our radios for years past had declined. They felt that advertising was effective. They wanted to see that advertising back.

In short, Mr. Speaker, they wanted us to help them with the peer pressure, to make it easier for them to stay off the drugs, to stay off of alcohol.

And finally they said that even good students, even people who you would think are immune from the problem, have gotten involved in gangs. Why? They said two reasons. First of all that even the good students have time on their hands, time that they need to fill, and second that many, many people are simply afraid, and they turn to gangs for safety and the security that they are lacking in the schools, and the parks and the environments that we provide.

Well then, Mr. Speaker, if those were the problems that the students in my district talked about, what were some of the solutions that they had in mind? And I have to say that it was interesting to me and enlightening to me that the students went right to the question of prevention of crime. They understand the question of punishment, and I will come to some of their thoughts on the question of punishment and the question of crime enforcement, but the vast bulk of time and the first many comments in each of the three meetings were focused on the question of prevention.

And what is it that they said more than anything else, and if this Statement does not wake us up all across America, I do not know what will. What they said first of all was, "Congressman FINGERHUT, we need role models. We need to see adults in our community. We need to see our parents. We need to see the teachers, and the business people, and the public figures, and, yes, the entertainers, and the people we see on television. We need to see these people involved in our lives, involved in our daily lives showing us the kinds of role models that we need to stay away from trouble and to be involved in productive and constructive activity."

Mr. Speaker, every parent, every religious leader, every educational leader, every business leader, every community leader should have heard the students talking about the need for role models, and then they talked about the need for a safe environment. They need a place. They want their schools to be safe so they can feel safe in them. They want the parks to be safe so they can feel safe when they go off to be by themselves, and to play and to socialize. They need to feel that the community center are open to them, that the activities that are available to them are safe and are free of the outside influences.

Some went even beyond the need for these facilities to be safe, Mr. Speaker, and emphasized the need for them to be available to them at all. In fact, one group of students in Ashtabula County, OH, stood up and said, "We have no place to go. The parks have deteriorated. There is no clean, safe place for us to go to be together."

I want to comment that one public official who was there, Ashtabula City Manager Joe Varquette, stood up immediately, invited those students to participate with him in a task force to build up the recreational activities in his community. I want to applaud him for his responsiveness, and I want to applaud the students who have taken him up on the offer and who, I hope, are working with him on this day to improve the recreational activities in the parks in Ashtabula City.

They talked about sports programs, about work-study programs, about youth clubs, about counseling for the people, the students among them, the young people among them, who they know need additional help. These were the compassionate, yet very sensible and reasonable, ideas of our young people focused on prevention, and I think that, as we approach the crime debate in this Congress, we need to hear their voices and make sure that we are paying attention to the question of prevention of crime among our young people.

But they did also, of course, talk about the issue of law enforcement, of punishment, of deterrence, and they were quite straightforward and quite perceptive about the failures of our criminal justice system. They agreed with Congress' proposals to put more police on the streets on foot patrol. They want that kind of safety and security visible in their community.

They are deeply concerned, as are many of the adults I talked to, that punishments that are on the books are not punishment in reality. They are concerned that the court system, the judicial system, whether through plea bargaining or through ineffective sentencing procedures, lets criminals off, renders these sentences that are on the books ineffective. They were concerned that, if we say that we have a death penalty on the books, that we ought to enforce it. They do believe, Mr. Speaker, that if someone is in prison, being in prison ought to be doing time and ought to be doing hard time.

Sheriff Billy Johnson in Ashtabula County talked about our Senator, JOHN GLENN, who had been a soldier, had served in Korea and had lived in quonset huts, and he commented, "If it was good enough for our soldiers in Korea, it's certainly good enough for our prisoners." Students understood that being in prison has to be something that is a serious punishment, that it is not something that is taken lightly in any way, shape, or form. They felt that if you have money, or if you are connected, or if you are a celebrity or somehow you have special clout that you can get out of the severity of the sentences that ought to be applied to you, and they felt very strongly, very strongly, that, if we are going to have sentences, the only way we are going to deter crime is by making them real, making them stick and making them tough punishment.

But they also understood, Mr. Speaker, if someone is going to be in prison, if they are there as a result of drugs, that they need to have the rehabilitation services so that, when they come out, they are no longer addicted to drugs and they have a chance at rebuilding their life when they get out of jail.

Mr. Speaker, these are just some of the very thoughtful comments that the students in the 19th Congressional District of Ohio had. I offer them here tonight on this floor because in a few short weeks we will be debating the crime bill here in the House, and I know that there will be many debates, and many proposals, and many disagreements, but, as I said at the outset of this report, the opinions of the young people in my district, and I am sure they are no different than those in the districts of each and every one of the Members of this body, are as good, they are as intelligent, they are as sound as our opinions and as the opinions of their parents and the other adults. They understand the Government must ensure the security of its citizens, but also the Government cannot do everything.

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They understand that there is a responsibility that they have and their communities have to help solve this problem of crime. They understand that if we work together, we can prevent crime in the first place. They are compassionate, they are caring, but they are tough.

Mr. Speaker, I intend to take their ideas with me as I enter this debate over the crime bill and work to see that the priorities that they have set for me become the priorities of this Congress.

I intend to work together with them to make the streets safe again for our children and for all the citizens of my district and of the country.

Mr. Speaker, again I thank you for yielding the time, and I thank the majority leader for designating this time for me to make this report on behalf of the students of my district.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CONYERS (at the request of Mr. GEPHARDT) for today before 1 p.m., on account of a medical appointment.

Mr. MCMILLAN (at the request of Mr. MICHEL), from 4:30 p.m. today and for the balance of the week, on account of illness in the family.

Mr. KOPETSKI (at the request of Mr. GEPHARDT) for March 10 and 14, on account of personal business.

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 Member (at the request of Mr. KOLBE) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 5 minutes, on March 17.

Mr. WELDON, for 5 minutes, today.

(The following Member (at the request of Mr. GONZALEZ) to revise and extend his remarks and include extraneous material:)

Mr. OWENS, 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. KOLBE) and to include extraneous matter:)

Mr. GEKAS.

Mr. LEWIS of California in two instances.

Mr. GILMAN in four instances.

Mr. SMITH of New Jersey.

Mr. MCCANDLESS.

Mr. GOODLING.

Mr. BOEHLERT.

Mr. ALLARD.

Mr. ROGERS in two instances.

Mr. WELDON.

Mr. BAKER of California.

Mr. PACKARD.

Mr. ZIMMER.

Mr. BURTON of Indiana.

Mr. PORTMAN.

Mr. HORN.

Mr. PORTER.

Mr. HYDE.

Mr. FISH.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. TRAFICANT.

Mr. KLECZKA.
Ms. ESHOO in two instances.
Mr. CARR of Michigan.
Mr. NEAL of Massachusetts.
Mrs. MEEK of Florida.
Mr. BROWN of California.
Mr. VENTO.
Mr. HAMILTON in three instances.
Mr. REED.
Mr. MENENDEZ.
Mr. MORAN.
Mr. SNYAR.
Mr. SERRANO.
Mr. RICHARDSON in two instances.
Mr. MCNULTY.
Mr. BORSKI.
Mrs. MALONEY.
Mr. ORTIZ.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1913. An act to extend certain compliance dates for pesticide safety training and labeling requirements; to the Committee on Agriculture.

ADJOURNMENT

Mr. FINGERHUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, March 11, 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:

2744. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Review of the Department of Public and Assisted Housing's Response to Selected Audit Recommendations," pursuant to D.C. Code, section 47–117(d); to the Committee on the District of Columbia.

2745. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a copy of Presidential Determination No. 94–15: Eligibility of Eritrea to be Furnished Defense Articles and Services Under the Foreign Assistance Act and the Arms Export Control Act, pursuant to 22 U.S.C. 2311(a) and 22 U.S.C. 2753(a)(1); to the Committee on Foreign Affairs.

2746. A letter from the Acting Chairman, Commodity Futures Trading Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2747. A letter from the Executive Director, Interstate Commission on the Potomac River Basin, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1993, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

2748. A letter from the Chairman, Cost Accounting Standards Board, Office of Federal Procurement Policy, transmitting the fourth annual report of the Cost Accounting Standards Board, pursuant to Public Law 100–679, section 5(a) (102 Stat. 4062); to the Committee on Government Operations.

2749. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2750. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act to authorize appropriations for refugee and entrant assistance for fiscal years 1995 and 1996, pursuant to 31 U.S.C. 1110; to the Committee on the Judiciary.

2751. A letter from the Chairman, U.S. Merit Systems Protection Board, transmitting the 15th annual report on the activities of the Board during fiscal year 1993, pursuant to 5 U.S.C. 1206; to the Committee on Post Office and Civil Service.

2752. A letter from the Secretary, Department of Transportation, transmitting a report on State participation in the National Motor Vehicle Title Information System, pursuant to 15 U.S.C. 2043; jointly, to the Committees on the Judiciary and Energy and Commerce.

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. MILLER of California: Committee on Natural Resources. H.R. 2815. A bill to designate a portion of the Farmington River in Connecticut as a component of the National Wild and Scenic Rivers System; with an amendment (Rept. 103–430). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. S. 375. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Rio Grande in New Mexico as a component of the National Wild and Scenic Rivers System, and for other purposes; with an amendment (Rept. 103–431). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. S. 341. An act to provide for a land exchange between the Secretary of Agriculture and Eagle and Pitkin Counties in Colorado, and for other purposes (Rept. 103–432, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolution were introduced and severally referred as follows:

By Mr. BILIRAKIS (for himself, Mrs. MALONEY, Ms. SNOWE, and Mr. FRANK of Massachusetts):

H.R. 3994. A bill to provide limitations on the use of certain funds for the establishment of diplomatic relations between the United States and the territory of the former Yugoslav republic of Macedonia; to the Committee on Foreign Affairs.

By Mr. COBLE:

H.R. 3995. A bill to suspend temporarily the duty on 5-Cholor-2-(2,4-dichlorophenoxy) phenol; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 3996. A bill to suspend for the period January 1, 1994, to April 30, 1994, the duty on frozen onions; to the Committee on Ways and Means.

By Mr. DOOLITTLE:

H.R. 3997. A bill to amend the Endangered Species Act of 1973 to require the preparation of economic impact analyses with respect to certain actions to protect endangered species and threatened species, and for the purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FOGLIETTA:

H.R. 3998. A bill to protect the consumers of check cashing services by encouraging States to establish uniform laws on the regulation of check cashing services and to require the Secretary of the Treasury to study the effectiveness of State efforts with respect to such regulation and make appropriate recommendations to the Congress on such efforts; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LIPINSKI (for himself, Mr. SANGMEISTER, Mr. RUSH, Mr. REYNOLDS, and Mr. FAWELL):

H.R. 3999. A bill to amend the Illinois and Michigan Canal Heritage Corridor Act of 1984 to modify the boundaries of the corridor and for other purposes; to the Committee on Natural Resources.

By Mr. MILLER of Florida (for himself, Mr. KASICH, and Mr. STEARNS):

H.R. 4000. A bill to provide a fair, nonpolitical process that will achieve $65 billion in budget outlay reductions each fiscal year until a balanced budget is reached; jointly, to the Committee on Government Operations and Rules.

By Mr. REED:

H.R. 4001. A bill to provide for tort liability for firearms dealers who transfer firearms in violation of Federal firearms law; to the Committee on the Judiciary.

By Mr. ROGERS:

H.R. 4002. A bill to amend section 410 of the Surface Mining Control and Reclamation Act of 1977 to prohibit the limitation of appropriations on emergency reclamation projects in any one State, and for other purposes; to the Committee on Natural Resources.

By Mr. STUDDS (for himself, Mr. FIELDS of Texas, Mr. LIPINSKI, and Mr. MANTON) (all by request):

H.R. 4003. A bill to authorize appropriations for fiscal year 1995 for certain maritime programs of the Department of Transportation, to amend the Merchant Marine Act, 1936, as amended, to revitalize U.S.-flag merchant marine, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TANNER:

H.R. 4004. A bill to suspend temporarily the duty on combination microwave convection ovens; to the Committee on Ways and Means.

By Mr. TORRICELLI:

H.R. 4005. A bill to amend title 18, United States Code, to prevent minors from gaining unsupervised access to loaded firearms or to unloaded firearms and ammunition for such firearms; to the Committee on the Judiciary.

By Mr. COX:

H.R. 4006. A bill to provide statements of the economic and employment impacts of Federal legislation and regulation on the private sector and State and local governments; jointly, to the Committees on Rules and Government Operations.

By Mr. MORAN (for himself and Ms. NORTON):

H.R. 4007. A bill to amend the Water Supply Act of 1958 to provide for the funding of

capital improvements at the Washington Aqueduct, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ORTIZ (for himself, Mr. WELDON, Mr. STUDDS, Mr. FIELDS of Texas, Mr. LIPINSKI, Mr. MANTON, and Mr. YOUNG of Alaska):

H.R. 4008. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration for fiscal years 1994 and 1995, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RICHARDSON (for himself, Mr. SKEEN, Mr. SCHIFF, Mr. STUMP, Mr. KOLBE Mr. KYL, Mr. PASTOR, and Ms. ENGLISH of Arizona):

H.R. 4009. A bill to authorize a study of the equity of Forest Service funding allocations among the nine regions of the National Forest System; to the Committee on Agriculture.

By Mr. RICHARDSON:

H.R. 4010. A bill to improve water quality within the Rio Puerco watershed and to help restore the ecological health of the Rio Grande through the cooperative identification and implementation of best management practices which are consistent with the ecological, geological, cultural, sociological, and economic conditions in the region; jointly, to the Committees on Natural Resources and Merchant Marine and Fisheries.

By Ms. BYRNE:

H.J. Res. 333. Joint resolution designating May 11, 1994, as "Vietnam Human Rights Day"; to the Committee on Post Office and Civil Service.

By Mr. SERRANO:

H.J. Res. 334. Joint resolution designating May 29 through June 4, 1994, as "Pediatric and Adolescent AIDS Awareness Week" in the United States; to the Committee on Post Office and Civil Service.

By Mr. WALSH:

H.J. Res. 335. Joint resolution designating the month of April 1994 as "Alcohol Awareness Month"; to the Committee on Post Office and Civil Service.

By Ms. MARGOLIES-MEZVINSKY:

H. Res. 385. Resolution amending the Rules of the House of Representatives to prohibit consideration of any measure proposing a balanced-budget constitutional amendment until the Congressional Budget Office certifies that the Federal budget has been in balance for the two most recently completed fiscal years; to the Committee on Rules.

By Mr. SHAW (for himself, Mr. MICHEL, Mr. GINGRICH, Mr. SANTORUM, Mr. DELAY, Mr. GRANDY, Mr. CAMP, Mrs. JOHNSON of Connecticut, and Mr. CASTLE):

H. Res. 386. Resolution providing for the consideration of the bill (H.R. 3500) to amend title IV of the Social Security Act to provide welfare families with the education, training, job search, and work experience needed to prepare them to leave welfare within 2 years, to increase the rate of paternity establishment for children receiving welfare benefits, to provide States with greater flexibility in providing welfare, to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security, to strengthen child support enforcement, and to eliminate welfare payments for most groups of noncitizens; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ROSE:

H.R. 4011. A bill for the relief of Anil K. Sharma; to the Committee on the Judiciary.

By Mr. SHAW:

H.R. 4012. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Sea Bandit*; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 14: Ms. PELOSI.

H.R. 39: Mr. KLEIN, Ms. SCHENK, and Mr. BARRETT of Wisconsin.

H.R. 65: Mr. INHOFE.

H.R. 140: Mr. SMITH of Oregon, Mr. KING, Mr. ROGERS, Mr. COLLINS of Georgia, Mr. MCDADE, Mr. APPLEGATE, Mr. BUNNING, Mr. TAUZIN, Mr. GOODLATTE, Mr. LEVY, Mr. STUMP, Mr. HOLDEN, Mr. LIGHTFOOT, Mr. CLINGER, and Ms. MOLINARI.

H.R. 441: Mr. BARRETT of Nebraska.

H.R. 518: Mrs. ROUKEMA and Mr. COLEMAN.

H.R. 630: Mr. FISH.

H.R. 702: Mr. ROBERTS.

H.R. 777: Mr. MCNULTY.

H.R. 790: Mr. STUPAK.

H.R. 830: Mr. MCCURDY and Mr. LIPINSKI.

H.R. 930: Mr. FISH.

H.R. 1120: Mr. FINGERHUT.

H.R. 1151: Mr. NEAL of Massachusetts.

H.R. 1168: Mr. LINDER, Mr. PETERSON of Minnesota, Mr. GENE GREEN of Texas, Mr. GOSS, and Mr. BARRETT of Wisconsin.

H.R. 1174: Mr. JOHNSON of South Dakota and Mr. JOHNSTON of Florida.

H.R. 1276: Mr. DELAY and Mr. CALVERT.

H.R. 1332: Mr. HOKE and Mr. ROWLAND.

H.R. 1455: Mr. DEUTSCH.

H.R. 1490: Mr. HOBSON, Mr. ROHRABACHER, and Mr. HUTTO.

H.R. 1493: Mr. ROBERTS.

H.R. 1534: Mr. BOEHLERT.

H.R. 1621: Mr. BARRETT of Wisconsin.

H.R. 1671: Mr. GUNDERSON.

H.R. 1823: Mrs. COLLINS of Illinois.

H.R. 1986: Mr. FILNER.

H.R. 2019: Mr. MILLER of California.

H.R. 2092: Mr. TORKILDSEN, Mr. FALEOMAVAEGA, Mr. PASTOR, Mr. ROHRABACHER, and Mr. HOYER.

H.R. 2420: Mr. HUTTO.

H.R. 2447: Ms. WATERS, Mr. ENGEL, Mrs. MINK of Hawaii, Mr. KREIDLER, Mr. MORAN, Mr. SAWYER, and Mr. BRYANT.

H.R. 2467: Mr. BEREUTER, Mr. GILMAN, Mrs. KENNELLY, Mr. LEVY, Mr. MAZZOLI, Mr. PAXON, Mr. SCHIFF, Mr. SISISKY, and Mr. STUPAK.

H.R. 2481: Mr. BONIOR.

H.R. 2543: Mr. SHAYS and Mr. WYNN.

H.R. 2586: Mr. PARKER and Mr. SANGMEISTER.

H.R. 2708: Mr. PARKER.

H.R. 2759: Mr. HOKE, Mr. MARTINEZ, Ms. KAPTUR, Mr. GRAMS, Mr. SLATTERY, Mr. HUNTER, and Mr. DREIER.

H.R. 2767: Mr. FROST.

H.R. 2873: Mr. OLVER, Mr. TORRES, Mr. INHOFE, Mr. QUINN, Mr. SOLOMON, Mr. MATSUI, Mr. FAZIO, Mr. MOORHEAD, Mr. PETERSON of Minnesota, Mr. HUTCHINSON, and Mr. DICKS.

H.R. 2912: Mr. UPTON.

H.R. 3023: Mr. YOUNG of Alaska, Ms. LAMBERT, Mr. HYDE, Mr. SISISKY, Mr. POMBO, Mr. DOOLITTLE, Mr. LANTOS, Mr. HUTTO, Mr. WALSH, Mr. HANSEN, Mr. BUNNING, Mr. LEWIS of Georgia, Mr. HUTCHINSON, Mr. SANTORUM, Mr. THORNTON, and Mr. MOLLOHAN.

H.R. 3065: Mr. DEUTSCH.

H.R. 3079: Mr. KOPETSKI.

H.R. 3087: Mr. CASTLE, Mr. HINCHEY, Mr. FIELDS of Louisiana, and Mr. SCHIFF.

H.R. 3122: Mr. BACHUS of Alabama.

H.R. 3125: Mr. PACKARD and Mr. CALVERT.

H.R. 3246: Mr. BARRETT of Nebraska, Mr. GRANDY, Mr. HUTCHINSON, Mr. LIPINSKI, Mrs. MALONEY, Mr. MONTGOMERY, Mr. NEAL of North Carolina, Mr. RIDGE, Mr. SABO, Mrs. UNSOELD, Mr. WISE, Mr. SKELTON, Mr. MOLLOHAN, Mr. MCCOLLUM, Mr. BRYANT, Mr. HANCOCK, Mr. APPLEGATE, and Mr. DARDEN.

H.R. 3256: Mr. PENNY.

1H.R. 3269: Mr. DEFAZIO, Mr. LEWIS of Georgia, Mr. HOCHBRUECKNER, Mr. BISHOP, Ms. WOOLSEY, Mr. BARRETT of Wisconsin, Mr. HAMBURG, Mr. FISH, Mr. MCDERMOTT, and Mr. GEJDENSON.

H.R. 3288: Mr. MURPHY.

H.R. 3293: Mr. RANGEL and Mr. BORSKI.

H.R. 3309: Mr. TRAFICANT, Mr. FORD of Michigan, Mr. PETERSON of Minnesota, Mr. JOHNSON of South Dakota, Ms. CANTWELL, Mr. HEFNER, Mr. MURPHY, Mr. KOPETSKI, Mr. CLAY, Mr. VENTO, Mr. BILBRAY, Miss COLLINS of Michigan, Ms. PELOSI, and Ms. ESHOO.

H.R. 3367: Mr. KIM, Mr. HOBSON, and Mr. ROTH.

H.R. 3486: Mr. DORNAN, Mr. DICKEY, Mr. SUNDQUIST, Mr. DERRICK, Mr. ALLARD, Mr. KLUG, Mr. GORDON, Mr. BONILLA, Mr. ZELIFF, Mr. INHOFE, Mr. DELAY, Mr. GOODLING, Mrs. LLOYD, Mr. HUTCHINSON, Mr. CRAPO, Mr. MANZULLO, Mr. TAYLOR of North Carolina, Mrs. UNSOELD, Mr. TAYLOR of Mississippi, Mr. BREWSTER, Mr. FRANKS of Connecticut, Mr. FIELDS of Texas, Mr. SWETT, Mr. NUSSLE, Mr. THOMAS of Wyoming, Mr. UPTON, Mr. BOEHNER, and Mr. SENSENBRENNER.

H.R. 3488: Mr. PETERSON of Minnesota, Mr. DUNCAN, Mr. SARPALIUS, Mr. BARLOW, Mr. DICKEY, and Mr. CALVERT.

H.R. 3490: Mr. DUNCAN and Mrs. MINK of Hawaii.

H.R. 3564: Mr. WASHINGTON and Mr. FISH.

H.R. 3636: Mr. NEAL of Massachusetts and Mr. OWENS.

H.R. 3663: Mr. SANDERS.

H.R. 3729: Ms. SNOWE, Mr. CAMP, and Mrs. VUCANOVICH.

H.R. 3786: Mr. HUGHES.

H.R. 3794: Mr. ALLARD and Mr. DICKEY.

H.R. 3802: Mr. SHAYS.

H.R. 3840: Mr. FIELDS of Texas, Mr. PICKLE, Mr. EDWARDS of Texas, Mr. LAUGHLIN, Mr. DE LA GARZA, Mr. WASHINGTON, Mr. ANDREWS of Texas, Mr. ORTIZ, Mr. GENE GREEN of Texas, Mr. COMBEST, Mr. SMITH of Texas, Mr. BONILLA, Mr. SAM JOHNSON, Mr. DELAY, and Mr. SMITH of Oregon.

H.R. 3875: Mr. MCCANDLESS, Mr. ROBERTS, Mr. WILSON, Mr. EMERSON, Mr. INHOFE, Mr. THOMAS of Wyoming, Mr. BOEHNER, Mr. HUTCHINSON, and Mr. LIVINGSTON.

H.R. 3912: Mr. GILMAN.

H.R. 3929: Mr. HANSEN, Mr. HEFLEY, Mr. EWING, Mr. MORAN, Mr. CONDIT, Mr. POMBO, Mr. BONILLA, Mr. DELAY, Mr. HASTERT, Mr. DOOLITTLE, and Mr. BAKER of California.

H.R. 3935: Mr. PICKLE.

H.R. 3949: Mr. MCHUGH, Mr. SISISKY, Mr. DORNAN, and Mr. RANGEL.

H.R. 3951: Mr. STENHOLM, Mr. EMERSON, Mr. DUNCAN, and Mr. ORTON.

H.R. 3955: Mr. BREWSTER and Mr. LEWIS of Florida.

H.J. Res. 253: Mr. DELLUMS, Mr. HILLIARD, Ms. SNOWE, Ms. BROWN of Florida, and Mr. GEKAS.

H.J. Res. 278: Ms. SNOWE and Ms. EDDIE BERNICE JOHNSON of Texas.

H.J. Res. 310: Mr. GINGRICH, Mr. BURTON of Indiana, Mr. WHEAT, Mr. TORRES, Mr. SISISKY, and Mr. FINGERHUT.

H.J. Res. 317: Mr. LEWIS of Florida, Mr. WYDEN, Mr. HOAGLAND, Mr. TAYLOR of North Carolina, Mr. RICHARDSON, Mr. UNDERWOOD, Mr. UPTON, Mr. DICKEY, Mr. PRICE of North Carolina, Mr. RAVENEL, Mr. MCHUGH, Mr. SABO, Mr. FIELDS of Texas, Mr. EVERETT, Mr. HOBSON, Mr. BATEMAN, Mr. TAUZIN, Mr. MANN, Mr. CONDIT, Mrs. VUCANOVICH, Mr. REGULA, Mr. TEJEDA, Mr. GREENWOOD, Mr. TORRES, Ms. LAMBERT, Mr. DEAL, Mr. INSLEE, Mr. BAKER of Louisiana, Mr. STUMP, Mr. SMITH of Texas, Mr. PAYNE of Virginia, Mr. BROWN of California, Mr. GRANDY, Mr. BARCIA of Michigan, Mr. PETE GEREN of Texas, Mr. PETERSON of Minnesota, Mr. BARRETT of Nebraska, Mr. LAFALCE, Ms. MARGOLIES-MEZVINSKY, Mr. BLILEY, Mr. HALL of Ohio, Mr. HUTTO, Mr. HYDE, Mr. HANSEN, Mr. HALL of Texas, Mr. LANCASTER, Mr. DICKS, Mr. RIDGE, Mr. FORD of Tennessee, Mr. VALENTINE, Mrs. UNSOELD, Mr. SWIFT, Ms. DUNN, Mr. KREIDLER, Mr. HUNTER, Mrs. BENTLEY, Mr. SWETT, Mr. JOHNSON of Georgia, Ms. CANTWELL, Mr. BARTLETT of Maryland, and Mr. SISISKY.

H.J. Res. 318: Mr. SKEEN, Mr. HUTCHINSON, Mr. SOLOMON, Mr. HEFNER, Ms. BROWN of Florida, Mr. DEUTSCH, Mr. BILIRAKIS, Mr. GORDON, Mr. HUTTO, Mr. PARKER, Mr. FRANKS of New Jersey, and Mr. BATEMAN.

H.J. Res. 319: Mr. LINDER, Mr. BUNNING, Mr. HOUGHTON, Mr. ROHRABACHER, Mrs. MEYERS of Kansas, Mr. HUGHES, Mr. BAKER of Louisiana, Mr. LEWIS of Florida, and Mr. GOSS.

H.J. Res. 325: Mr. KIM, Mr. HAMBURG, Mr. CALLAHAN, Mr. FROST, Ms. WATERS, Mr. FRANK of Massachusetts, and Mr. GONZALEZ.

H.J. Res. 326: Mr. HOCHBRUECKNER, and Mr. FROST.

H. Con. Res. 98: Ms. MOLINARI, Mr. SLATTERY, Mr. CALVERT, Mr. HERGER, Mr. DREIER, Ms. DUNN, and Mr. ROYCE.

H. Con. Res. 147: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WHEAT, Mr. MANN, and Mr. STUPAK.

H. Con. Res. 152: Mr. JOHNSON of South Dakota.

H. Con. Res. 202: Mr. BORSKI.

H. Con. Res. 209: Mr. EVANS, and Mr. RANGEL.

H. Res. 255: Mr. MACHTLEY, Mr. BARCA of Wisconsin, Mr. SAM JOHNSON of Texas, Mr. ROYCE, Ms. MCKINNEY, and Mr. SLATTERY.

H. Res. 365: Mr. CANADY.

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. 417: Mr. FOGLIETTA.

SENATE—*Thursday, March 10, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii.

PRAYER

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

Let us pray:

The steps of a good man are ordered by the Lord: and he delighteth in his way.—Psalm 37:23.

Eternal God, Lord of history, Ruler of nations, we thank You for this very encouraging word from the psalmist. Last week, we were sadly surprised to hear the news that Senator MITCHELL will be leaving the Senate at the end of this session. All of us want to express our gratitude for the leadership he has given. We thank You for him and all that he has meant to the Senate, the Nation, and the world.

Loving Father in Heaven, thank You for Senator MITCHELL's influence as leader and servant. Thank You for his strength, his fairness, his patience; his hardness when toughness was required, his softness when gentleness was needed. Thank You for his strong political convictions and his understanding of those who disagree. We ask for Your continued blessing on his life. Whatever the future holds, may he go in the confidence that, "The steps of a good man are ordered by the Lord; and he delighteth in his way."

We pray in His name who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 10, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. AKAKA thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING 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 9 a.m. with the Senator from Nevada [Mr. REID] permitted to speak therein for the entire period.

The Senator from Nevada is recognized.

Mr. REID. I thank the Chair.

(The remarks of Mr. REID pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. REID. I yield back the remainder of my time.

SENATOR ROBERT BYRD'S 35TH ANNIVERSARY

Mr. DECONCINI. Mr. President, I just came from a luncheon honoring our colleague, the President pro tempore, ROBERT BYRD, on his 35th anniversary. As usual, Senator BYRD put things in perspective, as only he can do. He said that what is really important to all of us men and women is, first, God, and then understanding that, whatever that God is to each and every one of us; second, family, and what that means to each of us and to society; third was the Senate.

When he got into the Senate, he talked about the history as he has so eloquently talked about before many times, and about the party and the politics which, though it is integrated so much in our system here, is really a secondary or a third or fourth consideration on how we operate our lives and what we do here.

I had not thought about it in those terms, I guess, but it is a partisan body. We know that. Each side has that obligation and responsibility. Senator BYRD, as usual, got to the core of it. Then he talked about the history of our Founding Fathers, as only Senator BYRD can do. I left that luncheon, once again, in deep admiration and just felt an uncontrollable urge to come and say so, because he is not only a friend of mine, but somebody who will not be matched in history, I do not think, that has served in this body for so long.

THE WHITEWATER INVESTIGATION

Mr. DECONCINI. Mr. President, while I do not think there is anyone in this body who fully understands the intricacies of the complex Whitewater case, we should all understand the potential danger of a premature congressional hearing. That danger could be significant in getting to the truth and bringing about what we all want—a conclusion. All we need to do is reflect upon the problems associated with the criminal convictions and having them stick or not stick in the Iran-Contra case, largely because of joint Senate and House hearings.

We should be on notice of these pitfalls. And, in retrospect, I am willing to admit that those hearings turned out to be a mistake. They were not intended to be, but in fact they were. I hope we will not make that mistake again.

I will be the first to admit that the Whitewater case might have been handled better by the White House, but I am convinced that the proper protections are now in place to prevent additional mistakes, which could impede any investigation.

The lengthy White House directive ordering full cooperation with the investigation, the searching of files, going through trash cans and burned bags to ensure that all material is made available, is, I believe, precedent setting for the 18 years I have been here, when a White House is being pursued or asked questions.

I compliment the President and the First Lady. They have never tried to stonewall this. Yes, we can kibitz or suggest that they might have done things differently. But they have been open and have told their people to come and testify, whether to the grand jury or to Congress. They will work cooperatively with us at any time. And that has not always been the case when there have been investigations involving personnel at the White House.

If our objective is to get to the truth—and I believe that is it—in this Whitewater case, and to ensure that anybody who may be guilty of wrongdoing will be punished, we should leave the investigation to the special counsel, Mr. Fiske. Mr. Robert Fiske, Jr., is a well-respected Republican, a former prosecutor. He is an extremely capable attorney. His reputation is of the utmost integrity. He is a no-nonsense investigator, who is dedicated to getting to the bottom, getting to the truth of this complicated matter. He subpoenaed a large number of high-level

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

White House staff, without batting an eye. Can there be any doubt that Mr. Fiske is going to conduct a very aggressive special counsel investigation? I think not.

If we want to help Mr. Fiske with this investigation, we should honor his request for Congress not to hold hearings at this time. In this respect, I am glad to see that our Republican colleagues, yesterday, seemed to finally get the message that this is not something we ought to be partisan about. If there is wrongdoing, it is going to come out. We should not jeopardize in any way the special prosecutor's investigations. We should heed Mr. Fiske's advice. The Congress and especially this body, will have ample time to do its thing, as we say, to hold hearings, to proceed and ask witnesses, and even somewhere down the line, after the criminal case, if there are criminal charges, to grant immunity, if that would be necessary.

So I am pleased that it looks like maybe we are going to cool off a little bit here on the partisan side and let the process we enacted into law, to have Mr. Fiske, as special counsel, do the independent investigation. The case for a congressional hearing now, in my judgment, has been purely and simply political. Everybody understands what is going on here. I do not know any time, in the years I have been here, where there has been an effort to damage the First Lady of this country. I resent it as a Member of this body and as a citizen. Trying individuals in the public arena undermines the most fundamental principles of justice upon which this great Nation was founded.

We understand politics as well as anybody here, but these attacks on the First Lady and the President are unfounded and ought not to be continued. So let us put faith in the institutions and what we have created under the special counsel legislation here, and let it go forward.

As I said before, if there were wrongdoings, it will come out notwithstanding the press deciding that there has to be a feeding frenzy on this every day. You see the stories where one day the courier in the Rose firm in Arkansas did this or did not do this. It is every day. I know Mr. Fiske will complete this investigation as thoroughly and expeditiously as he can.

KATHRYN CLARENBACH

Mr. FEINGOLD. Mr. President, I want to take this opportunity today to pay tribute to the life and work of University of Wisconsin emeritus professor, Kathryn Clarenbach. Mrs. Clarenbach was truly an American and a Wisconsin treasure. She passed away at her Madison home on March 4 after a long struggle with emphysema. She was 73. To the fight for women's equality she was a pioneer, an architect, a leader, and an inspiration to thousands. To me, Kathryn was a colleague, a friend, and a role model.

She was born in Sparta, the small-town county seat of Monroe County, WI. She attended the University of Wisconsin, graduated with honors and received her Ph.D from the University of Wisconsin in 1946. A teacher of political science and government affairs, she inspired students at Olivet College in Michigan, Purdue University, Edgewood College in Madison, and the University of Wisconsin.

Her academic career focused on the role of women in government and society. She was particularly interested in the difficulties faced by women when reentering the workplace after raising children. This interest led to her development of innovative continuing education programs for women through the University of Wisconsin—Extension. She was also interested in the feminization of poverty saying recently, "for women who claim to be feminist to accept this poverty, or to put the interests of the wealthy or of business ahead of people's interests is absolutely contrary to the whole notion of feminism."

I served with Kathryn Clarenbach on the Wisconsin Women's Council where we all benefited from her experience, energy, and wisdom. While a Wisconsin State senator I worked closely with her on a number of issues including divorce law, marital property reform, sexual assault legislation, and pay equity for women.

But her impressive legacy in academics and Wisconsin State government is matched if not exceeded by her critical role as an original founder of the modern women's movement. Kathryn Clarenbach was the first chairwoman of the board for the National Organization for Women or NOW. In fact, for a time NOW was headquartered in the Clarenbach home on Eton Ridge in Madison. She was also a founding member of the National Women's Political Caucus and the Wisconsin Women's Network.

She was fighting for equality for women in the fifties and early sixties well before the movement caught the attention of the Nation and the world. Her friends and early colleagues included Gloria Steinem, Betty Friedan, and Patricia Ireland. Kathryn Clarenbach was credited by many of her early colleagues for providing the organizational glue that held the women's movement together and allowed it to move forward.

On a more personal note Kathryn was an inspiration to me in deciding to pursue a life of public service. I grew up in Wisconsin, a State that reveres its long tradition of progressive, forward thinking leaders. My role models were people like Bob LaFolette, Gaylord Nelson, and Kathryn Clarenbach.

To me, Kathryn exemplied all that is good about the term activist. Her genuine passion for the things she believed in was bolstered by research, sound reasoning, good argumentation, and a cooperative demeanor that helped move opponents closer to her point of view without necessarily realizing they had moved at all. Rarely has one person contributed so much to the lives of so many. She will be missed.

STATE SAVINGS UNDER HEALTH REFORM

Mr. KENNEDY. Mr. President, one of the principal aspects of the health care crisis we face is high costs that today's patchwork health care system imposes on all aspects of our economy—the public sector and the private sector alike.

We all know the burden on the Federal budget. But for years, State budgets has suffered, too, from the soaring cost of Medicaid and the equally soaring health care costs for State employees and retirees. State spending on Medicaid nearly tripled in the past decade, consuming a greater and greater portion of limited State budgets. In 1992, Medicaid absorbed 17 percent of State spending, up from 10 percent just 5 years earlier. In fact, with the exception of education, States spend more on health care than any other item in their budget.

Like other employers, States have seen the cost of health insurance continue to escalate. Nationally, States spent almost $11 billion to insure their workers and retirees last year, up 45 percent over the past 3 years. In Massachusetts, the cost of insuring State workers more than doubled over the past 7 years, from $200 million in 1986 to $465 million in 1993.

When our patchwork health care system fails, it is often State and local governments are left holding the bag. Despite Medicaid and other measures, nearly 40 million Americans are uninsured today. Two million more lose their health insurance every month. Every day, doctors and nurses in the emergency rooms of public hospitals, in community health centers, and in local public health departments see the costs of not guaranteeing insurance coverage for all our citizens.

We cannot afford to continue down this road. States need the relief that only universal coverage and cost control can bring. The national Governors Association recognized this when they overcame partisan differences earlier this year to endorse a resolution calling for Congress to pass a health care reform bill this year.

We constantly hear critics of the President's plan talking about the high costs of health reform. But few of those critics talk about the even higher costs of doing nothing. No one can afford the status quo. States, employers, and fam-

ilies are all struggling under the weight of ever-increasing health care costs in a system where so many Americans fall through the cracks.

Opponents of the President's plan argue that we cannot afford to guarantee health insurance to all Americans. I say, we can't afford not to reform the system.

President Clinton's plan offers essential relief to everyone, and especially to hard-pressed State and local governments. The report released by the administration last week clearly shows that the President's plan will save State governments alone more than $45 billion between 1996 and the year 2000. Every State will participate in these savings if the President's plan is enacted.

In Massachusetts, the plan will save the State government $2.1 billion during that period. Independent evaluations released by the Congressional Budget Office, Lewin-VHI, and the Urban Institute confirm that the President's plan will result in substantial savings for State governments.

With health care costs under control, States can more effectively balance their budgets, provide tax relief for citizens, and invest in other pressing needs.

Although the latest administration report focuses primarily on savings to State governments, it also demonstrates that comprehensive reform is in the best interests of business and workers. Nationally, employers who now buy health insurance for their employees will save almost $60 billion in the year 2000 alone under the President's plan, and workers in these firms will save almost $30 billion that year. These large savings means more investment by business, higher wages for workers, and a stronger economy for our country.

The inexcusable toll exacted by our current health care system can no longer be ignored. Tinkering around the edges is not enough. Comprehensive reform is needed, and it is needed this year.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

NATIONAL COMPETITIVENESS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 4, which the clerk will now report.

The bill clerk read as follows:

A bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Simpson amendment No. 1486, in the nature of a substitute.

Mr. MACK addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Florida [Mr. MACK].

Mr. MACK. Mr. President, the amendment that was offered, or the substitute offered by Senator SIMPSON, recognizes that only the free-market system in the private sector can determine what technologies will be economically viable in the next century. Japan has realized with the failure of the old technology in high-definition television in which their Government sunk billions of dollars—and I heard as high as $21 billion—that industrial policy does not work.

We need to remove the artificial impediments of needless regulation and keep the cost of capital in check in order to help our businesses be competitive internationally. This amendment recognizes this and allows the private sector in the market system to choose the winners and losers in the next century.

Small businesses are the backbone of the U.S. economy. It is my understanding that small businesses produce about 40 percent of GDP and 50 percent of the total output of the private sector. In order for small businesses to stay competitive, they need access to a steady flow of inexpensive capital.

One of the largest sources of both short-term and long-term capital for small businesses is the banking industry. We need to ask ourselves what can we do to make sure that this flow of capital is not impeded.

I believe the one thing that we can do to help this capital flow is to reduce the crush of regulatory burden that our financial institutions are operating under and get them back into the business they were designed for: Providing credit to our Nation's businesses and consumers and keeping the economy going.

Credit to the economy is like oxygen to the body. We need to get our Nation's financial institutions focusing on providing credit and not on complying with needless Government regulations.

Year after year, Congress has passed well-meaning legislation that by itself may not impose significant regulatory burdens. While no single regulation is most burdensome and most have meritorious goals, the aggregate burden of the litany of banking regulations ultimately affects banks' operations and their ability to serve customers effectively.

This aggregate burden has caused many banks, especially community banks, to reduce the number of employees serving customers because those resources must be devoted to compliance. One effect of accumulation of regulation is the additional staff devoted entirely to compliance.

In addition, a study released on December 19, 1992, by the Federal Institutions Examination Council, included an estimate of regulatory compliance that was as high as $17.5 billion per year. If this cost was reduced by just 25 percent, that is approximately $4.4 billion that could be added to bank capital each year to support tens of billions of dollars in additional lending.

I believe it is important to reduce this crush of Federal regulation and reverse the tide of new, unnecessary burdens imposed on these institutions. The provisions in this amendment were taken from S. 265, the Economic Growth and Regulatory Paperwork Reduction Act of 1993, introduced by Senator SHELBY and myself and cosponsored by a total of 51 Senators.

These provisions were put together in consultation with banking and small business experts so as to remove the impediments to lending and to keep the economy moving. They are intended to ease some of the unnecessary costs to consumers, eliminate micromanagement of financial institutions, and eliminate those regulations that do nothing more than create paperwork and increase cost to our Nation's borrowers.

These provisions leave in place, with little or no modification, the strong supervisory provisions enacted in recent years. These include risk-based premiums, strong capital rules, enhanced authority to restrict and close troubled financial institutions, strong supervisory sanctions, strong criminal sanctions, FDIC back-up authority, and limits on brokered deposits.

If we are serious about economic competitiveness, we need to move away from the Federal Government dictating the winners and losers in our dynamic economy and toward allowing the private sector to act without unnecessary Federal impediments.

I urge my colleagues to support this substitute. Thank you, Mr. President. I yield the floor.

Mr. HOLLINGS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, I have a young staffer that was good enough to pick me up early this morning so I could be here at the opening. He is a brilliant young man. He asked a lot of questions.

He asked, "Senator, what aspect of the bill will we be discussing today?" I said, "None; no aspect."

We have been on the bill 3 days, and there are still no amendments relevant

to this bill. Oh, yes, we have had plenty of utterly nongermane amendments. Now we are into banking regulations.

I have never seen a more shabby treatment of a serious piece of legislation in all the years I have been in the Senate. It is absolutely ridiculous. We have had an amendment with regard to pesticides. We have had an amendment relative to postal affairs. We have had an amendment relevant to the General Agreement on Tariffs and Trade—the same people who advocated fast track consideration with no amendments for GATT, they now want to amend GATT on my bill. Excuse me, our bill. This is a unanimous bill, bipartisan.

They argue that industrial policy does not work. In truth, we have had industrial policy since the founding of this Republic, and it has worked wonderfully. We also have an industrial policy with respect to our standard of living. In the body politic, supported by Republicans and Democrats, we have legislated Social Security, Medicare, Medicaid, unemployment compensation, clean air, clean water, plant closing, parental leave, safety, safe working place, safe machinery. You can go down the list.

We legislate the fine standard of living. We put these burdens on the back of industry, then we turn around and say to American business that it needs to come in off the golf course; they have got to get more competitive; they have to invest for the long-term.

Well, this bill goes right to that need: investment for the long-term. We found out that the so-called venture capital alluded to by the distinguished Senator from Missouri is not found in high-technology. The investments in high-technology are too long range.

Oh, they will invest in Wal-Mart. They will invest in telecommunications. They will get into various other ventures. But there is no venture capital for high-technology because it is on the long payout, and if any begin to score, the Japanese are in here cleaning our clock in short order.

So we found, as a matter of industrial policy, after 10 years of industrial policy vis-a-vis the savings and loan; the industrial policy of aircraft deregulation, which has got all the U.S. companies begging their employees to please take over and help; the industrial policy of communications, with the deregulation of the FCC, Federal Communications Commission, with all the violence and crime, four-letter words and otherwise.

My counterpart, the ranking member, was one of the leaders of the fight to institute what we called Sematech, industrial policy for semiconductors, a policy that has worked. He then put in a bill for an industrial policy for the aircraft industry modeled after Sematech. Now he presumes to say that we are embracing a new philosophy with S. 4. This is obviously not new—it has been discussed with him in specific for 3 years and with his approval. He has been supporting it for 3 years. We voted this bill out unanimously in 1992, unanimously last year from the Committee of Commerce. So this is not any new philosophy at all. It has been tried and true and found, and proven. I refer to President Reagan's own competitiveness commission, the Young Commission back in 1985, which said:

> There is not enough for research and development with competitiveness as its goal.

And we can go on and on referring to it.

> If we are comparing our technological position to that of our trading partners, then it is misleading to include all government funded R&D. Given the limited amount of Federal funds spent on many areas of commercial potential, the question of how government manages its R&D becomes a critical issue.
>
> Perhaps the most glaring deficiency in America's technological capabilities has been our failure to devote enough attention to manufacturing or process technology. It does us little good to design state-of-the-art products if within a short time our foreign competitors can manufacture them more cheaply. The United States has failed to apply its own technologies to manufacturing. Robotics, automation, statistical quality control were all first developed in the United States but in recent years they have been more effectively applied elsewhere.

Then coming to the statement, of course, by the Secretary of Commerce at that time, Secretary Mosbacher:

> Emerging technologies have the potential to create a multitude of new products and services and to substantially advance productivity and quality. This report identifies 12 emerging technologies in 4 major categories of featured combined U.S. market potential of about $350 billion in annual product sales by the year 2000 in a world market approaching $1 trillion. If the United States takes maximum advantage of this economic potential of emerging technologies, further growth in the United States standard of living should result. However, competition from the world's other two economic power centers, Japan and the European Community, is strong. If current trends continue, this study indicates that before the year 2000 the United States could lag behind Japan in most emerging technologies and trail the European community in several of them.

Those are the words of Secretary Robert Mosbacher, the Secretary of Commerce under President Bush. There's no hesitation about industrial policy in those words.

Since they did not get complete support, the group under President Reagan, the Young Commission, regrouped again as the Council on Competitiveness headed up by John Young of Hewlett-Packard, former chairman. George Fisher, and others. They concluded, "The U.S. position in many critical technologies is slipping, and in some cases has been lost. U.S. public policy does not adequately support American leadership in critical technologies." And on down the list, Mr. President. We will get into that very thoroughly.

But the point to be made here is this is not a new philosophy. Leaders of American industry, particularly in the field of technology say, "Wake up America. Let us get competitive." As a result of our hearings over a 3-year period, we have come forward again with a bill that has already been passed unanimously. Yet we still hear the charge that, wait a minute, we are starting a new philosophy. Nonsense, this is the same philosophy of the past 8 years. We had best leadership of America's industry saying let us go now. Let the Government invest smartly. Let us make sure it is not political, but businesslike, specifically instituted by business, no political or governmental picking of winners and losers, rather the industry itself picking.

It has to be a serious selection in that the industry has to put up the majority share, and our experience over the past couple of years is that nearly 70 percent, the majority of the money, has come from the private sector. And these investments have to withstand peer review, merit selection.

On that basis we move forward. We have a program already at work. But this is the outdated authorization, including an embellishment with the National Science Foundation, with the National Information Infrastructure championed by the distinguished Vice President, Mr. GORE, and several other measures.

On the amount of money, opponents have tried to falsify the figures, and say, "Wait a minute, these figures, this is not what we discussed." The funding has ballooned, as they say it; silly language of that kind, when the Senator is using the language and actually voted for more money for the next fiscal year, $143 million more than what is in this bill for fiscal year 1995, and voted for $35 million more than what is in this bill for 1996. We went to OMB and they retrenched and cut back. So what was voted for has not been ballooned, but rather cut.

I do not know what the game is. It is a political game. It is not a factual game. Now we have an amendment before us on banking regulation. Yes, small business is a focus of this. This bill aims primarily to help small business. That is exactly what it is, and it was worked out with the Small Business Administration, worked out with the Small Business Committees of the House and the Senate.

So we are on course. It is very dismaying for these Senators to come to the floor and weave together a bunch of comments and statements that have no regard for the facts about this particular measure, and come with amendments to other bills with separate initiatives. This is not the Banking Committee. There are some problems, I grant, with respect to banking. Let the distinguished Senator handle that in banking or on a banking bill. This is not the banking bill.

But here we are. It is after 9 o'clock, and I understand my counterpart was held up a little in traffic. But I hope the others will come now and see what we can do with this particular amendment.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mrs. BOXER addressed the Chair.

The ACTING PRESIDENT pro tempore. Will the Senator withhold the quorum call?

Mr. HOLLINGS. Yes. I withhold the quorum call, please.

The ACTING PRESIDENT pro tempore. The Senator from California [Mrs. BOXER] is recognized.

Mrs. BOXER. I thank you, Mr. President.

I want to say to my friend from South Carolina, the distinguished chairman of the Commerce Committee, how much I respect what he is trying to do for his country with this bill. This bill is crucial to our competitiveness.

I had the opportunity to sit in the chair during some of the debate. We were debating things that had to do with farm workers, and all kinds of issues, pesticides. One can only ask what is the motivation behind this big stall? The only answer I can come up with is it is politics again. It is stopping progress again. We have seen it time and time again. I know my distinguished friend is going to stay here as long as it takes to get this bill finished. I want him to know that I am looking forward to working with him to see that this bill gets passed. For my State, it is absolutely crucial.

ORDER OF PROCEDURE

Mr. President, seeing that there are no other colleagues who wish to speak on the bill, I ask unanimous consent that I be allowed to speak as if in morning business for 15 minutes.

Mr. HOLLINGS. Mr. President, let me first thank the distinguished colleague from California. She is right on target. This is an extremely important bill, and we are facing some kind of political stall. It is very interesting that a serious statement was made. Otherwise, I would not have alluded to it. But it was stated that this bill really is political pork to carry the State of California. I said, "Come on. Are you serious?" They said, "That is the word that has gotten out." I had to go into detail. That is why I continued to refer to this particular debate. They do not say so publicly.

I can enumerate the merit review, the oversight by the National Academy of Sciences, and much more. How is the money spent. The bulk of it goes to NIST, the old Bureau of Standards. There is no pork there. A lot of the money goes to the National Science Foundation. There are no politics to the National Science Foundation. Money goes to the manufacturing technology centers; each one of those centers must be means tested and peer reviewed.

We have been true to the original representation of the bill. The Secretary of Commerce could not possibly play favorites even if he wanted to. But that is why the bill has been distorted over here, and some of the Senators with good intent did not realize that. That is why I want to emphasize.

I am particularly grateful for the distinguished Senator's comments. She has been a leader in the development of technology and the creation of jobs, which is so vital to the State of California as well as the country.

I would be glad to hear her on another subject.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous consent request? Without objection, it is so ordered.

The Senator from California [Mrs. BOXER] is recognized.

Mrs. BOXER. Thank you very much, Mr. President.

FACES OF HEALTH CARE: ANDY AZEVEDO

Mrs. BOXER. Mr. President, I just want to say that we are really on the verge of being able to make some progress on health care for all Americans. I think it becomes increasingly important, as the special interests pay for their very sophisticated commercials that make people believe that changes in the health care system will only harm them, that we come to the Senate floor when we can and put a face on this health care crisis. That is what I am going to do today, Mr. President, in a very personal way.

I want to talk to you about a young man whose name was George Anthony—we called him Andy—Azevedo, who came to Washington and talked to many of us about health care reform when he was 19 years old.

I will never forget. He was a very strapping young man, with a potential scholarship to college. That was 4 years ago. He would have desperately wanted to be here with us today in Washington, pushing us to enact real health care reform, but he cannot because Andy Azevedo died in 1991. I think that his story is very instructive for all Americans to hear.

Andy would want us to know how hard he tried not to let down all those who cared about him. He would want us to know how his doctors never let him down, how his friends and his neighbors were there for him, how thousands of strangers from California and from all over the country gave him their love and their caring and as much money as they could.

The money was essential because the health care system did let Andy down. The insurance industry let him down. To Andy they seemed not to care about him or people like him.

Andy died still fighting for all those who were excluded from health care like he was, or who would be excluded. It is now our fight to carry on. It is our responsibility. It is our duty to the American people to stand up and fight for real health care reform.

Let me tell you a little more about Andy.

Andy was raised in Sonoma County, CA, in a very rural area of our State. He and his mom and dad, Marilyn and Simon Azevedo, and his two brothers and two sisters, spent a lot of time in Two Rock, which was their home. Andy loved sports. Football was his main love, and he played it every chance he got.

In fact, when Andy first found out that he had cancer, he thought he had a football injury. He had a sore on his finger, not much of a sore, but it would not heal. So his mom had him get it checked out. After all, here is a tough kid who bangs around all the time on the football field. What is a sore finger? As Andy said: "I just came from football practice. How can I have cancer?"

But the diagnosis was clear-cell sarcoma. He had a sarcoma, clear-cell sarcoma, a rare disease that usually strikes people much older than Andy.

Illness like this can strike any of us, any American, any of our relatives, and any of our friends. A potentially fatal disease struck Andy at the age of 18, at the prime of his teenage years, on the way up a promising football career. A sore in his finger and too short a time later Andy died.

But do you know why Andy came to see me and to 60 other offices on Capitol Hill? I was over in the House of Representatives then. Andy wanted us to know that even if he had survived his fight with cancer, he would never get health insurance again. Andy's insurance came through his parents' policy. He told us that he fully expected to survive his cancer. He said: "When I turn 21, I am going to have to get my own insurance." Andy's insurance company told him that he would be uninsurable because he was too great a risk.

Andy was a fighter. He was a fighter and he fully intended to reach that 21st birthday and beyond. But all the time he worried about losing his insurance. So Andy came here to fight for the tens of thousands of people like him, people who have fought the fight of their lives.

Mr. President, we all have friends and relatives who have fought cancer and who have won the battle, and then after they survive the fight of their life they can never get health insurance again because of something the insurance company called a preexisting condition.

I call it a disgrace, a shame, on our country. I call it a failure of our system to keep people secure, a failure to keep faith with those who have sent us here to do the right thing.

Can you imagine what it was like for Andy fighting every day just to be alive, and at the very time he needed all the positive thoughts he could hold on to—and anyone who has fought cancer knows that is part of the fight, a positive attitude, a positive feeling. But all the time he had to face the fact that even if he survived it he could never get his own insurance and he and his family would be in financial risk forever.

Mr. President, no one in America should ever have to face those feelings, to know that they are expendable for some company's bottom line. Every man, woman, and child deserves to know that if they will fight to survive, we will fight to make sure they are never uninsured.

Andy might be alive today if he had received better treatment from his insurance company.

He came here to tell us what life was like when he was denied a needed operation by his insurance company, and then he had to face the fact that even if he was able to raise money for this operation, and even if he survived that operation, he would lose his insurance.

Andy's family found out what it was like—extra jobs for extra money just to pay for uncovered medical costs. Andy's friends, both old and new, found out through bake sales, weekend runs, Sunday brunches, anything they could think of that earned a little money toward Andy's enormous health care bills. I know how much people cared, because I went to one of those breakfasts where we all prayed and gave what we could.

Andy went through hell. There is no other way to describe it. His finger was amputated. They found 3 dozen tumors in his lungs, a tumor in his heart, and then a tumor in his brain.

In his fight, Andy had surgery on both lungs, his heart, and his brain. The doctors said: "You will never walk, you will never feel; you will never play football again." They told Andy he would never survive.

But Andy survived for a period long enough to become a spokesperson for parents of kids with cancer. He was with us for less than 2 years, 2 years where the doctors said he would never survive. But he shared his strength with many in those 2 years.

His only hope after so many surgeries, a bone marrow operation, was denied by his insurance company. Andy went to organizations for financial help. His friends went to their savings. People from all over the country helped raise $60,000 just to get Andy admitted to the hospital for treatment. The fight took too long, and Andy died before he could get the operation.

But do you know the irony, Mr. President? The irony of our current system is that even if that transplant had been successful and Andy had survived, he would have lost his insurance coverage when we turned 21 because his cancer made him uninsurable.

As Andy wrote to me,

> If I'm one of the lucky ones, I'll still need to be followed closely. I will need to be checked out every few months for the remainder of my life, but I can't do that unless I am able to buy the needed health insurance.

Andy did not want charity from anyone, from any company. He just wanted to be allowed to buy insurance.

He wrote, and I quote further:

> The lawmakers of our country were elected with a trust of the people to do what is right for them. And to let children who have fought so hard to stay alive * * * become victims of big business after fighting for their lives seems very wrong.

Those are the jewels, the words of a 19-year old.

Andy lettered in three sports at Tomales High School. He was the student representative to the school board. He never asked much for himself. He wanted to do for himself. But he came here to Washington to ask for others. That is what the President's health care plan does. It asks for others, for all those who cannot ask for themselves, or who do not even know the trouble that may be awaiting them with the current health care system.

Andy and his mom wanted others to know how sometimes our health system caused them even more pain than Andy's cancer. They started a book together about health care. Marilyn, Andy's mom, promised to send the book for all of us when it is finished, and I am going to send it to each and every one of my colleagues. Marilyn, his mom, said:

> If you have a rare disease like Andy's, you're blazing a trail because the treatment that you will get will help others. Helping Andy would have helped others.

And she said further:

> Insurance has to be there for all of us when we need it. Isn't that what it's for?

We are going to debate this issue. There are those who are fighting for the status quo.

And I am going to again quote Marilyn Azevedo, a mother who lost a son, who put it all in two sentences:

> Insurance has to be there for all of us when we need it. Isn't that what it's for?

I hope that I can tell her, and I will fight to tell her, that we are going to make certain that insurance will be there for everyone, regardless of preexisting conditions.

And here is another terrible irony. Marilyn, Andy's mom, told us that the company she works for changed insurance carriers and that her new carrier rejected her—high blood pressure, they told here.

During one of his remissions Andy, was talking about his career. He said, "I'm interested in forestry because I like the outdoors. But, who knows, after all this, I could get into politics."

Andy never made it. He never made it here. But we have, and let us listen to his plea.

An illness may have beaten Andy, but nothing except our lack of courage on health care reform can beat the spirit that he shared with so many of us.

Andy's courage in the fight against cancer is legendary. Now let us find the courage to stand up to the special interests and to those who fight for the status quo, and to Harry and Louise on television, a couple of actors who want to turn Americans against health care reform. Andy has given me the courage, and I hope Andy will give each and every one of my colleagues the courage.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from California yields the floor.

Mr. ROCKEFELLER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. I thank the Chair.

Before the good Senator from California, [Mrs. BOXER] leaves, I think we are all very conscious of Andy and I hope we get around finally to doing something about Andy.

What strikes me about this place is our ability to put politics above people, to put party above people, and to put all of those above Andy. Andy would not have been happy about that.

I think that is one of the reasons that you were elected and that is one of the reasons that the Senator from California is such a strong advocate. And if we can just focus the American people's attention on Andy, on health care, we will get this done, because we know they want us to do it, just as Andy's family wants us to do it.

So I really thank the Senator.

Mrs. BOXER. Mr. President, if I might ask the Senator to yield to me for just a moment to comment on his leadership on this.

This has been a very long and difficult struggle. The Senator from West Virginia has stayed focused on this issue to the point where I think sometimes it pays a price.

I want to say to him that the more we can bring these real stories to the floor of this U.S. Senate and talk about real people and talk about our responsibilities, I think the quicker we will succeed.

With the Senator's leadership—I will be by his side—we will pass real health care reform, and we will all be proud, and we will do it in Andy's memory and for all those children and adults who had to go through really the kind of hell that he went through; again, at one point saying that this fear of losing insurance was more painful at times than the cancer. It is an extraordinary comment, is it not?

I yield the floor.

Mr. ROCKEFELLER. I thank the Senator from California.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. ROCKEFELLER. Mr. President, I rise to once again ask my colleagues to consider the urgency and importance of the bill before us, S. 4, the National Competitiveness Act.

I am still trying to understand why it is taking so much time and energy to pass a bill that is about the heart and soul of this country. Knowing what challenges we face in staying competitive and prosperous, I find it inconceivable that anyone would oppose this effort. Personally, knowing the opportunities this bill poses for my own State—its industries, its workers and their families—I am determined to see us get this legislation signed into law.

All of a sudden, we are hearing a series of misgivings about the idea of continuing a long tradition of the Government working with American industry to stay on the cutting edge of technology, improve manufacturing, and create and even expand jobs for our people. In light of the obvious competition we face in technology throughout the world, isn't this bill one of the equally obvious answers—a bill to invest in the Nation's economic future.

The bill before us is not a new or radical idea. It is not even some sharp swerve in policy and direction. The programs we want to continue or expand are the same ones that something called the Senate Republican Task Force on Adjusting the Defense Base specifically endorsed in 1992. In that report, it was noted that these kinds of programs are "important to the effort to promote technology transfer to allow defense industries to convert to civilian activities."

Both Democrats and Republicans in the private sector support this legislation and the time-tested concepts that are its underpinnings.

Just this week, the head of the Council on Competitiveness, in endorsing this legislation, reminded us that many of the provisions in S. 4 were initially proposed by the Bush administration and were in fact signed into law by President Bush. That includes the Advance Technology Program, started under the Bush administration with bipartisan support in this body. This is the Government's principal civilian program to help industry develop new technologies where the risks or costs are just too much for companies to undertake alone. The projects are industry-led, selected completely on the basis of merit through a stringent review process, and require the companies to contribute half of the costs. The idea of this program is to avoid the infamous VCR experience—where Americans invented a path-breaking technology only to see others solve technical problems more quickly than we did, and get to the market first.

In contrast to some of the debate within these walls, just take a look outside and you will be quickly reminded and assured that his bill has strong bipartisan support and intense industry support. Indeed, the fact of the matter is that this bill springs from a tradition of public-private partnerships that go back decades.

Go back to World War II. As we woke up to the challenges being posed by the Europeans, the United States committed the resources needed to stay ahead. That investment led to new products, new industries, and higher living standards.

As a recent Business Week article pointed out, U.S. wartime discoveries fueled growth in the aerospace, nuclear power, pharmaceutical, and electronics industries. And looking at the next four decades, "fundamental research produced transistors, lasers, and molecular biology—the foundations of America's world-leading computer, communications, and biotech industries."

The entire U.S. Senate should strongly support the bill. As one of its original cosponsors and architects, I am enormously proud of this legislation. Through the steps that we propose, we will strengthen our country's economy, promote U.S. competitiveness, and create more and better jobs for the people of West Virginia and the rest of America.

I commend Senator HOLLINGS, chairman of the Senate Commerce Committee, who has been the master-architect of this effort. Many other Members of this body have devoted serious thought and work to this blueprint for investment and economic growth, and I hope they all get the credit they deserve from the people and industries of their States.

This is an important bill, Mr. President, because it focuses attention on the most pressing things we need to do to compete in the international marketplace now and into the 21st century.

I presume that we will be discussing this bill throughout the day. That's understandable, since it is a significant proposal that deserves this body's full consideration. But I want to say as loudly as it is humanly possible that this should not turn into a debate designed to win political points.

This legislation deserves bipartisan support. It embodies the pragmatism, the fiscal discipline, the commitment to private-public partnerships, and the dedication to economic growth that all of us share as objectives. It is based on practical experience in technology programs within other agencies that have paid enormous dividends. It recognizes that investing, by working directly with industry, in technology, is the road to a more robust and competitive economy.

I have pointed out on other occasions in this Chamber that if we are to maintain our position of global leadership, we must understand the changes in the world that will define our future and adjust our goals accordingly. Put simply, the end of the cold war means that our global leadership role will be determined by our economic strength, which will define our political and military strength. Economic strength, in turn, will be measured by our ability to compete in the critical industries of tomorrow that will be the infrastructure of the 21st century.

We usually think of infrastructure as roads and bridges, concrete and steel. But it is now telecommunications and information, electronics, fiber optics and computers. Instead of the interstate highway system, we are contemplating smart highways, supersonic air transport, and information superhighways. These are the things that will drive our economy in the future.

Japan and the rapidly industrializing countries of the Pacific rim understand this and are acting quickly to prepare themselves for the future. Unfortunately, planning ahead has become politically incorrect in the United States in the past decade. As a result, we are behind the economic eight-ball, still debating the wisdom of Government action to improve our manufacturing and R&D base, while our competitors have gone ahead with aggressive action of this very sort.

If we lived in a world of closed markets and limited trade, we could avoid these changes and survive. But as we all know, our world is rapidly becoming a single market, making us constantly vulnerable to our competitors' efforts. The computer I use may contain Japanese semiconductors on a motherboard assembled in Singapore, shipped to Taiwan where it is put inside its plastic frame along with a screen assembled in Malaysia, before it is finally sent here—by an American company.

That kind of globalized production may be inevitable, but it still occurs in a world of nation-states, and governments have not lost their ability to influence their own competitiveness through appropriate macro and microeconomic policy tools.

The National Competitiveness Act is about the latter—using our micro policy tools on behalf of the industries and sectors we need to be a high technology 21st century economy.

I might add that I still believe we missed a golden opportunity to move quickly on these issues last spring when Congress rejected the President's stimulus program. Almost unnoticed in the debate over summer jobs and other short-term spending was the immediate investment that was included for technology research, development, and commercialization.

This legislation is about where we know or competitive future lies. It is manufacturing that generates not only jobs but profits to fund research and development of new generations of

technology and products. We may lead the world in research—and I would argue that we do—but ultimately if we don't make anything, we won't invent anything, and we won't create good jobs for our workers. S. 4 deals directly with commercialization and technology diffusion.

First, as others have made clear, it expands and extends our existing manufacturing technology outreach efforts. Making the latest technology and know-how available throughout our country, particularly in States like West Virginia that have large rural populations and small towns helps all our companies, including our smaller businesses improve their competitiveness. For example, in my home State of West Virginia, this bill will authorize a telecommunication network that will connect the rural schools, hospitals, and manufacturers to the information highway. These organizations will have the same access to information and data that the more densely populated States already have. This portion of the bill makes the State more competitive in international markets which create more high quality jobs—the responsibility of those of us who serve as elected representatives.

This bill also opens the door to new, innovative ways of looking at the process of becoming competitive. It includes language I had sought that could lead to the creation of a manufacturing technology center or manufacturing outreach center that is concerned with the total competitive environment in a region and not just with technology transfer. A region's education system, its tax policies, its zoning rules, and a thousand other, largely non-Federal, Government-related activities have a critical impact on the companies that operate within the region. Helping local governments and community leaders understand that and adjust their policies so advanced manufacturing and competitive companies are encouraged rather than discouraged is an important new element in this bill.

In addition, S. 4 focuses directly on the need to spur commercialization, which we all know is absolutely critical to our future. Thanks to a great deal of work, the bill includes a revised version of a proposal I originally introduced in 1992 to provide Federal support for venture capital investments in critical technology commercialization.

Mr. President, many of us believe that this country has an investment capital shortage right now. Others do not agree with that assessment, but all would agree that we clearly have a shortage of capital willing to invest in relatively high risk critical technologies and willing to invest at the critical commercialization stage of development. Conventional venture capital companies have become risk averse over the years, focusing on safer high return investments and often coming in only at a later stage when success is more likely.

In truth, there's nothing wrong with that—it's the market making appropriate judgments about where money should go to ensure a return. But that does not mean that is in the national interest. It is my view, Mr. President—and we have had hearings on this issue—that we could significantly assist our critical technology companies in bringing their ideas from the laboratory or prototype into mass production through carefully structured minimal assistance from the Government.

S. 4 achieves that goal through its critical technology financing program. By licensing venture capital firms specifically to invest in critical technology enterprises and then purchasing some of their equity with Federal dollars, the Government will create a cadre of venture capitalists focusing their creative energies specifically on critical technology development with a minimal transfer of Federal funds.

Most important in this concept is the fact that the investment decision making process remains in private hands. This is not the Federal Government making investments or selecting winners and losers. It is the private venture capitalists doing that—and they have the expertise to succeed at it. The Federal role, and the Federal funds, give them the incentive and the opportunity to take the particular risks inherent in this kind of investment. We all know how successful our basic research programs have been—leading to many Nobel prizes—but how many of our best ideas have not created jobs in this country. This provision of the bill will help to take the best ideas from American research laboratories to products by providing patient venture capital. This will create more high quality manufacturing jobs.

It is interesting to note, Mr. President, that there was little or no debate over this section of the bill. It is so obvious, it has attracted wide support. Instead, we had an extensive debate over whether this program should be run by the Department of Commerce, our lead civilian technology agency, or by the Small Business Administration, whose SBIC program has some similarities to the critical technology investment companies that would be created.

In the end, as so often happens, we produced a compromise, and the Senators from Arkansas [Mr. BUMPERS] and South Dakota [Mr. PRESSLER] are to be commended for their cooperation in working this out. I will leave it to others to describe the details of the revised provision, Mr. President. Let me simply note that since this is fundamentally a technology program, Commerce will retain the policy and decision making lead but will rely on SBA's administrative experience in programs of this kind to actually manage it. In my view, this is a suitable outcome that uses the strengths of both agencies to create a successful program.

The basis for this resolution came directly from discussions between the Secretary of Commerce, Ron Brown, and the Small Business Administrator, Erskine Bowles, both of whom, on behalf of the administration, support this provision. I am also grateful to them for their hard work and personal involvement in seeing this issue through.

I know that there are others in the administration, who were only beginning their analysis of the venture capital problem when we were ending ours, who are considering other means of achieving the same objective. That is why this program is structured not to begin for a year, and the Commerce Department is directed in the interim to develop detailed procedures for its implementation. It may well be that the Department will return to us in a year suggesting some modifications even before the program begins. That would be entirely appropriate, and I am sure the committee will consider such seriously.

Let me simply close by reiterating how important this legislation is. I want to commend the chairman of the Commerce Committee again, and my many colleagues who have worked for years to craft this agenda for the future. I am very grateful for the hard work, the imagination, and public service that were poured into this legislative effort by numerous staff.

This bill is significant because it looks to our future, not our past. It puts in place the objectives, the commitments, and the programs to pave a future of continued global economic leadership. And that future translates into one of hope, opportunity, and jobs for the American people.

I thank the Chair and yield the floor

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. WOFFORD). The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair. I wish you a good morning.

Mr. President, I want to thank my colleague, Senator SIMPSON, for including my language in the Republican substitute aimed at promoting industrial competitiveness and economic growth through Federal regulatory reform.

Both sides recognize the necessity of job creation. Federal agencies must consider the costs associated with Government regulation. The American family is currently paying over $1,000 per family every year for the cost of environmental regulations.

The question before us is the merits of cost-benefit analysis. The environmental community, the Environmental Protection Agency, and some of my colleagues on the other side are fearful of cost-benefit analysis being a factor

in promulgating regulations along with the consideration of international competitiveness and economic growth.

Agencies should be required in law to publish a cost-benefit analysis in the Federal Register. The merits of every law that we pass should be evaluated in terms of costs and benefits. This evaluation should include a risk analysis.

The public really needs to have this information. A logical place to put it is in the Federal Register.

My amendment requires the Federal agency heads to publish in the Federal Register cost-benefit analysis for all proposed regulations.

More specifically, the regulatory actions to be published in the Federal Register with an accompanying cost-benefit analysis include a notice of proposed rulemaking, an interim final rule, and then a final rule. The cost-benefit analysis should include some detail, not an overabundance of detail, but some practical and understandable recognition of the proposed regulations costs and benefits so everyone can read and understand them. So often, we react after the fact to horror stories from a constituent, and we shake our head and say, "I cannot imagine how that ever happened. That certainly was not the intent."

The cost-benefit analysis should include an analysis of specific costs and the benefits resulting from the regulation and specifically a certification from the Federal agency head that the regulation will produce benefits that justify the cost. There is an environmental terrorism associated with what this means. This is not an unfair obligation nor an unreasonable requirement—a simple certification that the regulation will produce benefits that justify the cost.

The costs as a result of implementation of, and compliance with, the proposed regulations would include the total number of direct and indirect jobs to be lost, the costs to the Federal Government and local governments and other public and private entities, and the human health or environmental risks created. With the cost-benefit analysis, it would put an obligation, an appropriate obligation, to evaluate some very important considerations.

Benefits include the total number of direct and indirect jobs to be gained, the savings accrued by the Federal, State, and local governments and other private and public entities, and the human health or environmental risk reduced. We would like to think that the benefits of regulations outweigh the costs in most cases but that is not always the case.

The amendment covers the cost of regulatory reform on the economy because there are costs. With the exploding costs of unfunded Federal mandates which are imposed on local governments, the public should have cost-benefit information available to them in the Federal Register.

Regulations often fail to assess the minuscule risks, and some of them are very small, being addressed compared to the enormous costs of reducing the risk. In my State of Alaska, unreasonable regulations are most often in the area of environmental regulations, and they are uniform. When they make a uniform environmental regulation, it has different effects in Alaska than it has in other States. For example, we are the only State with the Arctic in it. We have a big hunk of our State that is in the Arctic. Wetlands are synonymous with permafrost and we are the only State with permafrost. You mandate a wetlands application; permafrost automatically is included—and one-half of our State is in permafrost—and away we go. It is a free license for the EPA, the Corps of Engineers and on and on and on.

Mr. HOLLINGS. Will the Senator yield?

Mr. MURKOWSKI. I would be happy to yield without losing my right to the floor.

Mr. HOLLINGS. I know it is very, very difficult to keep up. We adopted that amendment yesterday, cost-benefit analysis, in the Nickles-Reid portion of the Simpson amendment. I just thought I would bring that to the attention of the distinguished Senator.

Mr. MURKOWSKI. I appreciate that from my good friend from South Carolina, but I am under the impression that my amendment as included in the Simpson substitute is more direct on cost-benefits as opposed to the Nickles, which is in the area of economic attention specifically.

So I want to just complete my little treatise here on the emphasis on the environmental area, because, Mr. President, Government, business, and industry in our country spent approximately $115 billion for pollution control in 1990, and it is estimated that the figure will increase to $185 billion per year—that is 2.3 percent of our gross national product—by the year 2000. EPA continues to implement, I think, overly burdensome regulations while the Government continues to talk about creating jobs.

The tragedy is aggravated by the fact that we often know so little about the benefits of regulation. Regulations often are based upon inadequate scientific analysis or fail to assess the minuscule risks being addressed compared to the enormous costs of reducing risks.

I do not know how many of you saw a Washington Post article, I think it was yesterday. It covered a statement by the EPA. One of the EPA water quality rules allows arsenic levels no more than 2 or 3 parts per billion. Now, we all hear about arsenic, and we react and, good heavens, we have it in our water and we are told that we cannot have levels of more than 2 or 3 parts per billion. Yet we go out and eat a plate of shrimp, and a plate of shrimp contains 30 parts per billion. But there is no bridge between the two, which points out that clearly 2 to 3 parts per billion in water is of little concern to human health.

Now, there are other examples about which I could speak. We talk about the proposed ban on lead fishing sinkers and about the merits of ingestion of the sinkers by birds. I am not going to go into these examples. I am just saying, Mr. President, that we are entitled to have this cost-benefit analysis. I am pleased it is in the Republican substitute. I wish to keep the issue alive. It is not a partisan issue; it is a bipartisan issue because it represents common sense.

This is an important issue—the Federal Government often spends a fortune on enforcing regulations where the costs far outweigh the risks. And this cost-benefit analysis, I think, is an essential element to the regulatory reform that needs to be addressed.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to thank my friend and colleague, Senator SIMPSON, from Wyoming for putting this package together. I wish to especially say thank you to my friend and colleague, Senator MURKOWSKI, from Alaska, for the statement he made concerning cost-benefit analysis, which is needed so desperately.

I picked up the paper recently, and it talked about EPA saying cost on a life saved is as much as $1 billion per life. And some of these regulations imposed have such enormous costs, whether you are talking about clean air or clean water, OSHA, or you are talking about others, having a risk-benefit assessment is awfully important.

I also wish to thank my friend and colleague from Wyoming for including the Nickles-Reid Economic and Employment Act, which we agreed to yesterday, because not only do we need to know the risk and economic benefit, but we also need to know the cost and we need to know the impact on employment.

So I think the Murkowski amendment and the Nickles-Reid amendment complement each other significantly and, I think, will be giant steps in the right direction.

I also wish to thank my friend and colleague from Wyoming for including a couple of other provisions, one of which deals with Davis-Bacon reform and increasing the threshold from $2,000 to $100,000. I think people are shocked when they find out that the Federal Government still mandates wage rates on any Federal construction project that is more than $2,000.

That means, I say to my colleague from Wyoming, if you had a little post

office in Cody that had a door that needed to be fixed or a little roof repair, if a contractor said, well, that is going to be over $2,000, they cannot just do the work. They cannot just say here is what the contract will be. They would have to go all the way back to Washington, DC, get the Department of Labor, and ask what is the prevailing wage. And maybe they already have the prevailing wage in Cody. But I will tell you, they do not have the prevailing wage in a lot of rural areas. And yet the Federal Government is going to mandate what the wage rates are for any Federal construction project that is over $2,000. I find that to be ridiculous in this day and age. That is the same $2,000 that was enacted in 1935. It makes no sense.

So this is commonsense reform. It says, wait a minute. For small construction projects, let us not have the Federal Government mandating what people will pay. Let us not have the Department of Labor determine what people should be paid. Let us allow private contractors, working with their employees, who know best what the value or the merit of that job is, to determine what the wage level will be, not the Department of Labor.

So I think that is an excellent piece of reform. My friend from Wyoming has come up with a very good, a very credible package, one that does not cost money. Unlike the original bill, which is going to cost taxpayers, if it is all appropriated, $2.8 billion, this program is going to save money. The Davis-Bacon regs alone will save over $30 million over a few years. It is going to save a lot of money for companies and individuals who will not have to comply with useless and needless regulations.

I think it is an excellent package, and an excellent substitute. I compliment my friend from Wyoming for putting it together.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. I thank the Senator from Oklahoma, Mr. President. He has done tremendous work in this area over the years. In doing so he has often presented matters to the Senate for consideration only to see them targeted in a single-shot way, and then immediately in a partisan vote shot down.

So he has, thanks to the floor manager, now included an amendment which is of great interest to him. And I appreciate him making the distinction between the Murkowski amendment on cost analysis and his own amendment on cost analysis, hoping at least to attempt to answer the question of Senator HOLLINGS; that they are different, and that they deal with different aspects of cost analysis.

But I know who has been working in this vineyard, laboring long for years, and that is the Senator from Oklahoma. I deeply appreciate that.

Mr. President, I believe the order of business is that we are on the amendment.

The PRESIDING OFFICER. That is correct.

Mr. SIMPSON. Mr. President, this amendment was sent up last night. As the Senate begins debate on S. 4, the so-called Competitiveness Act, we must ask ourselves: Do we enhance American competitiveness by allowing ever greater Government intervention in the private sector? I do not think so. The better approach is to attempt to reduce the existing regulatory burdens which are anticonsumer, and which greatly inhibit American competitiveness. Senators DOLE, NICKLES, COCHRAN, PRESSLER, THURMOND, DURENBERGER, COVERDELL, HUTCHISON, HELMS, CRAIG, COATS, KEMPTHORNE, WALLOP, MACK, MURKOWSKI, GRAMM, LOTT, SMITH, GORTON, WARNER, and I will be offering a substitute amendment to S. 4 which we believe is a real competitiveness bill. It is aimed at reversing the trend of anticompetitive regulations which take such an immense toll on our economy. It also makes an effort to reform the process which leads to the promulgation of such regulations.

Over the past century, Federal regulations have collectively limited our economy's ability to approach its maximum potential for growth. As many as 85 percent of Americans agree that Government regulators are now out of control and that lowering the cost of regulation to the public should be a very top priority. The American consumer obviously know what is up. We consumers ultimately bear the costs of all these regulations. The Clinton administration in the reinventing government proposal has stated that the current costs of government regulation in America is $430 billion per year. Thomas Hopkins of Rochester Institute of Technology, who is thought to have authored the foundational study of the cost of regulations, has projected $564 billion as the figure for 1992. Either way, it amounts to $4,300 to $5,600 per family per year. These costs do not appear on any Government ledgers or on a paysheet stub. It is a hidden tax which equals or exceeds the average Federal tax burden on an American family, estimated at $4,000 per year by the Bureau of Labor Statistics Consumer Expenditure Survey 1988–1989.

Our objective is to provide regulatory relief to American consumers without endangering their health or their safety. This is not all-sweeping legislation. Much more can and should be done. Our amendment has the endorsement of the 600,000-member NFIB and the Labor Policy Association. I ask unanimous consent that various letters of endorsement be printed in the RECORD after these remarks.

This legislation incorporates a few good ideas from both sides of the aisle. Some of them are new, and some have been shot down when offered separately in the past. But, it is a good start down the right path of regulatory reform. And based on preliminary CBO estimates, our amendment would save approximately $1 billion over 5 years.

Included in this amendment is language from Senator DOLE's Government downsizing bill relating to reforming the Davis-Bacon Act of 1931. We have also applied the same reforms to the Service Contract Act of 1965. Throughout their history, these laws have artificially increased the cost of Federal construction and service contracts. Davis-Bacon requires that construction contracts of more than $2,000 entered into by the Federal Government specify minimum wages to be paid to the various classes of laborers and mechanics working under those contracts. The minimum wages are based on the prevailing wage in the locality of the project as determined by the Department of Labor. The Service Contract Act also requires Federal contractors to pay the prevailing wage in the locality when contracting for a service worth more than $2,000. Several of my colleagues have advocated taking the ultimate step and repealing these laws. That is not a consensus building approach. Accordingly, we have tried to impose some sensible reform on these laws. We have increased the threshhold which triggers the applicability of these laws to $100,000. In Davis-Bacon, CBO estimates that this reform would save $216 million over the next 5 years. In the service contract law, CBO estimates that this reform would save the taxpayer nearly $100 million over the same period.

The costs of these laws are utlimately passed to the taxpayer. Not only are these laws anticonsumer, they also burden the private sector with tremendous paperwork. Contractors must submit extensive weekly payroll reports in order to prove compliance. Our proposal would eliminate the requirement of these weekly reports and instead require contractors to file monthly to prove their compliance.

Senator DURENBERGER has contributed legislative language which would enhance the international competitiveness of the American medical technology industry. Under current law, a medical device which has been approved in a foreign industrialized country may not be exported to that country from the United States, unless the product meets FDA standards. Even when the product will never be used in the United States and customers in a modernized nation want it—it is currently subject to the slow FDA product approval process. This impedes American industry's ability to export its more advanced medical technologies in an area where we have a large competi-

tive edge. The ultimate effect of current law is to encourage American firms to manufacture outside the United States. Our amendment would allow the technology to be exported to certain developed countries if that country's government makes a positive finding regarding the safety of the product.

Senator MACK has contributed legislative language from the Economic Growth and Regulatory Paperwork Reduction Act, which he introduced with Senator SHELBY. That bill has 51 cosponsors, and has the goal of reducing, in a measured way, some of the regulatory burdens which inhibit credit availability, and economic growth, without compromising the safety and soundness of our Nation's financial institutions. The redtape required of our lenders come at quite a cost to Americans. A recent study by the Federal Financial Institutions Examination Council estimated that the cost of regulatory compliance was as high as $17.5 billion per year. If this cost were reduced by just 25 percent, that would be approximately $4.4 billion which could be added to bank capital and could support tens of billions in additional lending. The language of the amendment ensures that the strong bank supervisory provisions enacted in recent years like risk-based premiums, strong capital rules, enhanced authority to close troubled institutions, and annual audits are maintained. Rolling back the crust of regulations on our Nation's financial institutions while leaving in place strong measures for safety and soundness of the industry is what we believe competitiveness is all about.

The Paperwork Reduction Act of 1993 is bipartisan legislation that was sponsored by Senators NUNN, BUMPERS, DANFORTH, DOLE, and others. It is fully incorporated in this amendment. The fundamental purpose of the Paperwork Reduction Act of 1980 was to minimize the Federal paperwork burdens imposed on individuals, small businesses, State and local governments, educational and nonprofit organizations, and Federal contractors. That act established the Office of Information and Regulatory Affairs [OIRA] within OMB. The mission of OIRA is to prevent the imposition of needless information collection requests on the public, and essentially to be the traffic cop to review potential regulations. OIRA tries to ensure that the information requested is necessary, assess how it will be used, and estimate the average burden on the recipient of the request.

Our amendment would overturn Dole versus United Steelworkers of America (1990). In that case, the Supreme Court ruled that the Paperwork Reduction Act was not applicable to non-Federal Government entities enlisted to process and maintain paperwork by the Federal Government. This decision has exempted about one-third of all Federal paperwork from OIRA review. Our amendment provides that all Federal Government sponsored paperwork would be subject to OIRA review. Furthermore, the amendment would set a governmentwide goal beginning on October 1, 1994, in order to reduce the Federal paperwork burden on the public by 5 percent per year for the next 3 fiscal years.

Senator WALLOP and Senator BOREN have introduced legislation called the Rural Community Bank Paperwork Relief Act. We incorporate the provisions of that bill in this amendment. The Community Reinvestment Act enacted in 1977 was not intended to burden small communities and responsible community banks in America's rural towns. The evidence is clear. These banks are serving community development needs in their areas. They must do so in order to stay in business. Our legislation would lift unnecessary CRA paperwork burdens from those institutions in small cities and towns, populations of not more than 20,000. The bill would allow lending institutions in such cities and towns to show that they are meeting their community's credit needs by utilizing State-based ratios as defined by appropriate Federal agencies. The bill would reward banks for making more loans in their communities, while retaining all appropriate requirements for safety and soundness.

In trying to make some progress toward inserting some modicum of common sense in the regulatory area, this legislation also includes language sponsored by the fine new Senator from Idaho [Mr. KEMPTHORNE] called the Hero Act. The idea for his bill arose from an accident on a construction site near Boise, ID. A dirt trench wall collapsed on 21-year-old Dwight Kaufman. All but one inch of his head was covered. He was suffocating and trying to scream for help. Two coworkers used their hands and tools to dig out the dirt from around Dwight's head before a rescue crew could arrive to pull him out of the ditch. His coworkers were able to save Dwight's life. OSHA did not quite see it that way. It fined the company nearly $8,000 because the good Samaritans failed to put on hard hats, and took no precautions against other trench walls falling on them during the rescue. The State OSHA director said that, 'Rescues must only be attempted after taking proper precautions to ensure that victims are not injured in secondary cave-ins." Senator KEMPTHORNE was successful in having the fines dismissed by the Labor Department. However, it is necessary to enact legislation which would exempt such acts of heroism from OSHA fines in the future. There should be a distinction made between technical violations of OSHA regulations and the heroic acts of individuals who respond to save other lives.

Another bipartisan piece of legislation known as the Economic and Employment Impact Act was introduced by Senators NICKLES and REID. It too is incorporated into our alternative. This legislation would require each committee report accompanying a bill to contain a CBO analysis of the bill's impact on employment and the economy. Furthermore, it would require the agency which publishes any significant proposed regulation to include an analysis of its economic and employment impact. Often, Congress fails to consider how much a new law or regulation would increase the cost of products and services to consumers or the loss in jobs when businesses have to cut back on their employment in response to growing Federal demands.

Also included in our substitute is legislation introduced by Senator DOLE and many others called the Private Property Rights Act. There are literally billions in claims filed against the Federal Government by landowners who believe their private property has been taken by the Federal Government without just compensation, as is required by the Constitution. It is important to note that a taking of private property can occur even though title to the property remains with the original owner and the Government has only placed restrictions on its use. Fortunately, courts have recognized that these partial takings are subject to just compensation under our Constitution. Unfortunately, the only check on the enforcement of these fundamental rights has been through our judicial system. There, Americans can, often at huge expense, seek to ensure that their Government complies with the Constitution. President Reagan recognized the failure of the system and issued Executive Order 12630 which in effect required Federal agencies to review regulations before they were issued to determine whether takings of private property might occur. The order directed the agencies not to take private property in whole or in part unless absolutely necessary. This legislation would codify that Executive order. Secondly, it would require all Federal departments and agencies to comply with that order.

I also appreciate the contribution of legislative language by Senator MURKOWSKI which further strengthens our amendment's efforts to reform the regulatory process. The language would require the heads of Federal agencies which are proposing regulatory actions to provide an analysis of the costs versus the benefits of the proposed action, and to publish that analysis in the Federal Register. This analysis will include the effect of the proposed regulation on jobs, the economy, and the environment. It requires a certification by the promulgating agency that the regulation will justify the costs to the Government and to the public.

Senator WALLOP, my good friend from Wyoming, has contributed a second regulatory reform measure to this package. Provisions he authored would amend the Regulatory Flexibility Act [RFA] to provide relief to small businesses. Currently there is no meaningful judicial review under RFA from a Federal agency's decision that a regulation would not have a substantial impact on small business. Our amendment would give RFA teeth by providing for such judicial review procedure.

I very much appreciate the fine assistance and cooperation of those colleagues who have had your legislative ideas incorporated into this measure. This legislation is certainly not the end of our vigorous efforts toward achieving regulatory reform, indeed it is a good start, and a much better alternative to achieving real competitiveness than S. 4, as reported. I urge my colleagues to support this amendment.

I also emphasize that I am the compiler of the various components of this amendment, not the author of the various provisions. Although I appreciate the rich cooperation and contributions of my colleagues, I would not pretend to be the expert on the provisions crafted by others.

So I know that my colleague from South Carolina will ask some piercing questions on my amendment. When they become too piercing, I shall simply call upon my colleagues who have authored that particular section to come forward in order to provide a more detailed response.

The Senator from South Carolina has seen all of these provisions in one form or another during his "tour of duty," as have I. This is by no means a frivolous amendment. We are not attempting to detonate the whole situation. It is an honest attempt to say: If you are going to talk about competitiveness, get some of these things done which, in our minds, would truly be a competitiveness act of greater import.

At this time, I will certainly assist in seeing that those who wish to speak on this amendment come forward; and if not, I will assist the manager of the bill in setting a time agreement where we can dispose of this during the day, because the majority leader clearly has indicated that we will proceed into the dark hours if we do not conclude, or at least get to a point of disposition.

Mr. HOLLINGS. Mr. President, if the Senator will yield, he said it is not his intent to destroy.

Someone could well say: Fine, let's also tack on regulatory reform, and Bacon-Davis, and labor matters, and banking matters, and economic-impact statement matters, and so on without end.

But does the Senator realize that this has been a bipartisan effort over the past 5, 6, 7 years, trying to boost America's technological competitiveness? It has been a concerted effort by the House and Senate, Republican and Democrat.

We got it moved. We got it ready to be approved, but now the Senator's measure says, as a substitute, get rid of it, and let us just have two regulatory reforms.

I am sure I would be astonished if that was the intent of the Senator. Is that the intent—just to get rid of this bill?

Mr. SIMPSON. Mr. President, that is not the intent. It is trying to bring a sense of reality.

There are those on my side of the aisle who feel that if this were really the attempt to give a rebirth to President Bush's proposal, which was somewhat similar to this, as I understand, and which had the provisions in it which cost in total, I am told, $280 million, this measure is $2.8 billion. My information, and I share it with the Senator from South Carolina, would indicate that S. 1330—these are the figures I have and I would like to have that discussed—was called the Manufacturing Strategy Act of 1991. Of course, that was of the Bush administration years. It authorized $280 million for 3 years. The bill was passed in the Senate in June of 1992 and while in the House the authorizing levels were increased and the House message was never passed prior to adjournment. There was an understanding among Senate Republicans that if the bill were to reach the White House, President Bush would veto the measure. That signal went out that they had increased the amount of the budget, and he did not go for that.

The pending National Competitiveness Act authorizes $2.8 billion for 2 years. I inquire of these figures, 1995 fiscal year and 1996. It also encompasses parts of four other initiatives which individually have never passed the Senate. If we are dealing with things that have never passed, in my amendment we are dealing with four things that have never been passed before in the Senate. In addition, the four initiatives have also been authorized at a considerable increase, in some cases nearly 10 times the original level. The four initiatives are, and I seek information, S. 1328, which is the Advanced Manufacturing Act of Senator BINGAMAN; a bill of Senator WOFFORD, the occupant of the chair, called S. 3296, the Industrial Innovation Act; S. 1581, technology transfer improvement by Senator ROCKEFELLER; and S. 2937, the Information Infrastructure Technology Act, which originally was an authorship of Senator GORE, and Senate Republicans have supported funding for advanced technology programs, manufacturing technology centers, however at considerably lower levels than those authorized in the pending S. 4, and that is a legitimate objection of many in my party.

We are seeking a judgment on what is the best way to help move and assist with competitiveness. The whole point of Senator HOLLINGS' bill is competitiveness. We take a different view, or a great majority of us take a different view of what constitutes competitiveness.

We think our amendment is very germane, and it represents two different approaches to that issue, but it is a very honest attempt. We have the gravest of reservations of seeing the money go to the Department of Commerce for even though there may be peer review and all sorts of safeguards, this is a huge amount of money, and it will be going out with a great deal of pressure involved because of the matching funds and because of employers. You can bet we are getting a lot of urging from some of our constituents, often the ones who write us the most pungent letters about the deficit and the debt, saying simply get the bucks, get the bucks, and get them in places where it will best help this administration.

That is the viewpoint that is held by many on our side of the aisle.

So with those explanations if those queries can be assuaged, I would certainly appreciate it. But that is where this amendment is coming from.

I have the deepest respect for the Senator from South Carolina. I worked with him side by side much more than we have ever been on the other side. But it is simply our view that it is too big. It does not fit. If we are continuing to say that President Bush made a proposal of $280 million over 5 years and this one is $2.8 billion over 2 years, it just seems all out of proportion to what has changed so much since 1991 and 1994.

Those are my inquiries.

Mr. HOLLINGS. Yes.

Mr. President, now for discussion with respect to amounts, the 1993 figure which was the last figure that we had from President Bush was $288 million and the present 1994 figure that we have right now under the budget is $526 million. So we both have the same figures of $526 million at the present time, $287 million under President Bush.

I am going to distinguish various things. One thing, in the Bush years, we didn't have the national information superhighway, we never had the National Science Foundation, and other moneys in here.

But let us start right at the beginning with one thing we can agree on. This is not the Bush program. In fact, I wish the Senator would have been there in 1988 when we had the trade bill, and I instituted this at the request of industry. I had tremendous industry support behind me. We put it on the trade bill, and the word came back from the conference that it was veto bait by President Bush.

I then got with the conference and persuaded them that we had such

strong support. I can see Senator Bentsen now, and we intended just frankly to take the floor and do the best we could to expose the fallacy of the idea that here with $70 billion in Government research there wasn't any for commercializing technologies. This was not going to withstand the light of day and the light of truth.

So they included it on the bill and sent it to the President. He signed it, but he did not like it, and he did not fund it. So, in 1989 and 1990 if you want to look at the Bush figure, it was zero. Let us get the record straight. Zero. We put the moneys in in the appropriations process. So we are not trying to implement any Bush policy here. We brought him kicking and screaming into the real world. He finally realized that he had to put some money up there in his budget request, a minimal amount at that. When I say "minimal," Mr. President, let us go to various things here that refer to just exactly where we are.

The Critical Technologies Subcouncil—and I want to get my colleague's attention with respect to this because President Reagan's National Science Foundation director was the chairman, Erich Bloch, of the Critical Technologies Subcouncil, that submitted this report just as President Clinton came to office the early part of last year.

The membership of this particular Subcouncil is very noteworthy with the dean of the Albert Nerken School of Engineering, Eleanor Baum; Frederick Bernthal, Deputy Director of the National Science Foundation; Michael Borrus, co-director, Berkeley Roundtable on International Economics; Eugene Wong, who was the Associate Director of Industrial Technology, Office of Science and Technology Policy under President Bush; Mr. Robert M. White was Under Secretary of Technology in the Department of Commerce. You can go right on down, whether on the labor side, Howard Samuel, president of the Industrial Union Department of AFL–CIO; or Craig Fields, president and CEO of MCC; Edward Fort, chancellor of North Carolina A&P Techical State University; John Foster, consultant, TRW. William Happer, the director of the Office of Energy Research; Richard Lester, the director of the Industrial Performance Center, MIT; Richard Nelson, a professor at Columbia University.

I have got them on and on.

I ask unanimous consent that the entire report be printed in the RECORD, along with these board members.

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

PROMOTING INDUSTRY

Equally important to a competitive economy is a clear and rational approach to managing business and industry. This includes a sharp improvement in our ability to develop and, most important, to apply new technologies. It also means careful attention to the way in which corporations are governed by internal and external decision-makers, and the relationships between corporations and the financial markets on which they depend for capital. A competitive economy must also look beyond its borders to international markets for its products. Trade policy is an important ingredient in the competitive vantage point of American businesses.

TECHNOLOGY

For most of the past 50 years, technology has been an unquestioned American strength. US industry was the leader in virtually all key areas of civilian technology. The United States science and technology enterprise still has many outstanding strengths, including unparalleled research universities, an open and entrepreneurial climate that attracts the best minds and ideas from around the world, technically advanced national laboratories, and strong corporate research labs.

Nevertheless, in many leading edge areas of technology, US leadership has declined or been lost. Studies indicate that the United States still leads in overall manufacturing productivity by some measures but that we fall behind in machinery, electrical equipment, transport equipment and ground transport—technology intensive sectors that are essential for trade, national security, and economic growth. Moreover, R&D in general is underfunded. In 1990, for example, the nation as a whole invested only 1.9 percent of GDP on non-defense R&D as compared with 3 percent in Japan and 2.7 percent in Germany.

A major problem facing American competitiveness is the lag of American firms in converting technological advances into a competitive advantage in the marketplace—the "commercialization" of technology. We continue to lead the world (albeit by a shrinking amount) in new inventions. Firms in other countries, however, seem to do better at converting new ideas—including American ideas—into the third, sixth and tenth iteration of the product that captures markets. Our smaller firms are often unable to grow successfully beyond the new venture stage, and our larger firms often seem unable to sustain the continual flow of improvements in process and product that is necessary to meet ever-more vigorous foreign competition. Unfortunately it remains largely correct that "Americans are good starters while the Japanese (and others) are better finishers." Flat panel displays and robotics are two prime examples of this pattern. Furthermore, with five of the top ten recipients of US patents in 1991 being Japanese firms, we cannot be assured of our lead in invention for the future.

Our Subcouncil on Critical Technologies concluded that US companies, universities, and the federal government have undervalued the importance of making continual improvements to products and processes, and of manufacturing in general. As noted in our First Annual Report, federal technology policy has contributed to the problem by focusing primarily on esoteric defense technologies and on scientific break-throughs rather than on areas that will provide the greatest economic benefits and commercial follow-throughs.

To improve and accelerate the commercialization of US technology, both industry and government must substantially increase the resources devoted to R&D, on process technologies in manufacturing. US manufacturing industries currently invest about $76 billion annually in privately-funded R&D, a little over 1 percent of GDP. Japanese and German industry invest closer to 2 percent of their GDP (Figure 5). The difference shows up clearly in the relative roles of manufacturing industries in the three countries' economies: manufacturing's share of GDP in 1989 in the United States was 19.3 percent, but far greater in Germany (31.1%) and Japan (28.9%).

[Graphics not reproducible in the Record.]

There must also be a renewed effort to disseminate technological "best practices" throughout industry. With proper reforms, government funding and technical resources can provide incentives and leverage private sector investment, requiring little if any net increase in government spending.

The Council endorses a number of technology proposals developed by our Manufacturing Subcouncil and our Subcouncil on Critical Technologies. First, private sector R&D should be stimulated and expanded by implementation of a new innovation and commercialization tax credit (ICTC):

R&D on process improvements (in addition to R&D which occurs before the "first article of production") should clearly be eligible for the credit. This will support continual improvements in process as well as product technology.

The credit should be made permanent to provide a solid basis for long-term corporate planning.

The credit should apply to incremental expenditures, as recommended by our Subcouncil on Critical Technology. Our Manufacturing Subcouncil prefers that the credit apply to all research and development spending at a much lower rate.

An additional 25 percent credit should be allowed for industry-sponsored university research, in light of the wide benefits of such research and the desirability of linking university research to industry needs. Most university research is now government funded.

To help overcome corporate reluctance to test traditional antitrust tenets, an additional 10 percent credit could be allowed for the first two years of new R&D consortia registered under the Cooperative Research Act of 1984, such as SEMATECH or the Advanced Battery Consortium.

Second, the government should reorient its own R&D spending from purely military to civilian and dual-use R&D. At the height of the Cold War, almost two-thirds of all government R&D went for narrow military purposes. That ratio has already declined to less than 60 percent and should fall to 50 percent in the coming years. As major defense systems are delayed or cancelled, the reductions in development and testing budgets—a range of perhaps $4 to $8 billion—should be applied to civilian and dual-use R&D. Defense research and exploratory development should be kept strong but the new R&D budget should also emphasize generic technologies including new materials, biotechnology, computers and especially manufacturing processes. The White House Office of Science and Technology Policy (OSTP) should ensure that the efforts of all the agencies—civilian and defense—are better coordinated and better integrated with those of the private sector, as has been done for high-performance computing and communications.

Third, some of these funds should be used to expand federal support for cooperative projects in areas of strong industry-government mutual interest such as manufacturing processes, improving energy efficiency, developing environmentally benign products,

improving the national information infrastructure, and technologies for improved health care and education. Specific steps include:

Encouraging the Defense Advanced Research Projects Agency (DARPA) and the military services to actively promote dual use technologies. Evidence of potential commercial utility should be a plus, not a minus, in evaluating projects that are otherwise significant for national security needs.

Expanding the Advanced Technology Program in the Department of Commerce to an annual program level of about $750 million.

Allocating 10 to 20 percent of the resources of the multi-program labs operated by the Department of Energy, of the NASA labs, and of selected Defense Department labs to jointly planned and jointly funded industry-government R&D on the basis of model Cooperative Research and Development Agreements (CRADAs) with private firms. Lab directors should be able to enter into these partnerships without long delays and micromanagement from their agencies.

Modifying federal procurement rules to make the federal government a better consumer of leading edge technologies.

Authorizing on a pilot basis DARPA, the Department of Commerce, the National Institutes of Health and perhaps others, such as the National Science Foundation's Engineering Research Centers, to participate directly in the commercialization of technologies they have supported, through equity participation or loans, increased both their incentive to foster business successes and their funding for future efforts.

Requesting the Department of Commerce to explore ways to facilitate filing for foreign patents by American universities, perhaps involving a revision of the overhead rules.

COOPERATIVE GOVERNMENT—INDUSTRY TECHNOLOGY PROGRAMS

A number of cooperative government—industry R&D programs were started in the 1980s, aimed at developing generic industrial technologies and building cooperation across industry, academia, and government. Key characteristics of such programs are industry participation in project planning, funding, evaluation, and personnel exchanges.

The Advanced Technology Program. A key missing piece in the commercialization of technology is the R&D that falls between basic research (often federally-funded) and specific product development (usually industry-funded). This stage is known as precompetitive or generic R&D and is the focus of the Advanced Technology Program (ATP) within the Department of Commerce. ATP was established in 1988 to support private sector development of promising generic technologies. Project proposals are submitted by private sector businesses and joint ventures, and awards are made competitively based on an external expert review of their technical merit and business potential.

SEMATECH. SEMATECH is an industry-government funded, industry-led R&D consortium created in 1987 to recapture US leadership in semiconductor manufacturing technology. Member companies set the research agenda and contribute at least half of the $200 million in annual funding and approximately 60 percent of the technical personnel. A recent General Accounting Office review found that SEMATECH's technical progress is on schedule and that SEMATECH has led to improved cooperation among semiconductor makers and between semiconductor makers and their suppliers. Most observers credit SEMATECH with helping the US semiconductor industry and the semiconductor equipment industry regain global market share.

Engineering Research Centers. The National Science Foundation established its first Engineering Research Centers in 1985 to foster an interdisciplinary, team oriented approach to engineering and to speed the conversion of advances in fundamental research in universities into competitive products and processes in the marketplace. There are currently 18 centers at major US universities in such critical technology fields as bioprocessing and biomedical engineering optoelectronics, microelectronics and communications; and manufacturing and design. The centers are jointly funded by government and industry and are evaluated in part on their contribution to competitiveness and degree of interaction with industry.

CRITICAL TECHNOLOGIES SUBCOUNCIL

Chairman: Erich Bloch, Distinguished Fellow, Council on Competitiveness, (President Reagan's USF Director).

David W. Cheney, Staff Director.

MEMBERSHIP

Eleanor Baum, Dean, Albert Nerken School of Engineering, Cooper Union;

Frederick M. Bernthal, Deputy Director, National Science Foundation;

Sherwood L. Boehlert, U.S. House of Representatives;

Michael G. Borrus, Co-director, Berkeley Roundtable on International Economics;

Rick Boucher, U.S. House of Representatives;

Lewis M. Branscomb, Professor, Harvard University;

Daniel Burton, Executive Vice President, Council on Competitiveness;

Dennis Chamot, Executive Assistant to the President, Department of Professional Employees, AFL–CIO;

John Deutch, Professor, MIT;

John W. Diggs, Deputy Director for Extramural Research, Department of Health and Human Services;

Craig Fields, President and CEO, MCC;

Edward B. Fort, Chancellor, North Carolina Agricultural and Technical State University;

John S. Foster, Consultant, TRW, Inc., and Chairman, Defense Science Board;

William Happer, Director, Office of Energy Research, US Department of Energy;

Joseph S. Hezir, Principal, EOP Group, and former Deputy Assistant Director, Energy and Science Division, OMB;

Richard K. Lester, Director, Industrial Performance Center, MIT;

John W. Lyons, Director, National Institute for Standards and Technology;

Daniel P. McCurdy, Manager, Technology Policy, IBM;

Joseph G. Morone, Professor, Rensselaer Polytechnic Institute, School of Management;

Al Narath, President, Sandia National Laboratories;

Richard R. Nelson, Professor, Columbia University;

William D. Phillips, Former Associate Director of Industrial Technology, Office of Science & Technology Policy;

Lois Rice, Guest Scholar, Brookings Institution

Nathan Rosenberg, Director of Program for Technology & Economic Growth, Stanford University;

Howard D. Samuel, President, Industrial Union Department, AFL–CIO

Hubert J.P. Schoemaker, President and CEO, Centocor, Inc.;

Charles Shanley, Director of Technology Planning, Motorola Inc.;

Richard H. van Atta, Research Staff Member, Institute for Defense Analyses;

Robert M. White, Under Secretary for Technology, US Department of Commerce;

Eugene Wong, Associate Director of Industrial Technology, Office of Science & Technology Policy, (Bush administration).

Mr. HOLLINGS. Mr. President, addressing the charge that there is too much money. Amongst other things, the report said:

Second, the Government should reorient its own R&D spending from purely military to civilian and dual-use R&D. At the height of the cold war, almost two-thirds of all Government R&D went for narrow military purposes. That ratio has already declined to less than 60 percent and should fall to 50 percent in the coming years. As major defense systems are delayed or cancelled, the reductions in development and testing budgets—a range of perhaps $4 to $8 billion—should be applied to civilian and dual-use R&D.

Let me repeat that—that $4 to $8 billion should be applied to civilian and dual-use R&D.

The total amount would be $1.37 billion for next year, and for 1996, $1.4 billion.

And here, this Critical Technologies Subcouncil, that is an impartial group of scientists, engineers, college presidents, and research directors in the field of technology, they asked for a range of $4 to $8 billion. I quote:

Defense research and exploratory development should be kept strong but the new R&D budget should also emphasize generic technologies including new materials, biotechnology, computers, and especially manufacturing processes * * * some of these funds should be used to expand Federal support for operative projects in areas of strong industry-Government mutual interest such as the manufacturing processes, improving energy efficiency, developing environmental benign products, improving the national information infrastructure, and technologies for improved health care and education.

Now we have added in the national information infrastructure, as well. We are only at $1.4 billion. We do not get to the bottom figure of $4 to $8 billion. We look at the big picture, $70 billion in research, and we say that of $70 billion, let us allocate to commercialization and manufacturing some fraction of that, $4 to $8 billion. When we come year after next, 2 years from now, the sum is $1.4 billion—a quarter of the amount recommended.

They say, too big, too big, and this is a Bush program gone awry. It is not a Bush program. Oh, no, I can tell you. I had to fight for this one, and he did not like it. We heard all of that nonsense about industrial policy. At the same time we were trying to get Avtech, an aviation consortium. When they got Sematech for semiconductors, they did not mind industrial policy for their particular interests. But when it came to industrial policy for all technology, then they started squawking. Then came the election of November 1992, with the call to get this country mov-

ing. Americans had had enough of the negative industrial policy of the eighties, losing 2 million jobs and losing our manufacturing backbone in this country.

Right to the point, I read: "Expanding the Advanced Technology Program in the Department of Commerce to an annual program level of $750 million."

Now look at the Advanced Technology Program under this bill. Instead of $750 million, we asked for $475 million for 1995 and $575 million for 1996, 2 years out. We have not gotten to that so-called Bush figure.

When the impartial groups meet, we can go—and I think I should at this time, by emphasis on money, I mean right now the funding for extension centers is $30 million. Yet recently, McDonnell Douglas in St. Louis, MO, just won a $42.9 million research program. Now that is one single research program.

We are trying to bring this into perspective. For the understanding of everybody, yes, there is the bill by the distinguished Senator from Pennsylvania and the distinguished Senator from New Mexico. And so far it is all into this particular bill. There will be other bills perhaps.

But this is the one adopted by the administration and a consensus of Senators and Congressmen on both sides of the aisle, and that is why it has been unanimous and we said let us come on in and let us get it going because we have the instrumentality. The bill relies on peer review. It is a merit selection process initiated by the industry itself.

And I cannot overemphasize, Mr. President, that while we were talking about the need for a growth policy, the Bush administration was opposing, was offering absolutely nothing. At that time, we had the MIT study about America regaining its productive edge.

I ask unanimous consent that this study be printed in the RECORD.

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

MADE IN AMERICA—REGAINING THE PRODUCTIVE EDGE

(By Michael L. Dertouzos, Richard K. Lester, Robert M. Solow, and the MIT Commission on Industrial Productivity)

INTRODUCTION

To live well, a nation must produce well. In recent years many observers have charged that American industry is not producing as well as it ought to produce, or as well as it used to produce, or as well as the industries of some other nations have learned to produce. If the charges are true and if the trend cannot be reversed, then sooner or later the American standard of living must pay the penalty.

The indictment of American industry has multiple counts. Products made in the United States are said to be inferior to foreign goods; this complaint extends both to consumer products, such as cars and clothing, and to industrial commodities, such as steel and semiconductor chips. American factories are accused of inefficiency; the work force is said to be indifferent and ill-trained; and managers are criticized for seeking quick profits rather than pursuing more-appropriate long-term goals. Designers, engineers, and the research community are also named in the indictment, on the grounds that America's best technology has been surpassed in many fields.

Some of the charges can be backed up by quantitative evidence. The United States buys far more overseas than it can sell in other countries, which has resulted in a huge current-account deficit: $161 billion in 1987. Most of this imbalance is generated by trade in manufactured goods. Growth in productivity, a crucial indicator of industrial performance, has been slower in the past 15 years than it was for at least two decades before; moreover, the rate of productivity improvement in the United States has fallen behind that in several Western European and Asian nations. Certain American industries that once dominated world commerce—automobiles and steel come immediately to mind—have lost much of their market share both at home and abroad; in a few industries, attitudinal complexes compete with one another. Only an extraordinary optimist could believe, for example, that the current wave of takeover activity is an efficient way to deal with the organizational deficiencies of American industries. In at least one respect, its tendency to favor short time horizons, we believe it is part of the problem, not part of the solution.

Why Manufacturing Matters

The Commission has concentrated much of its effort on identifying and prescribing cures for weaknesses in manufacturing performance. But how important is manufacturing? Its share of total employment, more than 30 percent not long after World War II, has been shrinking steadily and is now below 20 percent. Meanwhile, employment in the service sector has been increasing both in absolute terms and as a share of the total. By this measure, at least, manufacturing is less important than it was in the past. Indeed, some see a transition from manufacturing to services as an inevitable and desirable stage in the economic development of the nation, with the U.S. increasingly leaving manufacturing to other countries.

We think this idea is mistaken. A large continental economy like the United States will not be able to function primarily as a producer of services in the foreseeable future. One reason is that it would have to rely on exports of services to pay for its imports, and this does not seem realistic. In 1987 gross U.S. exports of services, excluding income from overseas investments and overseas sales of government services, were worth about $57 billion, whereas the total value of goods and services imported into the United States was about $550 billion. Trade in services is increasing, to be sure, and the United States is among the world's largest exporters of services. Imports as well as exports of services have been growing rapidly, however, and U.S. trade in services, excluding official transactions and investment income, is approximately in balance.

The notion that the United States could eventually become almost exclusively a producer of services is all the more implausible when it is recognized that all of the manufactured goods now produced domestically would have to be imported (and hence paid for with exports of services). In 1987 the total value of manufactured goods purchased in the United States was about $1 trillion, nearly 20 times the volume of services exported. Moreover, the long-term trend in the United States is toward increased demand for manufactured goods. Between 1960s and 1986 total spending on manufactured goods other than food and fuel in the United States increased threefold in real terms. In short, it is unreasonable to expect that the United States could achieve a trade surplus in services large enough to satisfy its huge appetite for manufactured goods, if all such goods had to be imported.

There is also reason to believe that if large sections of American manufacturing industry were ceded to other countries, high-wage nonmanufacturing industries would follow them, including many of the service industries that provide inputs to manufacturing, such as design and engineering, payroll, inventory and accounting, finance and insurance, transportation, repair and maintenance of plant and equipment, testing services, and the like. According to a recent estimate by the Congressional Office of Technology Assessment, private service industries supplied 17 cents of inputs toward each dollar of manufacturing output.

The United States thus has no choice but to continue competing in the world market for manufactures. The ultimate scale of American manufacturing industry is not known, but it will not be trivial. The important question is not whether the United States will have a manufacturing industry but whether it will compete as a low wage manufacturer or as a high-productivity producer.

If labor and capital were perfectly mobile across national borders, there would be less need to worry about the viability of American industry. Labor and capital resident in the United States would earn what they could elsewhere, or they would go elsewhere. But labor is far from mobile internationally, and capital, while more mobile, is not perfectly mobile. Hence, the best way for Americans to share in rising world prosperity is to retain on American soil those industries that have high and rapidly rising productivity. Manufacturing, and high-technology manufacturing in particular, belongs in this category.

A related fact is that manufacturing firms account for virtually all of the research and development done by American industry. They thus generate most of the technological innovations adopted both inside and outside their own industry. High technology manufacturing industries account for about three-quarters of all funding for research and development, and the other manufacturing industries account for most of the rest. The roots of much of the technological progress responsible for long-term economic growth can ultimately be traced to the nation's manufacturing base. Because of this connection, high-technology and high-value-added services as well as products depend on the presence of a healthy, technologically dynamic manufacturing sector.

Finally, even if all the economic arguments for the importance of manufacturing were somehow rendered moot, the nation's manufacturing base would still remain fundamentally important to national security. The Department of Defense has estimated that it purchases about 21 percent of the gross product of U.S. manufacturing industries and over a third of the output of high-technology manufacturing industries; it depends on virtually every sector of the manufacturing base for its matériel. For the nation to become heavily dependent on foreign technology for its defense would be politically and militarily untenable.

These arguments for the importance of manufacturing still do not explain why it is the exclusive focus of the Commission's report. Manufacturing may be essential, but it accounts for less than a fourth of the GNP and for less than a fifth of all employment. Further, manufacturing is certainly not the only troubled sector of the economy; as shown in table 2.1, productivity growth in many nonmanufacturing industries has been significantly worse. Since these other segments now account for such a large part of the economy, progress in them is essential; the nation cannot sustain an overall improvement in its standard of living without them, no matter how well manufacturing performs.

Again, then, why did the Commission study only manufacturing? In part, we were choosing the segment of the economy with which MIT, an institution with technology at its core, has the closest ties; we chose it because we know it best. We should also acknowledge that the choice may have caused us to miss certain causes of productivity weakness or opportunities for productivity growth. We suspect that one such neglected area may be low productivity among white-collar workers, which is emerging as a particularly serious problem in the services sector and which deserves more careful attention than we have been able to give it.

TECHNOLOGICAL WEAKNESSES IN DEVELOPMENT AND PRODUCTION

In the postwar years the United States invested heavily in research, and the investment paid off, sometimes in surprising ways. Basic research, undertaken for its own sake, often led to commercial applications that could not have been predicted at the outset. Likewise, research for defense needs generated innovations useful for the civilian economy. These experiences shaped current expectations for science and technology.

There are important truths embodied in these expectations. Investment in basic scientific and engineering research is essential for long-term economic growth. Defense research can bear commercial fruit. But the nation's technological strength depends on far more than the health of its research laboratories, important as that is. Prowess in research does not lead automatically to commercial success. New ideas must be converted into products that customers want, when they want them, and before competitors can provide them, and the products must be made efficiently and well. Ralph Gomory of IBM recently observed, "You do not have to be the science leader to be the best consumer of science, and you do not have to be the best consumer of science to be the best product manufacturer."

The United States is still unarguably the leader in basic research. The scale of its scientific enterprise is unequaled, and it is second to none in making new discoveries. Yet U.S. companies increasingly find themselves lagging behind their foreign rivals in the commercial exploitations and discoveries. Transistor radios, color televisions, videocassette reorders, and numerically controlled machine tools are just a few examples of products now dominated by foreign manufacturers, even though the major enabling technological advances were first made in the United States.

There is irony in this situation. The industrial lead built up by the United States earlier in the century rested in no small part on its superior performance in exploiting inventions made elsewhere. Later, during the first two decades of the postwar era, American firms dominated the early stages of the product cycle in most industries. Because of the unrivaled strength of the nation's research base and the industrial weaknesses of other countries, U.S. firms were almost always first to market with new products. In many cases, overseas rivals eventually did acquire the technology, and their lower labor costs sometimes enabled them to manufacture the products more cheaply. By then, however, the American firms had moved on to the next generation of new products.

Today the industrial nations of Europe and Asia have greatly expanded their technological capabilities. They can understand and rapidly capitalize on promising technological discoveries made anywhere in the world. They have also developed their own private and public research establishments. The emphasis of their research is somewhat different, however. They have focused on applied research and on product and process development. As a result, they have greatly shortened the time between discovery and commercialization.

In the United States, meanwhile, outstanding successes in basic science and in defense research have left the product-realization process a poor cousin. As firms in other countries have improved their capabilities in these downstream areas, shortcomings have become evident in the performance of American industry in developing new products, engineering them, and manufacturing them. Specifically, our industry studies have revealed several closely related deficiencies in this area. American companies evidently find it difficult to design simple, reliable, mass-producible products; they often fail to pay enough attention at the design stage to the likely quality of the manufactured product; their product-development times are excessively long; they pay insufficient attention to manufacturing processes; they take a reactive rather than a preventive approach to problem solving; and they tend to underexploit the potential of continuous improvement in products and processes.

Who Is to Blame?

The persistent failures of American industry to convert technologies into products have several root causes. In earlier chapters of this book industrial managers and executives have already been accorded a generous share of the blame. In the immediate postwar years they were complacent; they held stubbornly to an outmoded mass-production model; they set inappropriate financial goals; they relegated product realization and production engineering to second-class status; and they failed to make the investments in plant, equipment, and skills necessary for timely product development and efficient manufacturing.

But managers are not the only responsible parties; another detrimental influence has been the apparent indifference of government. Whereas the governments of most other industrial nations have actively and explicitly promoted research and technology for economic development, U.S. policy for science and technology has traditionally focused on basis research and paid much less attention to the commercial development and application of new technologies. The latter has been seen as the responsibility of the private sector. The Department of Defense, NASA, and other government agencies have invested heavily in technology development, but usually with specific missions in mind; commercial spinoffs are sometimes cited by those promoting the programs, but little is done to foster commercial exploitation. Recently, as concern about the nation's competitiveness has grown, the government has begun to assume a more active role in supporting the commercialization of technology. In the main, though, these efforts have focused on the commercialization of new products. Only very recently (in programs such as Sematech, the National Center for Manufacturing Sciences, and the Industrial Base Initiative, sponsored by the Department of Defense) has the federal government paid much attention to questions of manufacturability and process technology.

Mr. HOLLINGS. Starting right there with the very first sentence: "To live well, a nation must produce well."

Now we are not legislating here about government regulations. That is an ancillary issue, outside the scope of this bill. We do not have anything in the 140-some pages to do the regulatory matters related to the banking industry or Davis-Bacon in labor or environmental impact statements or economic impact statements or paperwork or any of these other things.

"To live well, a nation must produce well."

It goes on to say:

The Commission has concentrated much of its effort on identifying and prescribing cures for weaknesses in manufacturing performance. But how important is manufacturing? Its share of total employment, more than 30 percent not long after World War II, has been shrinking steadily and is now below 20 percent.

This is 5 years ago in 1989:

Meanwhile, employment in the service sector has been increasing both in absolute terms and as a share of the total. By this measure, at least, manufacturing is less important than it was in the past. Indeed, some use a transition from manufacturing to services as an inevitable and desirable stage in the economic development of the nation, with the U.S. increasingly leaving manufacturing to other countries.

We think this idea is mistaken. A large continental economy like the United States will not be able to function primarily as a producer of services in the foreseeable future. One reason is that it would have to rely on exports of services to pay for its imports, and this does not seem realistic.

Going on:

There is also reason to believe that if large sections of American manufacturing industry were ceded to other countries, high-wage nonmanufacturing industries would follow them, including many of the service industries that provide inputs to manufacturing, such as design and engineering, payroll, inventory and accounting, finance and insurance, transportation, repair and maintenance of plant and equipment, testing services, and the like. * * *

The United States thus has no choice but to continue competing in the world market for manufacturers. The ultimate scale of American manufacturing industry is not known, but it will not be trivial. The important question is not whether the United States will have a manufacturing industry but whether it will compete as a low-wage manufacturer or as a high-productivity producer.

If labor and capital were perfectly mobile across national borders, there would be less need to worry about the viability of American industry. Labor and capital resident in the United States would earn what they

could elsewhere, or they would go elsewhere. But labor is far from mobile internationally, and capital, while more mobile, is not perfectly mobile. Hence, the best way for Americans to share in rising world prosperity is to retain on American soil those industries that have high and rapidly rising productivity. Manufacturing, and high-technology manufacturing in particular, belongs in this category.

A related fact is that manufacturing firms account for virtually all of the research and development done by American industry. They thus generate most of the technological innovations adopted both inside and outside their own industry. High technology manufacturing industries account for about three-quarters of all funding for research and development, and the other manufacturing industries account for most of the rest. The roots of much of the technological progress responsible for long-term economic growth can ultimately be traced to the nation's manufacturing base. Because of this connection, high-technology and high-value-added services as well as products depend on the presence of a healthy, technologically dynamic manufacturing sector.

Going on, Mr. President, I do not want to have to read the entire matter. But let us say this:

In the postwar years the United States invested heavily in research, and the investment paid off, sometimes in surprising ways. Basic research, undertaken for its own sake, often led to commercial applications that could not have been predicted at the outset. Likewise, research for defense needs generated innovations useful for the civilian economy. These experiences shaped current expectations for science and technology.

There are important truths embodied in these expectations. Investment in basic scientific and engineering research is essential for long-term economic growth. Defense research can bear commercial fruit. But the nation's technological strength depends on far more than the health of its research laboratories, important as that is. Prowess in research does not lead automatically to commercial success. New ideas must be converted into products that customers want, when they want them, and before competitors can provide them, and the products must be made efficiently and well. Ralph Gomory of IBM recently observed, "You do not have to be the science leader to be the best consumer of science; and you do not have to be the best consumer of science to be the best product manufacturer." * * *

Yet U.S. companies increasingly find themselves lagging behind their foreign rivals in the commercial exploitation of inventions and discoveries. Transistor radios, color televisions, videocassette recorders, and numerically controlled machine tools are just a few examples. . . .

Today the industrial nations of Europe and Asia have greatly expanded their technological capabilities. They can understand and rapidly capitalize on promising technological discoveries made anywhere in the world. They have also developed their own private and public research establishments. The emphasis of their research is somewhat different, however. They have focused on applied research and on product and process development. As a result, they have greatly shortened the time between discovery and commercialization.

In the United States, meanwhile, outstanding successes in basic science and in defense research have left the product-realization process a poor cousin.

* * * * *

The persistent failures of American industry to convert technologies into products have several root causes.

They go down and list these things. But managers are not the only responsible parties; another detrimental influence has been the apparent indifference of government. Whereas the governments of most other industrial nations have actively and explicitly promoted research and technology for economic development, U.S. policy for science and technology has traditionally focused on basic research and paid much less attention to the commercial development and application of new technologies.

Then it goes on to talk about how we ought to join together with the private sector.

Mr. President, I ask unanimous consent that an editorial dated April 6, 1992 in Business Week, be printed in its entirety in the RECORD here.

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

FORGING A GROWTH POLICY FOR AMERICA

Call it the light bulb theory of growth. For some years now, America's most competitive companies have been its brainiest, the ones making the supercomputers and cellular phones, the spreadsheets and the synthetic drugs—the new products that dot our high-tech lives. In the global-growth sweepstakes, these companies lead the pack, and their competitors overseas in similar cutting-edge industries have become formidable opponents. They all rely on ideas—ideas for raw materials, product designs, manufacturing processes, and, ultimately, for commercial products.

In such an environment, knowledge counts for more than capital or labor. The nations that will prosper will be those that create new knowledge best and are able to transform it most effectively into new products and technologies. The end of the cold war with its prospect of big defense cutbacks breathes new life into an old question: Should the U.S. have a policy to promote technology and industry? We say the government must have an important role in spurring the attainment of knowledge and the generation of ideas, including research and development, scientific and technical education, the diffusion of technological knowledge, and help to industry in exporting science- and technology-based products (page 70).

America needs a new growth policy for the 1990s, an industrial policy that acknowledges that ideas drive growth. Government should provide a fertile environment for individuals, companies, and industries to pursue new ideas and new techniques, and it should be willing to spend money and even lose money today in order to ensure more vigorous growth tomorrow. Supporting tuition for engineering and science students and making the research and investment tax credits permanent would be good moves. So, too, would reallocating defense R&D spending toward civilian R&D.

And because so many people across so many industries benefit from ideas that serve as building blocks for new technologies and products, it's not right to assume that individuals or individual companies can or even should shoulder all the costs of developing new ideas. Even today, the U.S. government is supporting supercomputing and biotech research. Some basic ideas are, in economists' parlance, public, or at least quasi-public, goods and deserve to received public financing.

The critics will chorus that government shouldn't interfere with the marketplace. An industrial policy, they argue, puts government in the position of picking winners and losers. An industrial policy costs billions of dollars. An industrial policy smacks of central planning, the critics charge, citing the catastrophic failure of the Soviet command economy.

A coherent, knowledge-based growth policy can avoid the pitfalls the critics worry about. First, policies must be designed in such a way that no particular industries are favored. Parceling out research dollars via a scientific peer-review process and requiring business to make matching investments in some cases should protect the process from being hijacked by political interests. Shifting federal dollars out of other existing programs, such as military R&D spending, is one way to hold down costs. No, America doesn't want a Ministry of International Trade & Industry or a Gosplan. But even in the former Soviet Union, the diversion of good ideas to the defense industry produced some unparalleled high-tech accomplishments, just as in the U.S., the diversion of talent and resources to the defense sector brought new advances. It's clear that when government sets out to achieve something, the returns can be high. In the post-cold-war world of ideas, industry and government can be partners for growth.

Mr. HOLLINGS. That is where, amongst others who testified before us who said let us get going, we put it on the trade bill. As a result of having put it on the trade bill we had a hard time: No, this is not the Bush policy, this is not the Bush figure. But it is far below the figures recommended by all the private sector; far below the figures, $143 million, that the ranking member, formerly Chairman of Commerce under President Reagan, voted for. It is $143 million less—this is what we are recommending here rather than what Senator DANFORTH voted for:

The end of the cold war with its prospect of big defense cutbacks breathes new life into an old question: Should the U.S. have a policy to promote technology and industry? We say the government must have an important role in spurring the attainment of knowledge and the generation of ideas, including research and development, scientific and technical education, the diffusion of technological knowledge, and help to industry in exporting science- and technology-based products.

The report anticipated the critics:

The critics will chorus that government shouldn't interfere with the marketplace. An industrial policy, they argue, puts government in the position of picking winners and losers. An industrial policy costs billions of dollars. An industrial policy smacks of central planning, the critics charge, citing the catastrophic failure of the Soviet command economy.

A coherent, knowledge-based growth policy can avoid the pitfalls the critics worry about.

That is why I want to allude to this particularly, because this is what we have in this bill:

First, policies must be designed in such a way that no particular industries are favored.

That is the Advanced Technology Program, the extension, and services outreach centers. I will state that again: "Can avoid these pitfalls." We thought the same thing. We are not pell-mell down the road, and we are certainly not with any Bush policy, you are right:

First, policies must be designed in such a way that no particular industries are favored. Parceling out research dollars via a scientific peer-review process and requiring business to make matching investments in some cases should protect the process from being hijacked by political interests. Shifting federal dollars out of other existing programs, such as military R&D spending, is one way to hold down costs.

That is when you get the so-called cuts in defense, permitting the increases here. We are not increasing anything in the overall. In fact it is a net loss. We are cutting back, really, both. We cut back what the Senator from Missouri and the Senator from South Carolina, leading on this bill, voted for in the Commerce Committee last year in June when we reported the bill:

No, America doesn't want a Ministry of International Trade & Industry or a Gosplan. But even in the former Soviet Union, the diversion of good ideas to the defense industry produced some unparalleled high-tech accomplishments, just as in the U.S., the diversion of talent and resources to the defense sector brought new advances. It's clear that when government sets out to achieve something, the returns can be high. In the post-cold-war world of ideas, industry and government can be partners for growth.

That is the business world talking. As I read the amendment of the Senator, he said kill it. I would hope the Senator does not want to kill the modest momentum we have going, bearing in mind that this is far less than what we voted for. It has been cut back and it is far less than what the business leadership, the technological world says it ought to be: $4 billion to $8 billion. At best, 2 years from now we get to $1.4 billion.

The PRESIDING OFFICER (Mr. DORGAN). The Senator from Wyoming.

Mr. SIMPSON. Mr. President, the Senator from South Carolina is very instructive. I hear what he is saying. As far as numbers and history and background regarding these measures, I leave those things in the province of the chairman and the ranking member who is now on the floor.

I can see there has been a response to my remarks about President Bush. I do understand that. President Bush's proposal—and these figures I do know because they come from the CONGRESSIONAL RECORD—was for a manufacturing technologies bill. That was the very narrow scope of it, limited only to manufacturing: $10 million for fiscal year 1993; $145 million for fiscal year 1994; and fiscal year 1995 was $125 million. It went to the House, and the House raised it to $2.2 billion. The House sent back a very broad-based bill, much broader in scope than originally proposed, including manufacturing and other civilian technology programs.

That is what happened to that legislation. It perished because of its own greed and corporeal fat. So that was the end of that.

I listened to Senator HOLLINGS' dissemination of the report he cited—but there are some very interesting philosophical differences the two parties have on the issue of competitiveness.

The purpose of my amendment is to deal with competitiveness and not just deal with "high tech." President Clinton said each nation is "like a big corporation competing in the global marketplace." I think that is quite revealing.

It suggests that if we erase the line between public and private sectors, America will then be able to achieve its maximum potential when it comes to being competitive in the international marketplace.

On page 3 of the committee report, this bill we are dealing with, we are told:

The Department of Commerce has a leadership role to play in this new era.

And this—

Expanded efforts at the Department of Commerce can be important steps toward developing a comprehensive industry-led national system to finance needed industrial technologies.

And just down the page a bit in the report, we are told that America's competitors are succeeding because they are being supported by their governments. It is all right here in the committee report.

The premise of this S. 4 is a national industrial policy. That is in the report of the committee. This grand assumption, I think, really needs a closer look, because one international competitor of envy is Germany. President Clinton has said on more than one occasion that "Germany is the model."

I lived there. I have a great affection for that country and its leaders and its citizens. But let us examine Germany for a moment. Germany's massive industrial policy appears to have done very little to relieve the huge problems that confront that country's economy presently. They have a skyrocketing unemployment rate of 12 percent. Their work force is now 25 percent less productive than ours.

I must say, if there is a historically consistent role model of success, it is not Japan, it is not Germany, it is the United States of America. Ira Magaziner and Robert Reich wrote a book together in 1982 called "Minding America's Business." The book advocated a U.S. industrial policy by offering a quantitative basis for such policy. They said:

Our standard of living can only rise if capital and labor increasingly flows to industries with high value-added per worker and if we maintain a position in those industries that are superior to that of our competitors.

I guess if we were to follow the logic completely through, then we should be further subsidizing the tobacco companies because they are by far the No. 1 manufacturing sector in this country when it comes to value-added per worker. No one can match tobacco companies on that score. Oil refining, automobiles: Distant second, distant third.

So Ira Magaziner and Robert Reich are calling for an industrial policy that would funnel capital and labor into the cigarette industries. I do not think that will happen.

So you see, there will be somebody picking winners and losers under their plan.

Finally, I simply add that, yes, technology is important and so are high-tech firms, but the fact is there are other industries of equal importance to this country. How about the oil and gas industry where I come from, which has just gone into the "bowwows." Out. Gone. And no one is paying attention. We cannot get the ear of anyone as we talk about relief for an oil and gas industry, which is truly on the ropes, because of the cost of the product and because of Government regulations, Mr. President. We are talking about the major source of our energy, as long as we still like internal combustion machinery.

What about the uranium industry? Is it not "high tech?" It is the "highest tech" thing you can ever imagine. I bet they will not get much out of this bill. I cannot imagine it. They are going to lose out in the pick, and yet there are 109 reactors in this country. Pretty high-tech stuff, too; about as high tech as you can get. They will not be picked, you can bet on that.

So you see, maybe the opponents, when they use the phrase "picking winners and losers" are wrong, but when you see the lists of the potential participants and those who are going to be lined up on the track for the "great race," you can see that there will be pickers of winners and losers just like a regular racetrack.

These are things that trouble me. I like the phrase "high tech." I think of what my good friend, ED MARKEY, in the House said, when they talk about the super information highway. He said the good news is we have a new thing called the super information highway. He said the bad news is nobody knows what it is. That is about where we are when we are talking about high tech.

But if we are talking about something that is just distributed by the Secretary of Commerce, even with a peer review, even with all the rest, you can bet that industries that are really on the ropes will not be in that selection process, and this is a very disturbing thing.

The amount of money is also disturbing to us. These are some of the rea-

sons for my amendment. If you really want to do something, then pass our regulatory reform alternative and not just provide funds through this process. Many of us think S. 4 will not accomplish anything more than the mission—not of the Senator from South Carolina, but of the administration—to enhance the position of the Department of Commerce in America.

I have real concerns about that. That Department happens to be operated by the person who was the chairman of the Democratic National Committee, whether we like that or not. I do not want to be too partisan, but that is who is there. He is very, very savvy, very articulate and a very able man. He is looking for more "turf," and he is looking for more arena. He has the ear of his President because he helped Bill Clinton get the title "Mr. President."

That is another aspect to this. I know that may detonate a great miasma of clouds through the Chamber, and it is not intended to do that. But these are some of the concerns of those on our side of the aisle. What is the purpose, the real purpose of this unless it is picking in the most adroit places and the most appropriate places to ladle out some plenty big bucks?

It is odd that the high-tech firms are not in Wyoming, they are not in North Dakota, they are not in Indiana. They are in the big places like California and New York where there is much ground to be tilled for 1996.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Very few, I take it, in South Carolina, too.

But it is really disappointing to have injected in here the Secretary of Commerce, who is a former chairman of the party. After all, we had the former chairman of the Republican Party, who was President here for 4 years while we fought him, and then he finally came around to it.

The distinguished Senator from Wyoming talked very casually. There is no program to be found that started off at $10 million and has gone to $2 billion, something like he is talking about. What we did back then is resolve the National Bureau of Standards into the National Institute of Standards and Technology. And the Bureau of Standards is still funded at $300 million in this one, less than any extension centers and some of the others.

So it is very poor practice to lump together 2 years and say $2 billion something, when it is $1.2 billion for next year and $1.4 billion for 1996, including all of these programs of the National Science Foundation and National Information Infrastructure and much more. And then to go back and quote Ira Magaziner in 1982. Come on. We marked up this bill—we never have had Ira Magaziner connected with this bill in my life, and I have lived this bill since we started it even before 1988. For the last 8 years, I have been knocking on the door trying to get something. It was only part of an amendment.

I have other amendments over in the Finance Committee to do away with the export sales offset and various other things of that kind, again with respect to enforcing our dumping laws, with respect to enforcing the free trade zones, with respect to transfer pricing to get the IRS involved, and so on. This was part of a bill. I never heard of Mr. Magaziner in relation to this bill. His field is health. He is not on this particular score that I know of. And then to just quote him, so he could drag in Ira Magaziner.

Of course, that side is in heat over Ira, which is obvious since health care is on the griddle. There have been a few who have accepted his statistics, so we just spread across the spectrum here the name Ira Magaziner like he is associated with this bill. Likewise they invoke the name of the former chairman of the Democratic Party. The name that should be mentioned is Craig Fields, previously at DARPA in the Department of Defense, and now a member of the Economic Competitiveness Council, backed up by all the leaders of the National Science Foundation. I cannot get a more outstanding group of scientists and engineers, experts in technology, and everything else of that kind. It is they who support this bill.

And then come and talk about the big bucks when it is less than what we unanimously reported out in June of last year. The distinguished Presiding Officer, as a member of the committee, realizes we have cut it back. Last year, it was $1.513 billion. Now, instead of $1.513—$1,513,000,000—this bill provides $1.370 billion for all of these endeavors here listed. It is $143 million less than what Republican colleagues on the committee supported.

The figures of the Senator here are totally inaccurate. His explanation of the genesis of this is totally inaccurate. Everybody knows. They cannot give one example. We have had Secretary Brown, the former chairman of the party, administering this for over a year. Name a center that he put in politically, or a grant that he has made politically.

Well, they know that is sheer nonsense. They do not give any example. They do not give any amendment. They just spew out all these nongermane matters, and finally come around and say, well, we do not like it because the former chairman of the party is the Secretary of Commerce. This is a disgrace.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, I rise in strong opposition to the Simpson amendment, which attempts to add the provisions of S. 177, the Dole Private Property Rights Act, to this bill.

Why do I oppose it? For a lot of reasons. First, this amendment would write into law an executive order on takings; that is, takings under the fifth amendment to the Constitution, signed not by President Clinton, not by President Bush, but by President Reagan 6 years ago. It would incorporate lock, stock, and barrel that executive order under President Reagan signed 6 years ago. It would, therefore, carve into legislative stone an Executive order which, as far back as 1988, the Congressional Research Service concluded: First, overstated the likelihood of a taking; second, was out of step with Federal case law on takings; and third, had the potential to burden the implementation of important Federal programs.

This amendment would saddle this President and all future Presidents with what President Reagan's own Solicitor General, Charles Fried, described as a quite radical plan to undermine Government's ability to protect the health, safety, civil rights, and environment of all Americans. In short, this amendment would make bad law.

How would this amendment make bad law? By writing into law the provisions of Executive Order 12630, signed in March 1988 by then President Reagan. That Executive order has three fatal flaws. First, it interprets takings in a manner which goes far beyond any interpretation by any Federal court. Second, it makes the Attorney General the czar of all regulations promulgated by the executive branch. And third, it chills the ability of Federal agencies to issue regulations to protect our citizens' health, safety, civil rights, and environment.

Let me address each of these. First, by writing the Executive order into law, the amendment undermines two centuries of Federal jurisprudence defining what constitutes a taking in violation of the fifth amendment of the Constitution. As recently as 1992, in the now famous case of Lucas versus South Carolina Coastal Council, the U.S. Supreme Court reaffirmed that property owners become entitled to compensation for takings of their property when Government action deprives them of all economically viable use of their property. The Supreme Court essentially reaffirmed prior Supreme Court interpretations of the fifth amendment.

The Executive order, however, declares that Government action may result in a taking of private property—get this—even if there is only a partial diminution in the value of property, even where there might be temporary restrictions on the use of the property,

or where there is simply a delay in Federal Government decisionmaking.

I ask, Mr. President, what is a partial diminution? How much is partial? Who decides how much is partial? What about temporary? How temporary? Just a little bit temporary? Major temporary? How are we going to decide? What Federal agency is going to decide how temporary? What about delay? How much of a delay? A week? A day? A month? Two years?

Mr. President, there is a reason that takings should properly be decided in the judicial arena; that is, by courts, not by bureaucrats. Courts decide what constitutes a taking under the fifth amendment of the Constitution on a case-by-case basis. Each case is different, with unique circumstances. If this Executive order passes, no regulation can be issued until the Attorney General has certified that the agency has determined there will not be a taking because of a partial diminution of value or a temporary restriction of use or because there is a delay in the agency's decision. Obviously, it is a process that cannot work.

The amendment before us would write the Executive order's extensive and unjustified definitions of takings into the law. Broadening the scope of potential takings in this manner would greatly increase the potential liability of the American taxpayer for what up until now have been legitimate forms of Government regulations designed to protect Americans' health, safety, civil rights, and the environment.

Second, by legislating the Executive order, the amendment would make the Attorney General the czar—or, in this case, the "czarina"—of all Federal regulations issued by any Federal agency.

The Executive order requires the Attorney General to issue guidelines for agencies to follow to avoid takings in carrying out their activities and to ensure that the policies of Federal agencies are in line with the guidelines and the Executive order. The amendment prohibits any new Federal regulations on any subject from taking effect until the Attorney General has certified that the agency issuing the regulations is in compliance with the Executive order. Thus, the Attorney General could veto any Federal regulation issued by any agency on the grounds that it does not comply with the Executive order's interpretation of what constitutes a taking. Again, this is wide open; a slight diminution; a slight delay; temporary restrictions. These could be takings under the Executive order.

I have the highest regard for Attorney General Reno. However, I do not believe that she should be passing final judgment on the wisdom of regulations to control emissions of toxic substances under the Clean Air Act, to determine whether a species should be listed as threatened or endangered under the Endangered Species Act, or to establish factory ventilation requirements under the Occupational Safety and Health Act.

If the Founding Fathers did not see fit to make the Attorney General first among equals in the Cabinet, I do not see why we should allow overzealous ideologues in an earlier administration to do so by incorporating it into law today. I might add that Attorney General Reno herself, in an April 26, 1993, letter to Senator GLENN, and in a March 9, 1994, letter to the majority leader, has expressed the administration's opposition to the Dole bill and this amendment.

I ask unanimous consent that a copy of those letters be printed in the RECORD.

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

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, April 26, 1993.

Hon. JOHN GLENN,
U.S. Senate,
Washington, DC.

DEAR SENATOR GLENN: I am writing to express the Administration's concern about S. 177, legislation that would codify Executive Order 12630 issued by President Reagan in 1988. It is my understanding that an amendment to this effect may be offered when the Senate considers your bill to elevate the Environmental Protection Agency to Cabinet Department status.

This legislation would require federal agencies to engage in an additional, elaborate process of review of proposed regulations. It would prohibit any regulation from becoming effective until the Attorney General has certified that the agency is in compliance with the terms of the Executive Order "as in effect in 1991."

This Administration is, of course, committed to protecting the legitimate property rights of American citizens. We believe, however, that freezing this Executive Order into law would be unwise. Codifying the Order as it stood in 1991 would prevent this and any future administrations from revising the Order to make it consistent with interpretations of the law governing takings, as enunciated by the Supreme Court. Finally, the legislation would create a private right of action that would extend beyond that now available under the Fifth Amendment to the Constitution.

I respectfully suggest that this legislation represents an unnecessary incursion upon the executive authority of the President and, accordingly, should not be adopted. Thank you for your consideration of this important issue.

Sincerely,

JANET RENO.

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, March 9, 1994.

Hon. GEORGE MITCHELL,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR MITCHELL: I understand that a "takings" amendment may be offered to S. 4 that would in effect codify Executive Order 12630, issued by President Reagan in 1988. I write to restate this Administration's opposition to such an amendment.

On April 26, 1993, I wrote Senator Glenn expressing concern about a similar attempt to legislate a requirement that federal agencies engage in an additional, elaborate process of review of proposed regulations.

This Administration continues its commitment to protecting the legitimate property rights of American citizens. However, such an amendment could limit the ability of this and any future administrations to revise the Order to make it consistent with interpretations of the law governing takings, as enunciated by the Supreme Court.

I respectfully suggest that this legislation represents an unnecessary incursion upon the executive authority of the President and, accordingly, should not be adopted. Thank you for your consideration of this important issue.

Sincerely,

JANET RENO.

Mr. BAUCUS. Mr. President, third, this amendment, like the Executive order, will chill the ability of Federal agencies to issue regulations protecting Americans' health and safety, civil rights, and the environment, or any thing else, for that matter. The Executive order requires Federal agencies to perform "Takings Implication Assessments" on virtually anything they do: regulations, proposed regulations, proposed legislation, comments on legislation, and policy statements. These Takings Implication Assessments are to be based on the Executive order's erroneous and overbroad interpretation of what constitutes a taking. Apply those incorrect standards, agencies will be wary of incurring takings claims. Consequently, agencies may shy away from adopting regulations governing the number of fire exits in food processing plants, requiring employers to provide health insurance, expressing a view on legislation to guarantee the civil rights of disabled Americans, or requiring the cleanup of toxic waste in an economically disadvantaged community.

With potential consequences like these, it is easy to see why this amendment is opposed by diverse groups like the AFL-CIO, the American Public Health Association, the National Citizens Coalition for Nursing Home Reform, the National Trust for Historic Preservation, the National Wildlife Federation, the United Steelworkers of America, and many others.

Mr. President, as you can see, there are strong substantive reasons why we should not adopt this amendment. But let me add one more reason: The amendment presents a false choice between supporting and opposing protection of private property rights. The amendment is billed as one to protect private property rights. Vote for it, its proponents say, and you will support protection of private property. Vote against it and be branded as a foe of one of the most basic tenets of American democracy—the right to property. Mr. President, it is not that simple.

There is an excellent article by Betsy Carpenter in the March 14, 1994, issue of U.S. News & World Report entitled, "This Land Is My Land," which describes the takings debate.

I ask unanimous consent that the complete text of the article be included in the RECORD. Allow me, however, to now read a few excerpts from this article:

[I]n fact, though America's land-use policies have been among the freest in the world, private property rights have never been absolute, say historians. Even in colonial Massachusetts, property rights were sometimes abridged in the interest of promoting social goals, says David Konig of Washington University in St. Louis. To build and preserve a sense of community, for example, villagers in many Puritan towns weren't allowed to sell their land to outsiders or build their homes more than half a mile from the meeting house. There even were prohibitions on hunting—regulations echoed in today's rules protecting endangered species. By the late 1600's, for instance, deer populations had been so ravaged by overhunting and habitat destruction that owners were forbidden from killing deer on their property.

The fundamental rule, then as now, was that owners could not use their land in any way that harmed the community, according to John Humbach, a law professor at Pace University in White Plains, N.Y. "We've always agreed that some land uses are socially intolerable," says Humbach. "It's just a matter of which are which."

The article concludes with the following:

Ultimately, the controversy between land rights activists and environmentalists boils down to the perennial question of how to balance private rights with the public good. Though the basic question has remained the same since the colonial era, circumstances have changed—and greatly. Two hundred years ago, when there was a superabundance of undeveloped land and neighbors were often tens of miles away, it was pretty hard to use land in a way that harmed the community. Now, many parts of the country are densely settled, and scientists have a much richer understanding of how countless small assaults on the part of millions of individuals can threaten a region's ecological health. Says Pace University's Humbach: "Property rights are important, but so is the livability of the land."

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

[From U.S. News & World Report, Mar. 14, 1994]

THIS LAND IS MY LAND—ENVIRONMENTALISM IS COLLIDING WITH THE RIGHTS OF PROPERTY OWNERS

(By Betsy Carpenter)

By all rights these should be glory days for environmentalists. The nation's vice president is the author of a green bestseller, and a battalion of environmental leaders hold top administration jobs. Yet the movement is faltering badly. From the newspaper oped columns to the corridors of Congress, greens are under attack as elitists who don't see or care about the problems of ordinary working people. Moreover, the movement has suffered a string of setbacks in Washington, D.C., including the recent departure of a sympathetic Bureau of Land Management chief and the defeat of a bill that would have elevated the Environmental Protection Agency to departmental status.

These setbacks are only the opening volleys, however, of an all-out war brewing between environmentalists and a burgeoning force on the political landscape known as the property rights movement. Land rights advocates are challenging as unvarnished land grabs on the part of the government a host of environmental laws, from the Clean Water Act to the Endangered Species Act. Already, activists from both camps have traded shots in state capitols and the courts, and a Supreme Court case this month will test the potency of both arguments. The struggle cuts to the heart of the fierce convictions Americans hold about private property and individual liberty, and the outcome will determine the future of the nation's dwindling undeveloped lands.

The property rights credo is simple: The government should compensate landowners any time green regulations lower the value of property. But behind this proposition is the broader goal of drastically curtailing the overall environmental regulatory scheme. Says Donald Schmitz of the Fifth Amendment Foundation, a property rights group in Santa Monica, Calif., "It would cool [the government's] jets significantly if it had to pay people for what it stole."

The land rights rebellion bubbled up as a coalition of small grass-roots groups in the mid-1980s, right about the time that the environmental agenda shifted to restrictions in the use of private property. Today, it is a powerful force composed of hundreds of organizations backed by conservative think tanks and special-interest groups, including farmers, developers, loggers, miners, and oil and gas producers. When the environmental movement was launched in the early 1970s, the government focused on curbing the poisons spewed out by big polluting industries. Once industry's worst excesses were checked, however, the feds began tackling the environmental damage brought about by development and urban sprawl. Suddenly, legions of property owners were feeling the pinch of regulation, too.

For some, that pinch has felt more like a stranglehold. Yshmael Garcia of Winchester, Calif., asserts that he lost his home to a wildfire last October because of the endangered Stephen's kangaroo rat. U.S. Fish and Wildlife Service and state and county fire officials discouraged him from plowing a proper firebreak around his home because the equipment might have damaged labyrinthine burrows where the rats live. Says Garcia, "Now, I'm homeless, thanks to a bunch of bureaucrats and so-called environmentalists." According to U.S. Fish and Wildlife Service spokeswoman Connie Babb, a plowed firebreak would not necessarily have saved Garcia's home. "Those fires were jumping six-lane highways," she says.

At the root of this civil war are a dozen words seemingly tacked on to the end of the Fifth Amendment of the Bill of Rights: ". . . nor shall private property by taken for public use, without just compensation." According to legal historians, the original purpose of the "takings clause" was to make sure that owners would be paid when their land was actually seized, which was not uncommon in Revolutionary times with two armies grabbing acreage to build roads and quarter soldiers. In addition, the largely wealthy, landed Founding Fathers wanted to ensure that when the Constitution granted the masses political power, they would not turn around and redistribute the holdings of the rich.

Both land rights advocates and environmentalists concur that when the government actually seizes land—for roads and schools, for instance—owners deserve to be compensated for their losses. But the land rights camp takes the argument further, maintaining that regulation without compensation is tantamount to stripping owners of freedom of speech, due process and other fundamental liberties set out in the Bill of Rights. "The right to own and use private property is sacred," says Nancie Marzulla of the Defenders of Property Rights, based in Washington, D.C. "It's been that way since the nation was born."

HISTORIC PERSPECTIVE

But, in fact, though America's land-use policies have been among the freest in the world, private-property rights have never been absolute, say historians. Even in colonial Massachusetts, property rights were sometimes abridged in the interest of promoting social goals, says David Konig of Washington University in St. Louis. To build and preserve a sense of community, for example, villagers in many Puritan towns weren't allowed to sell their land to outsiders or build their homes more than half a mile from the meeting house. There even were prohibitions on hunting—regulations echoed in today's rules protecting endangered species. By the late 1600s, for instance, deer populations had been so ravaged by overhunting and habitat destruction that owners were forbidden from killing deer on their property.

The fundamental rule, then as now, was that owners could not use their land in any way that harmed the community, according to John Humbach, a law professor at Pace University in White Plains, N.Y. "We've always agreed that some land uses are socially intolerable," says Humbach. "It's just a matter of which are which."

Until recently, property rights activists fought their campaign primarily through the courts. In the past six years the movement has chalked up several victories, but judges have not embraced the entire agenda. Indeed, in a number of landmark cases, the U.S. Supreme Court has affirmed that reasonable regulation of land use is constitutional and that the state need not pay unhappy landowners every times regulations lower land values.

At the same time, the Supreme Court has emphasized that governments cannot ride roughshod over property owners and has laid down two key tests for deciding when owners generally deserve compensation. First, the government must open its coffers when a property owner suffers a permanent "physical occupation"—no matter how minor—such as when the government mandates that cable television lines be strung across a property. Also, the state has to compensate a property owner when a regulation goes "too far," such as when a property's economic value is destroyed. In 1992 the Supreme Court ruled in favor of a South Carolina developer, David Lucas, who lost the right to build on two oceanfront lots, for which he had paid nearly $1 million, after the state adopted a coastal zone management plan.

A case now before the Supreme Court will clarify another murky area of the law: whether restricting land use is justified absent a direct and immediate link to environmental damage. The case, which will be heard March 23, concerns, Florence Dolan of Tigard, Ore., who sought to enlarge her plumbing and electrical supply store. The city granted her permission on the condition that she set aside about a 10th of the property for a bicycle path and a greenway along the flood plain of an adjacent creek. When Dolan protested, the city maintained that the greenway was needed to help handle in-

creased water runoff from the larger store and parking lot, while the path would ease traffic congestion caused by Dolan's growing number of customers.

DAILY DAMAGES

Florence Dolan's son Daniel Dolan argues that the city's terms are "extortion, pure and simple." But environmentalists fear that a Dolan victory could severely limit governments' ability to impose a variety of important green regulations. By all accounts, many of today's ecological problems stem from the ordinary activities of millions of people, not the actions of a handful of dirty industries. For instance, fisheries in the Chesapeake Bay are declining in large part because of polluted runoff from city streets, farms and septic tanks across a 64,000-square-mile watershed. Protecting the bay hinges on state and local governments managing growth, says Ann Powers, vice president and general counsel of the Chesapeake Bay Foundation in Annapolis, Md. According to Powers, a Dolan win could "completely tie the hands of local governments."

As it has become clear that the Supreme Court will not give the land rights movement a total victory, its activists have increasingly carried their crusade to Congress, attempting to attach land rights amendments to every important piece of environmental legislation and in the process paralyzing the Clinton administration's environmental efforts. Last October, for instance, conservative lawmakers tried to slap a land rights amendment onto legislation authorizing a government survey of plant and animal species. The amendment, sponsored by W. J. "Billy" Tauzin, a Louisiana Democrat, would have required the government to compensate owners if the economic value of their property dropped by 50 percent or more as a result of survey data. The amendment was defeated, but the debate was so vociferous that environmentalists are putting off reauthorization of the controversial Endangered Species Act for at least another year.

"The premise [of the property rights argument] seems to be that the individual produces while the government just takes away," argues environmentalist Jessica Mathews, a senior fellow at the Council on Foreign Relations. But often the reason that land is so valuable in the first place, she asserted in a Washington Post essay, is because the government has built interstates and bridges, provided flood insurance and paid for sewer lines. "Perhaps, then, property owners should pay every time a government action raises the value of their property," she wrote. "It makes just as little sense."

Land rights activists have also taken the battle to state capitols, where in the past two years fully 39 states have considered land rights legislation. Most of the measures, known as "assessment bills," would require states to study the potential costs of compensating owners before writing any new regulations. Some states have considered more-radical proposals that, like Tauzin's amendment, would mandate compensation whenever regulations cut the value of property by a certain percent.

Most of these bills have been defeated because state legislators conclude that such laws would not only break the bank but undermine basic health and environmental protections. At present, only four states—Delaware, Indiana, Utah and Washington—have laws in place, though legislation is pending in several others.

FOR EVERYMAN?

Property rights advocates often portray themselves as average "moms and pops" fighting a rearguard action against powerful bureaucracies and environmental organizations. But a look at who owns land in America reveals that by and large the property rights movement represents the wealthier and more powerful segments of American society, according to John Echeverria, counsel for the National Audubon Society in Washington, D.C. First, the movement benefits from the lobbying clout of many rich special-interest groups. In addition, most of the privately owned land in America is concentrated in the hands of relatively wealthy individuals and corporations. Indeed, according to Charles Geisler of Cornell University in Ithaca, N.Y., 5 percent of landowners in this country, including corporations, have title to three quarters of the privately held land. Moreover, says Geisler, landownership is growing more monopolized all the time.

A DELICATE BALANCE

Still, according to experts, when land-use rules change, small landowners are often hit hardest, because they have a high proportion of their total wealth tied up in real estate. Government officials are beginning to recognize that the property rights movement includes a contingent of "regular people" who have been steamrollered by overreaching regulations. "It is clear that the federal government needs to get more user-friendly for small landowners," says Department of Interior spokesman Kevin Sweeney. He points out that preserving small, isolated patches of natural lands in the midst of sprawling development, as some of today's laws require, does not always make ecological sense. Nor does it make much sense economically to treat owners of small parcels of land the same as major landholders, who often can afford to set aside a portion of their holdings to preserve the environment.

Ultimately, the controversy between land rights activists and environmentalists boils down to the perennial question of how to balance private rights with the public good. Though the basic question has remained the same since the colonial era, circumstances have changed—and greatly. Two hundred years ago, when there was a super-abundance of undeveloped land and neighbors were often tens of miles away, it was pretty hard to use land in a way that harmed the community. Now, many parts of the country are densely settled, and scientists have a much richer understanding of how countless small assaults on the part of millions of individuals can threaten a region's ecological health. Says Pace University's Humbach, "Property rights are important, but so is the livability of the land."

Mr. BAUCUS. Mr. President, each of us in the Senate has sworn an oath to uphold the Constitution, including the fifth amendment's protection against taking private property for public use without just compensation. I care deeply, as I believe all Senators do, about protecting private property rights. But I also care deeply about ensuring American's health, safety, and civil rights, and protecting the environment. That is why I believe the best way to protect private property rights and ensure these other important public rights is by being faithful to the Constitution as it is interpreted by the Federal courts.

Under our system of government, the courts have the duty to interpret the Constitution. For two centuries now, the courts have done so. The courts interpret the Constitution to determine what constitutes a taking of private property in violation of the fifth amendment. In doing so, the courts strike a balance between private property rights and the public's rights to the type of community we all want to live in.

I think we do the Constitution, and ultimately the American people, a great disservice when we try to ignore the courts and legislate, as this amendment does, with unwarranted, unbalanced, and ideologically driven interpretations of the Constitution.

For all these reasons, Mr. President, I urge Senators to oppose the amendment.

Mr. President, to some degree, what this comes down to is some public concern about the overzealous issuance of regulations—too much red tape in the Federal Government. That is a very legitimate concern. But the answer is not this amendment. It is not this takings proposal.

Let me remind Senators, for example, of the Endangered Species Act. In the 20 years of its existence, there have been two claims of takings in the Federal courts—two. And no court has found that the Endangered Species Act has resulted in a taking. In 20 years, under the Clean Water Act, there have been just three cases in which a court has found a taking. It just does not happen.

The answer, then, to concern about overregulation is for Congress to do a better job in handling excessive rules and regulations. We are doing that. For example, the Environment and Public Works Committee, which has jurisdiction over most of our environmental statutes, just last week concluded markup of the Clean Water Act. What do we do in that legislation? No. 1, we reduce mandates. The public is concerned about excessive mandates, unfunded mandates. We reduce those so that now overflow and storm water requirements will be much less burdensome and onerous on our cities.

In the Safe Drinking Water Act that we are taking up, communities are concerned about excessive monitoring of their water systems and excessive standards for the water systems. We will be reporting out legislation in our committee this week, or the following week, which dramatically addresses those points and reduces the monitoring requirements and reduces the standards in a way consistent with public health. We are responding.

Mr. President, I might say that part of the answer to excessive regulations is for this body to have strong oversight hearings. We in the Environment and Public Works Committee are doing just that. We are making sure that the agencies follow the intent of the Congress. The way to do that is to have very aggressive oversight hearings, and

ask a lot of tough questions of the agencies to make sure they do not go afield.

Mr. President, that is basically the way to deal with excessive regulation. It is not to pass this amendment—particularly an amendment which includes the takings amendment, which incorporates an Executive order that makes no sense, and that I think will be causing a lot more problems than we are going to solve.

I did not address the gridlock that amendment would create. The American people are very tired of gridlock. President Clinton ran on the platform of change, to end gridlock and solve problems. We are passing legislation which does that. But if this amendment passes, believe me, we have not begun to see gridlock. We have not begun to see gridlock, because if this amendment passes, everyone is going to be reinterpreting whether or not something is a taking or not, as interpreted by each agency, and as interpreted by the Attorney General. Boy, then you will see litigation, then you will see gridlock.

Frankly, I do not think that is the intent of the sponsors. I do not think that is their intent, but that will be the effect if this amendment passes—a dramatic disservice to the American public. For all of these reasons, I strongly urge my colleagues to not vote in favor of the amendment.

I yield the floor.

Mr. HOLLINGS. Mr. President, I thank the distinguished Chair. Just to correct the RECORD relative to the statement made by my colleague from Wyoming, Senator SIMPSON said that four new bills had been added to the S. 4 floor version. The Gore bill, S. 2937, was in the original S. 4. It was not added. The fact of the matter is that the Gore bill, S. 2937, has been cut from $244 to $209 million. The Bingaman bill that he referred to is included in the DOD authorization legislation. S. 1537, by Senator ROCKEFELLER, is not in S. 4. Senator WOFFORD of Pennsylvania, his small bill was a series of amendments with no authorizations and was added before the Commerce Committee vote. So I wanted to make that absolutely clear.

The opponents lump together 2 years of appropriations to argue we are going from $10 million to $2 billion. I wish we could, incidentally, because it would be wonderful to take it out of Defense, some of that $40 billion over there, and at most $2 billion over here in the advanced technology, commercialization of our technology and advanced technology. I wish we could. But this is bipartisan, and everybody studied and looked, including OMB, which cut us back on the amounts. These are not any kind of new bills all of a sudden coming up.

Another particular reference was made, of course, to the Secretary of Commerce. I compliment the Secretary of Commerce, Ron Brown. They talk about him as the former chairman of the Democratic Party, and I do so advisedly. I will never forget my colleague to the north, in North Carolina, running for reelection, and the hundreds of thousands, over $1 million he got from the national committee. My colleague down in Georgia similarly got a million-plus dollars. Old HOLLINGS never got anything. I understand when I made that statement, the party got $25,000 at one time.

Let me say this: Chairman Ron Brown was not out politicking for old HOLLINGS' reelection in 1992. But I still admire the gentlemen. I think he is an outstanding Secretary of Commerce. I have seen them all, for 40 years now, and have worked with them over the many, many years. I really admire his diligence and his conscientiousness, particularly in regard to technology, where Secretary Brown has coordinated this team:

Mary Lowe Good, who is the Under Secretary of Technology, and she comes as the senior vice president for technology from Allied Signal. It was only yesterday that colleagues said she had testified before the Finance Committee relative to the General Agreement of Tariffs and Trade, and how outstanding she was, how balanced and how cogent she was in her presentation at that particular time. We have had nothing but wonderful praise from both sides of the aisle for Mary Lowe Good. She is not out there "dishing out big bucks," as the Senator from Wyoming states.

Similarly, we were very fortunate in bringing over as the former office director of the Defense Research entity, DARPA, from the Department of Defense, Arati Prabhakar. She is head of NIST. Right to the point, the Senator from New Mexico said he had Arati Prabhakar come out to New Mexico. Senator DOMENICI, my counterpart —and he and I worked closely together on the budget, and we worked closely together as the chairman and ranking member of the Commerce appropriations. But Arati Prabhakar went out there to Sandia Laboratories and other facilities in New Mexico, and Senator DOMENICI was exclaiming how fortunate we are to have this consummate professional who is thoroughly familiar and motivated with respect to playing catchup ball and getting our country back on top of the technology heap. And she is not there, I can tell you now, dishing out the big bucks.

Graham Mitchell, the Assistant Secretary for Technology Policy, from GTE Laboratories, is the planning and forecasting director there and was formerly with General Electric. These are the folks there now. If you had, as intimated, the head of the party, he would have brought along three assistants to help because he is traveling a lot. Any Secretary of Commerce is responding to many, many duties. He would have three there handling it and say "dish out the money."

I will never forget, that is exactly what happened with OEO and President Lyndon Johnson when I was there serving under him in the early days and the election was coming on. He told Sarge Shriver, "Get it out; get it out." That is why we had the Black Panthers meeting and fighting with some other group up in Chicago. They were just dishing out the money hither, thither, and yon, to get it. That is 30-year-old politics.

In the olden days, we watched these things. Our Republican colleagues watched these things. I am glad that they do. That is why we have this bipartisan effort, and that is why we passed this out unanimously from the committee last year in June, and it has been passed by unanimous vote here in the U.S. Senate the year before that.

With respect to dishing out the big bucks, here are the endorsements that have come from the Advanced Technology Coalition. The Advanced Technology Coalition endorsing this includes AEA—the American Electronics Association. I happen to know—having been around town long enough you know their propensity and you know their politics. You do have to raise money. All of them have been supportive of me, but not nearly so supportive as compared to if I had been a Republican. In fact, I have had a lot of them ask me, on account of my often conservative views, and views on the budget, and my views with the distinguished Chair trying to pay the bill around this town, why don't I join the Republican Party. Maybe this is the reason why they come with this extraneous nonsense here when you have a good measure, unanimously passed, and engage in this. This would be embarrassing to me. If I saw our side engage in this, I would go to GEORGE MITCHELL and say: "Look here. Let us cut that nonsense out."

We have a lot of good work to do up here in Washington. Let us not all of a sudden, when you get a measure that has been unanimously passed, thoroughly vetted, and with all the support you could possibly ask, start dragging in Ira Magaziner and Ron Brown, former chairman of the Democratic Party, and that kind of thing. That is an embarrassment.

Here are the groups whose names are associated affirmatively with S. 4: The American Electronics Association, the Modernization Forum, the National Association of Manufacturers, the Microelectronics and Computer Technology Corp., Honeywell, Inc., the National Society of Professional Engineers, Business Executives for National Security, IEEE–USA, Semiconductor Equipment and Materials International, Institute for Interconnecting and Pack-

aging Electronics Circuits, Wilson and Wilson, American Society for Training and Development, Catapult Communications Corp., Dover Technologies, Texas Instruments, Columbia University, Motorola, Intel Corp., Cray Research, Electron Transfer Technologies, Electronic Data Systems, American Society for Engineering Education, U S West, Electronic Industries Association, Tera Computer Co., Convex Computer Corp., Association for Manufacturing Technology, Semiconductor Research Corp., American Society of Engineering Societies, AT&T, and on down the list.

Mr. President, I ask unanimous consent that this letter and the enclosure and endorsements attendant thereto be printed in the RECORD at this time.

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

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

FACTSHEET ON S. 4, THE NATIONAL COMPETITIVENESS ACT

THE PROPOSAL

S. 4 will help American industry improve competitiveness and create and retain jobs by reauthorizing the technology and manufacturing assistance programs of the Commerce Department's Technology Administration, especially its National Institute of Standards and Technology (NIST). The bill also authorizes several other Federal manufacturing and computer initiatives.

The Senate will consider a modified version of the reported bill. The Commerce Committee approved S. 4 without objection on May 25, 1993. S. 4, in turn, is based on S. 1330, which passed the Senate by unanimous consent on June 30, 1992. The House companion to S. 4 is H.R. 820.

MAIN PROVISIONS

NIST manufacturing research and extension. S. 4 directs NIST to continue its existing manufacturing research efforts, and also reauthorizes NIST's Manufacturing Extension Partnership (MEP). The MEP program currently supports 7 Manufacturing Technology Centers around the country, which give small manufacturers technical advice on improving productivity, boosting profits, and saving jobs. The MEP also awards State Technology Extension Program planning grants to states, manages 42 DOD-supported extension projects in 25 states, and soon will support small Manufacturing Outreach Centers to serve less urban areas. S. 4 is a step towards to Administration's goal of eventually creating over 100 extension centers, large and small, to provide technical assistance nationwide to America's 360,000 small manufacturers.

NIST Advanced Technology Program. S. 4 also reauthorizes the ATP—the government's principal civilian program to help industry develop new technologies which have broad economic value but also have risks or costs too steep for companies to undertake alone. By helping companies solve technical problems associated with new ideas, the ATP helps U.S. industry avoid cases like the VCR—where Americans invent a technology only to see others solve technical problems quickly and get to market first. ATP projects are industry-led, cost-shared, and selected by merit review. The ATP only funds research; it does not subsidize commercial products. Since its creation in 1988, it has supported 89 projects with 200 research partners in 34 states. The FY 1994 appropriation is $200 million; S. 4 authorizes $475 million for FY 1995 and $575 million for FY 1996.

NIST laboratories. Since 1901, NIST and its predecessor, the National Bureau of Standards, have provided technical services to American industry—particularly precise measurement and quality assurance techniques which help companies improve quality, lower costs, and speed new products to market. NIST also has the leading Federal laboratory on fire and building safety. S. 4 reauthorizes these activities.

NSF manufacturing research and training. S. 4 also authorizes $75 million at NSF to expand its manufacturing research and training activities.

Information technology applications research. Title VI of S. 4 revises the current High-Performance Computing and Communications Program to require Federal computer agencies to work with computer users and vendors on research to develop new advanced computer applications in the socially-important areas of education, health care, manufacturing, and information.

Other provisions. The bill also contains several other authorizations, including ones for the Office of the Under Secretary for Technology, industry advisory groups, an upgraded DOC office to monitor foreign technology, and a new DOC-Small Business Administration pilot program to support private technology venture capital companies. A new title VII in the floor version contains amendments to the 1990 Fastener Quality Act, a law which regulates the manufacture and sale of high-strength bolts used in safety-related applications; the revisions were recommended by both NIST and the official Fastener Advisory Committee.

Authorizations. The floor substitute contains FY 1995 authorizations totalling $1,370 million and FY 1996 authorizations of $1,478 million. Any new appropriations based on these authorizations will be within the discretionary budget's hard freeze. A budget table is attached.

TALKING POINTS ON THE BILL

S. 4 is an economic growth bill. It reauthorizes programs at the Commerce Department and elsewhere that support industry's own efforts to stay at the cutting edge of technology, improve manufacturing, and create and retain American jobs. In an era when American companies face serious long-term competition in technology, S. 4 is a vital investment in the Nation's economic future.

S. 4 focuses on today's priority—helping general manufacturing and manufacturing jobs. The Federal Government has long provided research support to several industries, including agriculture, aerospace, energy, and medicine. But while overall manufacturing employs 19 million Americans, as late as 1992 less than 1 percent of the government's annual $70 billion research budget went to support general industrial development. S. 4 follows the proven model of agricultural research and extension by expanding similar support for U.S. manufacturing and technology firms, including small companies.

S. 4 does not fit the caricature of "industrial policy." The bill definitely will help industry—just as other Federal research programs help agriculture, aircraft, and so forth. But S. 4's programs do not fit the old stereotype of "industrial policy." In the ATP, industry—not government—picks technologies, runs research projects, and pays over half the costs. S. 4's programs are not pork; peer-review is used for the ATP and NSF, and manufacturing center proposals are evaluated by the National Academy of Engineering. Moreover, NIST and NSF only support research; they never subsidize commercial products. These are high-quality programs.

S. 4 will not bust the budget or lead to massive government spending. All appropriations will be within the freeze on discretionary spending, and even with this bill Commerce Department technology programs will amount to less than 2 percent of Federal research spending. Is that too much to spend in support of general American manufacturing?

Leading industry groups strongly support S. 4. Endorsement letters have been received from, among others, the American Electronics Association, the National Association of Manufacturers, and the National Coalition for Advanced Manufacturing. This bill supports industry's own technology efforts, and was written in close consultation with industry.

ADVANCED TECHNOLOGY COALITION,
Washington, DC, February 9, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the Advanced Technology Coalition, we want to express our strong support for the Senate version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support. We ask that you vote for the bill when it reaches the floor in the very near future. Its passage is essential to strengthening the ability of our companies and members to compete in the international marketplace; in short, S. 4 means jobs and will contribute to our nation's long-term economic health.

Combined, the Advanced Technology Coalition represents 5 million U.S. workers, 3,500 electronics firms, 329,000 engineers, and 13,500 companies in the manufacturing sector. The Coalition is a diverse group of high-tech companies, traditional manufacturing industries, labor, professional societies, universities and research consortia that have a common goal of ensuring America's industrial and technological leadership.

The members of the Advanced Technology Coalition have invested an enormous amount of time working with both the House and the Senate in developing and refining the National Competitiveness Act. The Coalition believes that its views have been heard by Congress and reflected in the bill.

In short, we believe that S. 4 will promote American competitiveness and enhance the ability of the private sector to create jobs in this country. We hope that you will play a leadership role in ensuring its passage. We would be happy to sit down with you or your staff to discuss the bill in greater detail.

Sincerely,

American Electronics Association (AEA).
National Association of Manufacturers (NAM).
The Modernization Forum.
Microelectronics and Computer Technology Corporation (MCC).
Honeywell, Inc.
National Society of Professional Engineers.
Business Executives for National Security.
IEEE–USA.
Semiconductor Equipment and Materials International (SEMI).

Institute for Interconnecting and Packaging Electronics Circuits (IPC).
Wilson and Wilson.
American Society for Training and Development.
Catapult Communications Corporation.
Dover Technologies.
Texas Instruments, Inc.
Columbia University.
Motorola.
Intel Corporation.
Cray Research.
Electron Transfer Technologies.
Electronic Data Systems (EDS).
American Society for Engineering Education.
U.S. West, Incorporated.
Electronic Industries Association.
Tera Computer Company.
Southeast Manufacturing Technology Center.
Convex Computer Corporation.
Association for Manufacturing Technology.
Semiconductor Research Corporation.
American Society of Engineering Societies.
AT&T.
Hoya Micro Mask, Inc.

THE NATIONAL COALITION FOR ADVANCED MANUFACTURING,
Washington, DC, February 8, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the National Coalition for Advanced Manufacturing (NACFAM), I want to express our strong support for the Senate version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support and ask that you join many of your colleagues in supporting the bill when it reaches the floor. Its passage will enhance the ability of U.S. manufacturing companies to compete in the international marketplace. S. 4 would also help to expand the pool of high skill, high wage jobs for the American workforce.

NACFAM especially supports the manufacturing provisions of the bill (Title II) which, among other things, will develop a national system of manufacturing extension centers and technical services. This system will improve the ability of the nation's 360,000 small and medium-sized manufacturers to modernize through the adoption of advanced manufacturing technology and related processes critical to increasing their productivity, product quality, and competitiveness.

These small- and medium-sized manufacturers are the backbone of our domestic industrial base. Manufacturing establishments with fewer than 500 employees represent 98% of the nation's total, employ two-thirds of the manufacturing workforce, and produce nearly half of the nation's value added in manufacturing.

NACFAM, a non-partisan, non-profit, industry-led coalition, has worked as a catalyst for public-private cooperation in modernizing America's industrial base for over 5 years. NACFAM's rapidly growing membership includes 65 corporations, 175 manufacturing technology centers (making NACFAM the largest association of such centers) and 27 national trade and technical associations (representing between them over 80,000 companies and thousands of technical education institutions).

Thanking you in advance for your kind consideration of S. 4, I remain,

LEO REDDY,
President.

COMPUTER SYSTEMS POLICY PROJECT,
Washington, DC, February 23, 1994.

Hon. ERNEST F. HOLLINGS,
Chairman, Senate Committee on Commerce, Science, and Transportation, Russell Senate Office Building, Washington, DC.

DEAR CHAIRMAN HOLLINGS: I am writing on behalf of the Computer Systems Policy Project (CSPP) in support of your efforts to enact legislation to establish an information applications technology component of the High Performance Computing Act, Title VI of S. 4.

CSPP strongly believes that the research framework established by Title VI of S. 4 will complement efforts by the private sector to develop applications for an enhanced national information infrastructure (NII). Title VI authorizes funds for precommercial research that will stimulate the development by the private sector of new applications in education, healthcare, access to government information and services, and digital libraries. These applications have the potential to create new products, services, and jobs and to improve the quality of life for all Americans by bringing the benefits of the information age to everyone.

The United States is currently the world leader in computing and communications technologies. An enhanced national information infrastructure will not only help us maintain that lead, but will put our information technology advantage to work for all Americans. CSPP believes that initiatives such as those authorized by Title VI of S. 4 will contribute significantly to successful and rapid evolution of the NII.

Sincerely,

LEWIS E. PLATT,
Chairman and CEO, Hewlett-Packard Co., Chairman, CSPP Working Group on Information Infrastructure.

AMERICAN INDUSTRIAL EXTENSION ALLIANCE,
College Park, MD, February 14, 1994.

DEAR SENATOR HOLLINGS, The Senate will soon be considering Senate File 4, a bill that will directly impact the ability of American industry to compete in world markets. This important bill contains a section on manufacturing extension that is designed to provide the United States with an effective system of assisting industry in modernizing technical, management and processing systems. There is preponderance of evidence that our industries lag in utilizing modern equipment and systems, and this federal effort will bring cohesion to the disparate systems now in existence.

The members of the American Industrial Extension Alliance are firmly behind efforts to strengthen this country's technical assistance programs and bring this needed service to all the states. The Alliance members represent most of the industrial extension programs that now exist, but we are well aware the size of the problem is beyond the capabilities of these few programs. We support the position of the National Coalition for Advanced Manufacturing and the expanding Manufacturing Extension Partnership at NIST.

Your support in strengthening American manufacturing firms by the passage of Senate File 4 will be appreciated.

Sincerely,

DAVID H. SWANSON, Ph.D.,
President.

AMERICAN SOCIETY FOR TRAINING AND DEVELOPMENT,
Alexandria, VA, February 4, 1994.

Re S. 4, the National Competitiveness Act of 1993.

MEMBER,
U.S. Senate, Washington, DC.

DEAR SENATOR: The American Society for Training and Development (ASTD), on behalf of more than 55,000 corporate-based human resources development specialists, urges your support for S. 4, the "National Competitiveness Act of 1993," when it is considered on the floor in the coming days.

The "National Competitiveness Act of 1993" establishes key underpinnings of a national technology policy based on outreach to the private sector, the targeting of assistance to small and medium-sized companies, and the integration of worker training with technology assistance.

ASTD specifically supports provisions to create Manufacturing Outreach Centers and expand the activities of the existing Manufacturing Technology Centers. Enactment of these provisions will help companies gain increased access to manufacturing assistance, implement the best manufacturing technology and processes at least cost, and train workers in maximum utilization of technology and productions systems.

ASTD is the world's largest association dedicated to advancing workforce training in conjunction with technological progress and the creation of high performance workplaces. We look forward to swift passage of this important initiative during the 2d session of the 103d Congress as a critical step to improve U.S. competitiveness.

Sincerely,

CURTIS E. PLOTT,
President and CEO.

THE AMERICAN SOCIETY OF MECHANICAL ENGINEERS,
Washington, DC, February 7, 1994.

Hon. BOB DOLE,
Hart Building,
Washington, DC.

DEAR SENATOR DOLE: On behalf of the Technology Policy Group of the American Society of Mechanical Engineers (ASME), I urge you to support S. 4, the "National Competitiveness Act of 1993," which is scheduled to be brought to the Senate floor this week.

This important legislation will provide the underpinning for a realistic national technology policy. It includes provisions that support the development and use of manufacturing technologies which are essential for continued U.S. gains in productivity and industrial competitiveness. The bill also calls for industry participation in the development of advanced manufacturing program strategies through the use of an advisory committee to assure that the infrastructure and new knowledge gained from the program will be effectively utilized by U.S. manufacturers.

ASME has accorded competitiveness a high priority in our 1994 public policy agenda. This letter is written on behalf of the Technology Policy Group, a group of ASME members with expertise in the field of competitiveness, and reflects its views, rather than an official position of ASME.

Again, I urge your support of this legislation to further the nation's industrial competitiveness.

Sincerely,

JOHN PARKER,
Vice President,
Government Relations.

Mr. HOLLINGS. Mr. President, from the Council on Competitiveness, I have

from Paul Allaire, Council Chairman, chairman and CEO of Xerox, a letter dated March 7, 1994:

On behalf of the Council on Competitiveness—a coalition of chief executives from U.S. industry, higher education and labor—I would like to express my support for S. 4, the National Competitiveness Act.

As you can see the Chairman is Paul Allaire of Xerox; Tom Everhart of California Institute of Technology; Henry Schacht, Cummins Engine Co.; Jack Sheinkman, of the Amalgamated Clothing and Textile Workers Union, AFL-CIO, CLC; Donald R. Beall, of Rockwell International; John L. Clendenin, BellSouth Corp.; George M.C. Fisher of Eastman Kodak Co.; Katharine Graham, the Washington Post; William Hambrecht, Hambrecht & Quist Inc.; Jerry Jasinowski of National Association of Manufacturers; Tom Labrecque, of the Chase Manhattan Corp.; Peter Likins of Lehigh University; Robert Mehrabian of Carnegie Mellon University; Thomas J. Murrin, Duquesne University; Michael Porter of Harvard; James J. Renier of Honeywell, Inc.; Albert Shanker of the American Federation of Teachers; Ray Stata of Analog Devices; Jerre Stead of NCR; William Steere of Pfizer; Gary L. Tooker of Motorola; Charles M. Vest, the head of Massachusetts Institute of Technology; Arnold Weber of Northwestern University; William Weiss of Ameritech; A.D. Welliver, of the Boeing Co.; Lynn R. Williams, the United States Steel Workers; John A. Young of Hewlett-Packard, and on down. The Distinguished Fellow is Erich Bloch and others listed here.

They said:

We commend your continued support for these initiatives and urge you to play a leadership role in their implementation.

And they say:

S. 4 authorizes over $350 million in fiscal year 1995 and fiscal year 1996 for a coordinated interagency program to support research, technology development and pilot projects. * * * These applications will help translate the potential of a 21st century information infrastructure into tangible economic and social benefits for the American people.

And they endorsed significantly expanding the advanced technology program, S. 4.

Here is what they are talking about when they talk about big bucks and all this. They are here. Here are the business folks—

S. 4 increases funding for ATP to $567 million in fiscal year 1996 and requires that the Department of Commerce develop a long-term plan for the program. These provisions will promote increased private-sector investment in critical enabling technologies and allow ATP to have a more strategic impact on U.S. industrial competitiveness.

They say S. 4 will:

Support the development and diffusion of technology especially to small- and medium-sized manufacturers.

S. 4 directs the Department of Commerce to work with industry to develop new generic advanced manufacturing technologies and consolidates existing NIST quality programs into a NIST National Quality Laboratory. It also combines existing Federal and State extension programs into an integrated Manufacturing Extension Partnership to help small- and medium-sized manufacturers in all geographic regions to adopt modern manufacturing technologies and create high performance workplaces. These initiatives will enhance U.S. industry's ability to develop and manufacture competitive products and promote long-term economic growth.

When they emphasize that extension partnership for manufacturing which, yes, increases this bill, to have it managed by the Department of Commerce now at the commercial and business end rather than the defense end, that was the movement endorsed by the Republican conversion committee 2 years ago. They said we ought to get on with this and let us support this and let us support the Advanced Technology Program, and let us get that thing from defense over here in proper hands and properly peer reviewed. Yet some Senators who previously endorsed it now come and say it is a new program or a new philosophy.

Then, of course, Mr. President, we have this endorsement this morning from the National Association of Manufacturers—addressed, this one is to Senator WALLOP:

NAM supports S. 4, the National Competitiveness Act and urges you to vote for its passage. This legislation will markedly enhance the ability of U.S. manufacturing firms to access and adopt modern manufacturing technologies and techniques. It does so by improving the coordination of existing, yet unconnected, institutions at the Federal, State and local levels. The industrial extension network provided for by S. 4 would be a resource that companies of all sizes and sectors could use to help modernize their manufacturing operations. The result will be a stronger manufacturing base and a stronger U.S. economy.

The National Competitiveness Act also builds on existing legislation, championed by then-Senator Gore and signed into law by President Bush, that boosts research and development efforts in the area of high-performance computing and networking. High-performance computing will be a key generic technology underpinning our 21st century information infrastructure.

The agenda for improving U.S. competitiveness does not end with the passage of the National Competitiveness Act, but we believe enactment of S. 4 will be a significant step in the right direction. Again, we urge your support for this legislation.

Mr. President, in the face of all of that thoroughness, in the face of that outstanding array of expertise and experience and endorsement, now comes the Simpson amendment and says slash and burn; just get rid of it. Do not now really get any kind of a Davis-Bacon, or do not get any kind of reform for regulations or banking regulations, do not do that as an amendment to the bill, rather as a substitute. Just kill the bill.

And, by way of killing, they add on various Democratic Senators' bills, hoping to put them in the juxtaposition of saying, "Wait a minute. I have to vote for my bill and then I have to vote to kill the entire thing."

I mean, come on. That is no way to do business. We had one amendment which said, absurdly, that none of the amounts authorized should be appropriated.

I hope we can sober up and understand what is afoot here.

I am glad to yield to the distinguished chairman of the Governmental Operations Committee.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

(Mr. HOLLINGS assumed the chair.)

Mr. GLENN. I thank my colleague.

Mr. President, I rise somewhat with regret, because I have to rise to oppose the Simpson amendment. I do not question the motivation of what my distinguished colleague from Wyoming is proposing. I do think it is the wrong legislation to pass at this time, because we have other considerations regarding many of the things being proposed by this amendment.

I oppose the amendment basically for several reasons, among them the following:

Rather than cure some of the gridlock that we know is endemic in Government, I think this will create more gridlock in Government. I think it will create Government redtape and paralysis by analysis. I think it will increase Government spending and I think it will weaken important public health, safety, and environmental protections.

Further, this amendment is being hastily considered without hearings and without the careful study and consideration we should give to something of this importance.

This amendment sort of takes a "three blind mice" approach to legislating. It is an approach where the Senate makes national decisions with little study or foresight as to their impact. In other words, it adds more problems to what they are trying to cure with this amendment to this legislation.

Now, what also troubles me is this would happen just as the Committee on Governmental Affairs is in the midst of considering these issues. We already have hearings scheduled, so we are not ignoring these things. We are addressing them. We want to have the hearings that we have scheduled so we can bring out all the pros and cons on each one of these issues.

How does this amendment create more Government bureaucracy, redtape, gridlock, and spending? The amendment does it through a number of ways. Just listen to this list.

First, it requires regulatory impact statements, risk assessments, regulatory flexibility analyses, taking assessments or cost-benefit analyses on

virtually every single piece of legislation considered by Congress and every single regulation promulgated by Federal agencies.

Now, does it make sense to do them on the literally hundreds and hundreds of bills that we consider each year, or on the thousands upon thousands of regulations that Federal agencies put out each year on all of them?

While I certainly want to cut down on some of those rules and regulations, I want to make sure the rules and regulations that are promulgated are needed. But I do not think it is necessary to say that we automatically would go through that whole list of things that I just read that would apply to all the legislation and all the rules and regulations that are written over in the agencies, pursuant to the legislation that we pass here.

I submit, if we really are prepared to do that kind of an analysis on these thousands of things, what we should call this is a lawyers' full-employment bill, because that is what it is going to be. We are going to require more lawyers than we have in Washington, DC, to run these kinds of analyses if we do it on every single thing that is proposed before the Congress.

Does it make sense to conduct some of these assessments or analyses on certain pieces of legislation or regulations? That is a different question. I have to answer a resounding yes to that. Of course, it does. And, of course, we should make those assessments and analyses on certain pieces of legislation.

But before we go ahead and impose this on the whole legislative process—we are going to risk shutting down the legislative and regulatory process—we ought to study where detailed analysis makes sense and contrary to where it is wasteful and duplicative.

That is what the committee hearing process is all about. That is what it is for.

I want to emphasize again that my Committee on Governmental Affairs, which is the committee with jurisdiction over these particular items, is taking very seriously the problems of administrative paperwork and regulatory burdens on State and local Governments, business, consumers, and the public. We are not sweeping these problems under the rug. We are trying to address them, but do it in a logical way that brings out the pros and cons on each one of these procedures.

Last fall, the committee held hearings on the problems of State and local Governments and what they face from unfunded Federal mandates. We have scheduled further hearings for early April to review specific legislative remedies, and I plan to report out mandate relief legislation later this year.

I met just a short time ago, during the National Governors Conference when they were in here, in a meeting of the Governors, who let us know about their problems with regard to unfunded mandates. We appreciated their views on this thing and I agree with them on most of their concerns. So we want to address that.

But, in terms of addressing the problems of regulatory and paperwork burdens on business, the economy, and competitiveness, we have scheduled three hearings so far for later this spring. They are already scheduled.

So it is clear the committee is not sitting still, wringing its hands. We are committed to tackling these problems head-on. We have a schedule and we have a timeframe to do exactly that.

Now, let me discuss some of the concerns and problems with some of the specifics in the Simpson amendment.

First, the various analyses that it advocates will cost the taxpayers money. These things do not come for free. To do a regulatory impact analysis, a risk assessment, or a cost-benefit analysis properly takes planning and resources. They do not just fall out of trees someplace all completed.

How much do they cost? Well, EPA estimates that on a major rule it spends roughly $500,000 for a study of the rule's impact.

Now, I am not saying that every single rule or every single regulation that is written is going to have that kind of an economic impact. But I am not saying a lot of them will not exceed that, also.

If you extrapolate even a portion of that cost to all the rules and regulations, both minor and major, we are not talking about peanuts, we are talking about millions, if not hundreds of millions, of dollars in new Government spending, a new bureaucracy supposedly to try to cure the old bureaucracy that is out of whack. I agree that it is out of whack, but we are looking at it, we are trying to come up with legislation that considers all of these different things, considers the costs and considers the effectiveness. That is what we are looking at.

The amendment also requires "takings" assessments on all regulations. Again, these types of assessments are costly, not to mention burdensome and paperwork intensive.

Further the Constitution is quite clear about compensation to private property owners in case of a Government taking. This clause has fully protected citizens' property rights for more than 200 years, and when the Government has overstepped its bounds, the courts have intervened to protect citizens' rights.

The process up to now has worked pretty well and should not be, really, taken out of its current context unless we look at it very carefully, make careful examination, and give some thought as to its long-term consequences.

I agree wholeheartedly that we may need to change some of the Government's responsibilities. We have moved into a new level, where certain rules and regulations or legislation we pass here does have a takings impact that may need to be considered more in the light of modern business and industry than we had before. But the point I make is let us look at it very carefully. Let us not just pass it out here on the floor and maybe make some legislation that is going to cost billions and billions of dollars in compensation as a result of the takings legislation without looking at it very carefully.

Furthermore, the amendment does not simply direct agencies to protect private property rights. Far from it; what it really does is to lock into law a Reagan administration Executive order that legal experts criticized from the beginning as inconsistent with Supreme Court rulings. Now, it is even more out of date—on March 23, the Supreme Court will be considering what experts describe as the most important regulatory takings case in 15 years. Are we trying to preempt the Court before it has even considered the case. I think certainly the time is not at hand to do that. Let us let the Court make its decision.

The Simpson substitute includes the Wallop amendment on regulatory flexibility. I support the goals of my colleague's amendment. Hearings before my committee have shown that Federal agencies have done a poor job complying with the Reg-Flex Act's objectives and requirements for developing more flexible, less burdensome regulations that impact small business and small governments. We have additional legislation on that. I, too, have introduced legislation to put some teeth into the act. But I am concerned that the Wallop amendment's requirement for judicial review of agency analysis of the indirect effects of a regulation will open the courts up to a flood of litigation.

Once again, what are we doing here? Are we just providing for a lawyers full employment act? This increases regulation and increases the legal review of all these things, I think unnecessarily. I am not saying there are not some parts of this that need to have that kind of approach; a legislative approach. But let us look at it in the light of hearings and know what we are doing, rather than just passing this out here on the floor right now.

While some judicial review of parts of the Reg-Flex Act may be appropriate, it is a subject that needs further study.

Given its other paperwork-creating and bureaucracy-generating provisions, it's ironic to note that the Simpson substitute contains an amendment proposed by Senator DANFORTH, S. 560, the Nunn-Bumpers paperwork reduction bill. I would note that I have my own bill, S. 681, to reauthorize the Paperwork Reduction Act. Senators NUNN, BUMPERS, and I are currently working

together, along with the administration, to reauthorize the act. We have scheduled hearings on May 19 in my Committee on Governmental Affairs to review the consensus compromise that we will have worked out by then. While S. 560 has many worthy provisions, we should allow the committee process to go forward and not consider the bill at this time. Our negotiations will produce a bill that can become law this year, but moving the Simpson amendment to preempt that process makes no sense at this time.

I would add, I have a real sense of deja vu when it comes to this particular item. Way back in the last administration we had an agreement with Dick Darman who was the head of OMB at that time on how we were going to work this out with the Paperwork Reduction Act. We had, on the other side of the aisle, an anonymous rolling hold, one of the more obnoxious things I have seen since I have been in the U.S. Senate and I am on my 20th year here. I see my distinguished colleague presiding now smiling, because an anonymous rolling hold gets his hackles up too. I know that.

I ran into this in the waning days of a session. We had agreement with the administration, had a sign-off. We still have a letter in the files how we are going to reauthorize the Paperwork Reduction Act.

What happened? I came over. I thought we had unanimous consent to get this passed on the floor. No, we had a hold on it on the other side of the aisle.

So I thought I knew who had the hold on it. I went and I saw the person. I will not use names at this particular point. The person said: Oh, no, I took my hold off yesterday.

These are all anonymous. Whoever puts the hold on, leadership does not let that be known. We are trying to figure out who had the next hold, because they still would not let the thing loose. And by the time we got that figured out, which we finally did, the session was over, the bill died, the Paperwork Reduction Act did not get reauthorized, and we are still living with that series of anonymous holds even though we had the administration sign off on it. Dick Darman signed off. I still have a letter in the file that he agreed with it.

That is several years ago now. We are still working to try to get this reauthorized and I think we will be able to do that. But to me it makes a lot of sense to run this through the committee, let us do the pros and cons of it, and not pass something and preempt the committee activity out on the floor right now with this bill.

The Simpson amendment addresses many important issues but I think the solutions proposed, as I have stated through my remarks here this morning—the solutions I believe will slow if not stop the basic processes of government. It is going to cost millions of dollars of new Government spending to implement these things. It cannot help but do that. You do not do all these analyses for nothing.

In its effort to curtail regulation and reduce paperwork it winds up creating more. As I said earlier, you could call this a lawyers' full employment bill. It is going to put everybody to work doing all these analyses and so on. I agree we have to have some of these done but to make it as sweeping and all inclusive, and in effect shut down regulations, shut down rules of Government, shut down the implementation of what we pass here with legislation on the floor and require all those same kinds of analyses here, too—I think we should look at very carefully before we pass this legislation. The committee process in our current legislation and hearing plans provide the forum. I did not suddenly schedule hearings on these subjects. They have been already scheduled for some time before our distinguished colleague from Wyoming ever brought this amendment up. So we have had this scheduled that we are going to have the hearings on it. We will look at these things and provide a forum to examine the issues in further depth.

For all those above reasons I urge my colleagues to vote "no" on the Simpson amendment or vote "aye" for tabling, if that is the decision of the floor manager of the bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I wanted to take the floor briefly to say a few words in opposition to the Simpson substitute and a few kind words about S. 4, that we have had on the floor, now, for some long while.

It was not too many days ago that we all watched the Olympics. The Olympics are a lot of fun to watch. They are interesting. They are going to get your competitive juices flowing. The Olympics have events in which, at the end of the events, the contestants do the best they can and they either win or lose. If they win they get a medal, if they lose they get nothing. It is a very simple concept: Winners get medals, losers go home.

But it is not just on the athletic field that there is competition in this world. We are involved in an Olympics of sorts. We are involved in a competition that is a pretty intense, keen—tough competition in the economic arena. It is not a competition that produces medals. The winner of the economic competition produces jobs and opportunity. The losers lose jobs and opportunity. That is the way the economic Olympics works. If you win you grow; you produce opportunity and strength for your country. If you lose you diminish; your economy shrinks.

What has happened in recent years? As I said the other day, when I went to school I just got up in the morning and understood we were the biggest, the best, the strongest, the most. We won just by competing in the morning. That was the economic strength of the USA. Now we face tough, shrewd economic competition from other countries.

Some of us say—the distinguished Presiding Officer, myself, and others—just as when you are involved in any competition, you need to have some teamwork. You need to work together with those who have the same interests as you do and you need to have a plan to understand what you are going to do here, how you are going to get to the finish line, what is your goal, what kind of plan are you going to use to get there.

Some say, with great pride, not only do we not need a plan, we do not have a plan and I would like to keep bragging about it, they say.

Not having a plan in this country for how we are going to enhance our economic strength is surely something we ought to stop bragging about.

We had about 1½, 2 years ago a fellow come to speak in this town who was one of the chief economists of one of the largest banks in Japan. What he said made a memorable impression on me. I do not know whether it is true or not, but here is what he predicted. He said their economic modeling predicted by 1997, Japan would be the largest manufacturing country in the world, and just after the year 2000, Japan would be the world's economic leader.

He said they invest every year in Japan—at that time—$440 billion more in new plants and equipment than we invest in new plants and equipment in this country. Of course, we understand what that means. You win in the economic competition when you produce a better product and sell it at a better price. Part of that represents what kind of factories you have, what kind of manufacturing facilities you have, and what kind of technologies you have. That is the point, the reason we are debating this bill on the floor today.

It is hard almost to go around during the day and find anybody in this country who makes anything anymore. People are selling things back and forth and competing, but it is hard to find somebody who is making real products. This bill relates to manufacturing especially—and I want to highlight that part of the bill, manufacturing technology.

Why is that important? I do not think this country can long remain an economic giant unless it retains its economic base through manufacturing. This bill relates to that. Some say, "Well, the private sector does just fine." We took an economic detour for a decade with the private sector run-

ning up, wallpapering America with junk bonds, loading S&L's with junk bonds. We had one guy make $600 million in 1 year, 1 year's salary from junk bond sales was $600 million. Then he got 2, 3, 4 years at hard tennis at some minimum security prison, got out and kept most of his money. That is the private sector at its worst.

What happened in the decade when others were investing in plants and equipment? Our big shots were wallpapering America with junk bonds. We need to develop a plan and to say the private sector is just fine, it will take care of itself, we can help the private sector and should help the private sector, not by telling them what to do but by creating mechanisms in which we share all across this country research in critical technologies, information about manufacturing technology, and give the opportunity to those small manufacturers all across this country who want to compete and win the ability to do that. Give them information, give them the kind of things that we develop in research and know-how to allow them to better compete internationally.

We in this country have been a leader in the manufacturing of airplanes. Did that come about because some private companies decided we are going to decide to build a jet airplane, a commercial jetliner? No. It came about through our military establishment. We sunk an enormous amount of research into building military jet airplanes, and from those military jet airplanes, the technology was used then for enormously significant commercial contributions. The 707's, big four-engine jets, that comes from the technology we learned in the military that then became a commercial technology. That is Government; Government to business, a partnership, and we became the leader. Think of the hundreds of billions of dollars that has meant to our economy.

Now we are told on the floor today that this bill that we put together, S. 4, that says let us find ways so instead of fighting each other—the private and public sector—we are helping each other. The public sector, the Government, finds ways to help the private sector become more competitive and win in this economic competition. And carefully constructed in this legislation are a series of steps to do that, to say here is a helping hand, let us find ways to facilitate the exchange of information, the development of technology, additional research, distributing that research and helping American business.

Now we have someone come to the floor and say, "Well, that might be all well and good, you might think that is the right approach, but we come from the side of the aisle that says we want to brag about having no plan, so we're going to substitute for what you offered. We will just get rid of everything you constructed over a number of years and we offer sort of a vegetable soup package of legislative issues, some of which have had hearings, some of which have not, some of which we know about, some of which we do not. And we would like now to offer this, and without the product of any careful research or careful evaluation, let's just go ahead and have a vote on this as a substitute for all of the other things that we have put together to try to create this public-private sector partnership."

I look at this substitute. There are some things in here that I can agree with. Some of them have had hearings, some of them are coming to the floor in other pieces of legislation. Some of them I have never heard of before. A number of them have had no hearings, a number of them look like they are brand new ideas. It is an interesting use of the legislative process to decide the way to develop ideas and legislate them is just to bring them to the floor with no notice and just bypass all rational discussion and debate in the hearing process; let us just have a vote on it before we even discuss it and know much about it. That is a thoughtless way to legislate. I am not suggesting that this is a thoughtless substitute. I am just saying any time we are put in a position of voting on legislation that is comprehensive or substantive, parts of which have had no hearings, that does not, in my judgment, advance or serve the legislative interests of producing good public policy.

Let me make one final point, Mr. President, and let me try to make it as emphatically as I can. There is a major, major difference in philosophy among many of us on this floor that is at the root of this debate. Some say and boast continually that we ought not have any plan in this country, the private sector is just fine; we do not need any plan in terms of where we are going or where we are headed or what we are doing.

Others say, if you are involved in the competition and the other side has a plan, they have a training camp, they all get together and make joint decisions and they help each other, whereas our side says, we do not need any training camps, we do not need any plan, let us just sort of show up, we will all wear different uniforms and all have a different approach, that we can compete effectively.

We cannot. The fact is other economies around this world that have been successful have some notion of what it is the investment is going to produce.

Let me ask a quick question: Does anybody think this country will do well if we have no automobile industry left? That is not going to happen because we happen to be on the rebound for a lot of reasons. But are there not certain sectors, manufacturing sectors, without which a strong country cannot perform? I am just picking automobiles as an example.

The answer, in my judgment, is yes, there are. There are certain concentric economic activities without which a strong country cannot function, and we must understand that, and we must reach out and say, "All right, this sector is critically important to this country's future. What can we do to strengthen it and improve it and help it compete against other countries around the world?"

That is the purpose of this bill. It is very simple. The question is, do you want to do something or do you want to do nothing? Do you want to continue to boast we have no plan, or do you want to decide to advance this country's economic interest with S. 4? That is the question before us.

If you believe as I do that S. 4 makes good sense for this country, is long overdue and ought to be passed as quickly as possible, then we ought to vote no on this substitute and vote yes on S. 4.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DORGAN). Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, the Senator from North Dakota has made a very powerful statement. He talked of winners and losers, and the winners getting medals and the losers going home.

I note that at the end of World War II, the United States had the only strong economy, whereas the economy of Japan was devastated. Today the Japanese per capita income is $23,325, and the great powerful, only superpower in the world, the United States has a per capita income of only $19,815.

That carries me back to the original comment made by the distinguished junior Senator from Florida, who came early in the Chamber here at 9 o'clock this morning and talked about how we do not want to get into industrial policy. Look what happened to Japan. He says Japan went and put its efforts behind high definition television and found that that is not going to be the technology of the future and therefore Japan is distraught, is lost in this economic Olympics.

They can make many, many more mistakes before the United States ever catches up with them if we make the mistake of this particular Simpson amendment by way of a substitute.

I wish we could debate the economy. I wish we could debate international trade and GATT. I will never forget being told that the foreign policy, the security of the United States is like on a 3-legged stool. We have the one leg here, the values that we have as a Nation, and that is, of course, very strong. We have just sacrificed lives to feed the hungry in Somalia. There is no question about the values of the United States for the principles of freedom the world around.

The second leg is that of your military power, and we know about that with respect to our vast defense establishment.

But the third leg is that of the economy. And that leg is weak and fractured. And going right to the competition down on the field, there is the Japanese competition. Japan fielded its team out there. And Japan has got its Government, the combination of MITI and the Ministry of Finance correlated together. They are the Government. That is what runs Japan. So the Japanese have the quarterback on the field calling the plays, and we have the best players, we have the most productive industrial worker in the entire world. The players are there, but the Government quarterback is up in the grandstand whining, "Be fair. Be fair; I want a level playing field. I want a level playing field."

Absolute nonsense. Whoever heard of anybody in economic affairs being fair. Why do you think we have laws against monopoly? Why do you think we have antitrust laws? Why do you think we have health laws to protect our health? Why do you think we have safety laws?

I can go right on down the list. Do you think the market is going to act safely? Do you think the market is going to act for good health? For 13 years we heard the litany of deregulate, deregulate; get rid of the Government; the Government is not the solution, the Government is the problem.

They whined around here for 13 years and you see where we are. The economic leg is fractured. We are behind the curve, and we are trying to play catchup ball and the best of the best in industry, the best of the best in technology, the best of the best in graduate education, the best of the best in manufacturing has come in here in a uniform fashion with organized labor saying we are joining hands and let us go with this bill S. 4.

They come here with the monkeyshines of wait a minute; the Secretary of Commerce is former chairman of the political party and the big bucks here are going to the party chairman and we are going to deal out the bucks. Sheer nonsense. They ought to be embarrassed.

They mentioned Arati Prabhakar, because she is the Director of the National Institute of Standards and Technology. On this woman's outstanding record with the Defense Advanced Research Programs office, DARPA; managing a total annual budget of $300 million, and 300 contracts with 65 companies including large electronics manufacturers, traditional defense contractors, midsized and small technology firms, 50 universities, and 30 other laboratories.

Now, that is where this money is going, to the National Institute of Standards and Technology, and I am sure the distinguished lady had no idea her record would be used in this debate, but I use it because it is very pertinent, very relevant in the context of the reckless charges of some sinister industrial policy here, the idea that this is a new philosophy.

The distinguished director of NIST, she has been managing these high-tech programs at Defense. She has been doing exactly what the Republican task force said on defense conversion, get the money out of defense and get it over to Commerce, get it into business hands, get it into technology, get it into the commercialization of our technology, and to do exactly what they say to do.

But the Director of the Office of Management and Budget has written us a letter in support this morning. I would like to put it in the RECORD at this particular point. It is dated March 9, to myself, the chairman of the Committee on Commerce, Science, and Transportation.

I am writing to express the Administration's objections to the amendment to be offered by Senator Simpson to S. 4, the National Competitiveness Act of 1993. This amendment proposes significant policy changes which could have serious negative consequences.

This amendment could lead to sweeping changes in labor law, worker protection, and Federal regulatory management. Largely speaking, these proposals have not been fully reviewed by the Senate or Administration and warrant further consideration before they are enacted into law. Furthermore, I would note that the Administration is currently working to address many of the issues contained in the Simpson proposal.

In his March 7th letter to the Senate Majority Leader, the President expressed his support for swift Senate action on this legislation and urged that the Senate not adopt extraneous amendments tht would delay enactment of the bill. Clearly, the controversial nature of the proposals contained in the Simpson amendment would significantly delay—if not jeopardize entirely—the enactment of S. 4. I urge strongly that the Senate reject the Simpson amendment and work quickly to pass S. 4.

Sincerely,

LEON E. PANETTA,
Director.

Mr. President, I think the main point to be made is that here we have countering the pleas with respect to the big bucks and the small bucks. They are talking about politically giving out pork and starting a big-bucks program. They never called that program, over in the Defense Department, such a thing. There was not any new philosophy arguments there. We have supported it for years, and it had a $300 million budget that the Director had with 300 contracts with 65 companies, electronic manufacturers, defense contractors, midsized and small technology firms, 50 universities, and 30 other laboratories—all pursuant to the Republican Defense Conversion Task Force filed year before last, signed by the distinguished ranking member of the Committee on Commerce, my colleague, Senator DANFORTH.

We are doing conversion, so we not only take the programs over, we not only take the Directors of those programs, and put the distinguished lady as the Director of NIST, but they still bellyache about "pork" and "ballooning," and "new philosophy."

I can tell you here and now, when you do what they ask you to do, then they just come politically here with slash and burn and substitute. Just get rid of the National Bureau of Standards, which is the fundamental part. That is the big one. Look at these figures. They are talking about amounts. You will find that the Bureau goes up, up, and away.

So that is what we want to do, instead of the research in DARPA; yes, get that commercial research up, up, and away. That is intended. We have the best doing it, who have been doing it with acclaim over in the Department of Defense: Arati Prabhakar and Under Secretary Mary Lowe Good.

I do not know how you do it better and gain the confidence of any who would have a question, be they Republican or Democrat, to ensure that we do not start a pork program.

I emphasize again we reported the bill out at $1.5 billion for next year. That was supported by the Senator from Missouri, and now comes the amount in the bill, $1.3 billion. So in actual figures, it is a cut. I hate to see it. I wish we could get way, way more into that program, as the private sector experts have recommended.

We need to really get going when we realize we now have only seven manufacturing technology centers, and we hope to get only another seven. The administration says that by the turn of the century they hope to get 100. The competition that the distinguished Senator from North Dakota was commenting upon, Japan, has 170 of them. And it is working. That is where you get the high productivity. That is where you get the quality. That is where you get the high pay. That is where you get the higher per-capita income. Fledgling little Japan is a country now that has won the gold medal as to per-capita income. Meanwhile, we are still languishing here with diversionary amendments on banking regulations, labor regulations, impact statements, pesticides, post offices, anything in the heaven's world that

they can think of except an amendment relevant to the bill.

This is the fourth day of it, Thursday. We started on a measure that had been passed unanimously through both Houses, ready in conference, could not get it then up as a reported bill with all the conferees, Republican and Democrat; then again last June, unanimously out of the Committee on Commerce, all the Republicans and all the Democrats supporting it, and at a higher amount than what we have at the present time. Now they come and say just get rid of the program.

I yield the floor.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. KEMPTHORNE. Mr. President, thank you very much. I want to thank my friend from South Carolina for his courtesy.

I wish to address an aspect of the Simpson amendment which I am responsible for placing in there. In all honesty, it should not be necessary for this part of the amendment.

I am going to relate to you a situation that many Americans have already heard about because Paul Harvey talked about this situation. Many Americans read about this in Reader's Digest, in last January's edition. I am going to tell you about an incident that happened in Garden City, ID.

There was a construction accident. A trench caved in and it buried a worker. Two people happened to be going by and they heard the commotion; they heard the muffled screams. So they ran to the side of this trench cave-in, and they saw what had taken place. They saw just one inch of the buried victim's head. Of course, he was covered with dirt and debris and was pinned in this trench and could not breathe.

So these people that happened to be coming by immediately began to dig the debris from around that individual's head so that he could breathe again. Then that trench began to fill with water. So they rerouted the water so that this individual would not drown until emergency personnel could get there with the appropriate equipment so they could extricate him.

Thank goodness for the victim that these individuals happened to be going by. For their efforts, the mayor of Garden City, ID, acknowledged them in a proclamation as heroes; and indeed they were heroes.

Unfortunately, those heroes received from their Federal Government citations, citations from OSHA of nearly $8,000.

Mr. President, I ask unanimous consent that the entire Readers Digest article, entitled "Fined for Heroism," in the January edition of Readers Digest under the section of "That's Outrageous," be printed in the RECORD.

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

[From That's Outrageous, Reader's Digest, January 1994]

FINED FOR HEROISM

Kavin Gill and another employee of DeBest Plumbing Inc. had to act quickly to rescue 21-year-old Dwight Kaufman after a dirt trench wall collapsed on him at a construction site near Boise, Idaho. Using their hands as tools, they dug the dirt from around his head before a rescue crew arrived and pulled him out of the ditch.

"We could hear muffled screams. You could just see about one inch of the back of his head," Gill said. His shoulders were pinned from the collapsed piece. With his head covered, I think he would have died."

But the federal Occupational Safety and Health Administration didn't see it that way. It fined the Boise plumbing company nearly $7875 because the good Samaritans failed to put on hard hats and took no precautions against other trench walls falling on them during the rescue.

Idaho OSHA Director Ryan Kuemichel said that "rescues must only be attempted after taking proper precautions to ensure that victims are not injured in secondary cave-ins."

But Gill said he, fellow worker Myron Jones and a bystander didn't have the time to find their hats, remove water from the trench and shield the walls.

Sen. Dirk Kempthorne (R., Idaho) asked the Labor Department to review the case, and the fines were dismissed. Kempthorne says he will draft legislation that exempts acts of heroism from OSHA fines. "Thank goodness there are still people in this world who are willing to help their neighbors—despite an absurd bureaucratic mind-set in the federal government that would seem to discourage saving a life," Kempthorne said.

Mr. KEMPTHORNE. Mr. President, let me tell you about these citations. They received one citation of $2,250 for not properly being trained in recognizing and avoiding unsafe conditions. That is of the two people that happened to be walking by, or driving by, that had nothing to do with this construction site—two employees of DeBest Plumbing. They received a second citation, a $1,125 penalty because they did not first run to their vehicles and retrieve hardhats.

It has been pointed out that if they had taken the time to run to the trucks to get their hardhats, in all likelihood, it would have created, potentially, greater injury to the victim, if not death.

They received a third citation for $2,250 for working in an excavation where water had accumulated. This is outrageous.

They received a fourth citation from OSHA of $2,250, because the employees should have shored up the walls of the trench before attempting to rescue the victim. That is the letter of the law, but it is not the spirit of the law.

If these good Samaritans that happened to be going by had abided by OSHA's interpretation of the letter of the law, in all likelihood we would have had a victim who was then deceased.

I had my office in Idaho contact the OSHA office there and say: "Surely, there has been a mistake. Surely, you do not intend to fine these two heroes $8,000." They said: "Oh, yes we do." Then they went on to explain that the agency felt it was necessary to cite everyone for any possible violation, and then let them appeal the decision.

So you have to go to a review, and you have to go to court in order to get citations removed that should never have happened.

Mr. President, this portion of the Simpson amendment that I have added is necessary. It appears today in our Federal bureaucracy that we are now going to have to legislate common sense and build it into the law because, unfortunately, we have Federal regulators that, in their intent to be so strict in their enforcement of the letter of the law and their assessment of fines, are not using common sense.

I believe—as I think all Americans do—that heroes deserve commendations, not citations. We need to ensure that we honor heroes and not punish them. Therefore, Mr. President, that is why this particular aspect of the Simpson amendment is there, so that these regulators know that there will be an exemption so that when a heroic act takes place that saves lives, they can abide by the spirit of the law, not the absolute letter of the law.

Mr. President, I yield back to the distinguished Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Idaho. I had to smile when he said we are going to legislate common sense. He has a good initiative, and he has a good cause. I have listened with tremendous interest. But, in fact, if he thinks he is going to legislate common sense to the Government, I can speak from hard experience over 27 years up here. Does the Senator realize the stupidity of Government. Does he realize that this particular entity, OSHA, elects Senators?

I remember about 20 years ago when OSHA elected Senator WALLOP. Senator WALLOP ran in his campaign a good little TV ad against the late Senator Gale McGee of Wyoming, and it said: "Do you know what those fools in Washington in OSHA are requiring here for the rancher to round up his herd? They said you have to get a toilet bowl." And they had a video of the toilet tank around the animal's head, and his head was bent down—I can see it now. The ad said this is what Washington requires of us. Elect WALLOP.

They elected him; there is no question about that.

You and I are going to be dead and gone and that crazy crowd will still be in the bureaucracy. They are still putting out bad decisions of that kind. But it has no relation whatsoever to this bill. We have 140 pages, and you cannot find OSHA, or safety, or any of those other regulations in this particular measure. This is technology. This is

every bit of research into technology, in the outreach extension, advanced programs, the peer review. But OSHA—I did not intend to pass a bill on OSHA.

That is why we are somewhat distraught, because here we have, perhaps, as the Senator has described it, a perfectly fine initiative relative to OSHA. Hopefully, we can legislate common sense separately. Maybe I would support the distinguished Senator from Idaho then. But right now we have Republicans and Democrats and a movement going here with all the best of knowledge, already unanimously reported out of the committee, and we are being distracted into OSHA.

Mr. KEMPTHORNE. If the Senator will yield, I appreciate his comments. Under the umbrella of this underlying bill, we are dealing with competitiveness. And what I have heard repeatedly from business people is that if we would get the Government off their backs, they can be more competitive. Here we have a situation where the Government has erred in judgment, and it is on their backs. So we are trying to correct that.

I agree with the good Senator from South Carolina that, as I said in the beginning, it is unfortunate that this is even necessary, and that we have to talk about this. It may be impossible to legislate common sense. But we are the folks that are elected by the other people of this Nation to come in here and, hopefully, bring some common sense in.

When we see a Federal agency that has run afoul, I think we have to bridle it back. That is what this accomplishes. But again, the reason that it is germane, in my opinion, is the fact that if we are going to be competitive, we ought to look for every opportunity we can to get the Government off the backs of the good folks that are out there trying to be competitive.

Mr. HOLLINGS. I agree. The Senator is correct. Any time you can get the Government off your back—and that expression is used just as frequently in South Carolina as in Idaho. But this amendment is not aimed at getting technology competitiveness going. I guess that any subject could be brought up under the rubric of competitiveness and described as such, but that is really stretching it. I am sure the Senator realizes that.

Mr. KEMPTHORNE. If the Senator will yield. I ask the good Senator from South Carolina, in the event that this is not successful in today's debate, would the Senator be willing to cosponsor with me this same amendment, in a stand-alone situation at some other time.

Mr. HOLLINGS. Yes. The way you have described it, I was powerfully interested in it. That thing ought to be corrected. There is no question about it.

Let me ask the Senator, because I know nothing about it, where is it in hearings or why have we not made progress on his bill?

Mr. KEMPTHORNE. Mr. President, if I may respond, this occurred at the end of last year. So, we talked with OSHA officials. They felt they could correct this through other means.

I went ahead and prepared the language, which really reflects language which I think OSHA would be headed toward. This gets us there.

So, this is the first opportunity that I have had to bring it forward. But, again, if it was not successful in this particular issue, then I appreciate greatly that the Senator would join me as a partner because it ought to happen.

Mr. HOLLINGS. Yes, I hope we can have hearings and flesh it out and bring it to the floor.

I thank the distinguished Senator.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that I might speak as in morning business for a period of up to 15 minutes and at the conclusion of my remarks that my remarks be placed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROCKEFELLER. I thank the distinguished Chair.

THE COSTS OF DISTRACTION

Mr. ROCKEFELLER. Mr. President, conduct in Washington over the past few days reminds me of a Biblical warning about straining out a gnat while swallowing a camel.

This week we have heard a grinding tirade about a 16-year-old real estate transaction and precious few sentences about the perilous future of health care for millions of Americans.

For too many years, Americans have flipped to C-SPAN and come face to face with congressional sniping but few solutions for the real life problems of real Americans. Debate has seemed more like political ping-pong than serious discussions of issues with real and lasting impact on our people and on our Nation.

It is not surprising that the people of America tune us out. For more than a decade we have seen campaigns waged with tactics of division and fear. Work in this Congress was subverted by debates about budget gimmicks and flag burning, all of this while family income stagnated, while millions lost health coverage, and more were shunted into HMO's while industry's competitive edge was worn away and our foreign competitors ate our economic lunch while a quarter of our children slipped into poverty and a quarter of the homeless each night are our children.

Mr. President, in just 12 months President Clinton has started to turn around 12 years of inaction and neglect. He has pulled sound legislation from the mire here and gotten the Family Leave Act, the Motor Voter Act, and the National Service Program, which is fundamental to the rejuvenation of our spirit in America, and a deficit reduction package passed that all the pundits said could not be done, but he did it.

He is the first President to finally get tough on trade with Japan. He understands lives filled with long days and constant struggles to make tomorrow a measure better than today. He talks about that often. He comes to this town penniless, and he will leave a poor man. He goes to work every day aching to make America work again. In my 30 years of public life, I have never seen so committed a public servant, so rich in talent, so prodigious in his desire to take on the really tough problems that vex this Nation.

His wife Hillary has traveled this country trying to fill families touched by tragedy with a new sense of hope, as only she can, after their insurance has run out perhaps but their child's needs for medicine, of course, has not run out. She has worked herself to exhaustion, past exhaustion for doctors so worn down themselves by the system that they cannot remember why they went to medical school in the first place.

She listened to fathers who worried about children graduating into jobs without benefits. She buried her own father and went straight back to work for families who labor every day caring for their own aging parents.

She has worked countless hours on a plan to help parents who work knowing that, if they gave up and took welfare, they would get the benefits that they need; to help storeowners who lie awake wondering how they will tell trusted employees who they have known all their lives that their coverage will have to be cut.

For all these people she has been a tireless educator and a tireless advocate. And her reward, Mr. President? Outside this Chamber she has been personally attacked by the same people committed to killing the health care reform which she has wrought.

Mr. President, when Eleanor Roosevelt was in the White House, she was attacked, too, most vociferously in fact, when she championed an antilynching bill. That is right. When she spoke up against vicious mob violence, she was called a dangerous enemy to America.

Now, a new generation of self-appointed judges want to tear down this First Lady and her good work. They deserve the same contempt that we heaped upon past defenders of lynching.

Right now, President Clinton and the First Lady are working tirelessly to

pass the most important piece of social legislation in the history of this Congress. That is what is at stake here, and that is what some in this city do not want our Nation to hear about.

Recently the pattern of deliberate distraction has returned. One day it is whipping up a haze of confusion claiming there is no health care crisis in America. The next day it is rolling out a fog of nonsense that the President's health care reform plan is dead while in the meantime, of course, offering absolutely no alternative at all, and then a day later it is churning up a sandstorm over a 16-year-old real estate development—anything, anything to avoid knuckling down to our real work that we are hired on here to do. What flimsy excuse is next, Mr. President? What will they bring next? The Sun was in our eyes. Our shoe laces were untied. The dog ate the health care bill.

It is pathetic. It is absolutely pathetic. Some here will always reach for one more excuse because good policy is hard work and it does take time and it takes patience, by the way, and it takes political courage.

Some others upstairs in the press gallery will always want to write about the petty conflict, not the dry policy, because it is not exciting, it does not have entertainment value, it does not make for a good picture, it does not make for hard copy.

Yesterday, a writer for a national publication known by everybody in this Chamber told me that his editors did not want him to write anything positive about the Clintons, not this week, not with blood in the water.

Mr. President, we must get past the distractions and the obsessions and the excuse-a-day mentality that we seem so rich in. The facts are plain regarding the latest diversion. There is no evidence of any wrongdoing, and I might say recent staff meetings were approved in advance by ethics officers. The President and the White House are answering every single question and providing every single scrap of paper and posted note. The special investigator has been empowered to pursue every avenue, and we fervently hope that Mr. Fiske will thoroughly answer all the questions of the press and of the public.

I expect the sensationalists will eventually tire of this, Mr. President, the same way they tired of chasing Tanya and Nancy around Norway. Remember them? They were a big deal for quite awhile until we discovered they were not. Maybe they will find another irrelevant gnat to pursue, or maybe, just maybe, they will turn finally to the consequences of inaction around here, the costs of distraction, and maybe they will turn to the promise of reform—just maybe.

Make no mistake, America. Make no mistake, America. Whoever wins the latest political brawl, one thing is certain. You could lose. You, America, could lose. You could lose welfare reform. You could lose new crime-fighting initiatives. You could lose guaranteed health coverage. You could lose all kinds of things because of the way we operate in this town and our own glorious, sanctimonious nature.

We must not let this important opportunity for health reform slip past, Mr. President. The benchmark has been set.

The President's plan guarantees every American private insurance that can never be taken away from them for the course of their lives for any reason whatsoever. It ensures that you, not your boss or your insurance company, will choose your own doctor and your own health plan. It outlaws unfair insurance practices that jack up your rates if you get sick. It makes sure that seniors can count on Medicare. And it does all of this by building on the system that most Americans rely on now—insurance through their workplace.

If we fail, if we are fooled by the diversions, if we deliver less than the President has proposed, then make no mistake, there will be no places to point and put the blame but here on our own heads. But, if we could rise above the noise, if we can pass this reform and provide a measure of health security to our families, our neighbors, our friends, our parents, and our children, then, in a lifetime of public service, we will count no greater contribution.

Yes, Mr. President, it can be done—insurance every American can count on, no matter what. Do not settle for less. Do not let us deliver less.

I thank the Chair and I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri [Mr. BOND], is recognized.

Mr. BOND. Thank you very much, Mr. President.

I ask unanimous consent that I may be permitted to speak as if in morning business.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. BOND. I thank the Chair.

HEALTH CARE REFORM

Mr. BOND. Mr. President, I listened with interest to the comments of my colleague from West Virginia because we have had an opportunity to travel not just around this town but literally around the country talking about the very important issue of health care reform. I believe he and I share the same goals, almost exactly the same goals. We disagree on the road to get there, but we are both committed to getting there and getting there this year is vitally important.

I believe that Americans want the President and the Congress to work on the challenges before our Nation and the problems affecting our lives. Personally, I would like to be able to devote my time to working on health care reform, to ensure that every American has health insurance that cannot be taken away if you change jobs, if you become ill or if someone in your family becomes ill.

ABUSE OF EXECUTIVE POWER

Mr. BOND. Mr. President, I am a senior member of the Senate Banking Committee, and there are very serious questions which have been raised about possible abuse in the executive branch of the power of the Federal banking regulators and of the White House. Possible insider dealing at the Madison Guaranty Savings and Loan is an issue that needs to be resolved by the special prosecutor in Arkansas. There is also another tragic death that has to be investigated.

But there is an issue clamoring for congressional airing under our system of checks and balances, and that is: Has there been any misuse or abuse of executive power in this administration over the investigation?

This is one of the most important responsibilities in our system of checks and balances, and that is to make sure that no branch of Government is allowed to misuse its power. The Constitution is clear that this Senate, as well as the House, has a responsibility to be a check on the misuse of executive power.

I believe it is in everyone's interest, the public's, the President's and, foremost, the Nation's interest that we air these issues out and get them behind us. The President has stated forcefully that he has nothing to hide, that he has done nothing wrong. Then let us question the administration officials who stand accused of ethical breaches, give them an opportunity to explain their actions to the public and move on to other issues.

I have already stated that I believe a number of the officials in the executive branch have not served the President well. Several have rescued themselves from action and others have planned to leave Government.

I have questions beyond the scope of civil or criminal prosecution, but that are central to the issues of abuse of power, public trust and integrity. If there are not discussions, in which administration officials are questioned about their actions, then we probably will not get straight answers. That would be damaging to this President and, more importantly, the office of the Presidency.

What everyone must understand is that ethical lapses—sufficient, perhaps, to be a breach of the public's trust—are not necessarily crimes. And the independent counsel is looking for crimes.

So what does this administration and what does Congress do about those individuals who have clearly undermined our faith in their abilities to handle their responsibilities fairly—but have not committed a crime?

Do we wait 2 years for The Special Prosecutor's report, leaving them on the job during the interim? Obviously, that does not make any sense. And, of course, there are a series of other questions that Mr. Fiske will not be asking.

Last week, as part of our oversight hearings on the operation of the Resolution Trust Corporation, I asked a series of questions to the acting head of the RTC. My staff received strong criticism from staff on the other side of the aisle for my asking such stupid questions and for our pursuing those questions.

However, as the answers to those questions came out during the week, one official rescued himself from further work on this matter, 10 subpoenas were issued to officials in the Treasury, the RTC, and the White House, and, among other things, the White House counsel announced his resignation.

For those people who say that congressional investigations do not mean anything, do not do anything, I would say, for asking a couple of stupid, inappropriate questions, we have had some spectacular results.

That is a not the objective, though. The objective is to get at the facts.

Let me take an issue on which I think several administration officials should comment. Let me lay it out.

For several years, the Resolution Trust Corporation took the position that the statute of limitations on savings and loan prosecutions should be extended, because they were concerned about the sheer volume of cases. The RTC and other banking regulators felt that they needed additional time to complete their complicated cases against S&L thieves. By extending the statute of limitations from 3 to 5 years the RTC would have time to build evidence and pursue these civil cases. If the statute of limitations were allowed to expire, then the RTC would have to drop cases because the 3-year time limit had run out.

A brief chronology of this issue is in order:

In 1992 two votes were held in the Senate on the specific issue of extending the statute of limitations, and the extension was also included in other bills by consent. Overall, the Senate passed the extension provision in three separate bills, but the House did not act. During this period, the RTC supported the extension, because they had already seen the statute of limitations expire on 274 thrifts by September 1992, and deadlines were occurring every week.

However, just 9 months and an intervening election later, the RTC changed its tune. In a copy of May 4, 1993, the acting RTC chief, Roger Altman, wrote Chairman Henry Gonzalez of the House Banking Committee to oppose extending the statute of limitations on savings and loans and civil prosecution stating:

> Over a year ago the RTC generally supported legislative efforts to extend the statute of limitations because its Professional Liability Section [PLS] was facing a peak number of institutions which were closed in 1989 * * * The limitation period expired during this time for 410 of the 752 thrifts under RTC control for PLS purposes. * * *

But he then went on to state:

> The RTC has no need at this time either to revisit "closed" claims arising in institutions in which the limitation period had expired or to extend the limitation period prospectively * * *.

If the Congress had listened to Mr. Altman's recommendation, then the civil prosecution of Madison Guaranty Savings and Loan potentially involving the Clintons never would have been reopened.

And according to the Washington Post, the key civil case that the RTC is now reviewing involved Madison's representation by Mrs. Clinton and the Rose law firm of Little Rock.

So, did Mr. Altman know that his action could have jeopardized the case against Madison and potentially against the individuals, including the Clintons? Did other administration officials who participated in this policy reversal know that it would have permanently shut down the civil prosecution in the Madison case? Was anyone from the White House consulted on this significant policy reversal?

These are serious questions about public trust and potential abuse of power which are not the province of a special prosecutor—should not be; are not—and will not be answered thoroughly until administration officials testify before Congress. Mr. Altman may have a good explanation for the RTC's policy reversal, and he and other officials should have an opportunity before Congress to explain this action.

If the case against Madison, and the other individuals including the Clintons did play a role in the RTC's policy reversal, then the abuses of power will have reached a new low. Prosecutions against S&L crooks across the country could have been shut down prematurely just in order to solve one problem. I think the officials involved should have an opportunity under questioning to explain this decision, and I would think that they would want it.

Personally, I am deeply concerned by this question, because I listened to the RTC's opinion and voted with them, relying on their judgment. Many others in Congress also relied on Mr. Altman's position and voted to end the statute of limitations as the RTC requested. I think those of us who had voted that way would want an opportunity to ask these serious questions of administration officials, because that is not the province of the special prosecutor.

Some may want to turn this investigation into a partisan battle. Some may want to use it to endanger the President's agenda and the office of the Presidency.

That is not our purpose. I suggest it does no credit to those on the other side who charge that it is, nor to those on the other side who hurtle personal accusations against Senators who are raising the question.

Treating this serious situation like a political campaign only makes one wonder what there is to hide. If there is nothing to hide, let us open it up, show it, and get on with it.

The Banking Committee under Senator D'AMATO's strong leadership is trying to perform its responsibility to ensure that the power given to the executive branch by the people has not been abused. With Senator D'AMATO in the lead, one way or another I believe we will get that job done.

We certainly intend to.

Mr. President, I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, I wonder if my colleague from Missouri will yield for a question?

Mr. BOND. I would be happy to.

Mr. PRYOR. The question I pose to my very good friend and neighbor from Missouri is as follows. You spoke of your membership on the Banking Committee, I wonder if the Senator from Missouri actually asked Mr. Altman those particular questions in the hearing last week, the questions that you now say that he should now come before the Congress and answer? Did the Senator from Missouri pose those questions to him, at that appropriate time, in the Banking Committee hearing?

Mr. BOND. Mr. President, to answer that question, in the time allotted me in the Banking Committee hearing, I asked Mr. Altman questions about whether he had advised the White House or anyone in the White House about the criminal referral of the S&L case. I asked if anybody on his staff had advised the White House.

He advised me that they had not. It was 3 days later that he then called me in the evening to say that information was incorrect. I did not ask the question because I did not see—and it was later brought to my attention—the May 4 specific terms of the letter. That was brought to my attention after the hearing. If Mr. Altman comes before the Banking Committee again I assure my colleague from Little Rock I will give him the opportunity to answer those questions.

Mr. PRYOR. Mr. President, would my friend from Missouri answer another question?

Mr. BOND. I will be happy to.

Mr. PRYOR. I wonder if the Senator from Missouri has received or had the opportunity to read a letter, written by

Robert Fiske, Jr., the independent counsel, addressed to Chairman RIEGLE and the ranking member, Mr. D'AMATO of New York, dated March 7? I wonder if my friend from Missouri has read this letter?

Mr. BOND. I have not.

Mr. PRYOR. I wonder if the Senator from Missouri would comment on this particular sentence in the letter from Mr. Fiske to Senators RIEGLE and D'AMATO.

> Inquiry into the underlying events surrounding Madison Guaranty Savings and Loan, Whitewater, and CMS, by Congressional Committee would pose a severe risk to the integrity of our investigation. Inevitably, any such inquiry would overlap substantially with the grand jury's activities. Among other concerns, the Committee certainly would seek to interview the same witnesses or subjects who are central to the criminal investigation.

I wonder if the Senator would comment on this particular writing?

Mr. BOND. Mr. President, I will be happy to. That letter very clearly sets out the legitimate concern of the special prosecutor, Mr. Fiske.

Mr. Fiske has taken the position that he does not want the Congress intervening in any of the activities in Little Rock, what went on at Madison Guaranty.

My question to Mr. Altman, that I phrased today, was: Was he even aware of it when he made a policy recommendation to this body? That I submit, Mr. President, does not have anything to do with whether there were any illegal, criminal, or perhaps liability-inflicting actions taken by the people involved at Madison Guaranty or Whitewater. It is a totally different case.

I would say also to my good friend from Arkansas, that Mr. Fiske I believe was clear, as a result of discussions he held on the Hill yesterday, that his primary concerns were, among others, that he does not support any congressional investigation. Prosecutors generally do not. He did not want to have immunity granted. He did not want people who were going to have to testify —he did not want his referral made public. He did not want to grant immunity. He did not want people who were to be questioned under subpoena questioned by a congressional committee prior to the time that he would question them.

I submit if Mr. Altman did know about the Madison Guaranty situation, and even if he did recommend to Congress that the statute of limitations expire, there is absolutely no grounds—there is absolutely no grounds for a criminal proceeding against him. I think it is a serious matter of not being straight with the Congress, but I do not believe we should invoke criminal proceedings to deal with that. I believe we can deal with that in the political process. So that has nothing to do with the investigation of the special prosecutor. And I daresay it will not have anything to do with the investigation by the special prosecutor.

Mr. PRYOR. Mr. President, let me just finally state—I know Senator HOLLINGS wants to get back on the floor and continue with S. 4—but finally I would like to say, Mr. President, to my very good friend from Missouri, Chairman RIEGLE held the hearing record open after the RTC hearing so that any follow-on questions could be asked of him in writing.

I am just curious, I wonder if the Senator from Missouri has availed himself of that opportunity? An opportunity that I might add that exists as we speak right now?

Mr. BOND. Mr. President, I will avail myself of that opportunity. I think that is an important question, if we can get that answered. I would prefer to have questions answered in an open committee hearing where we can question the witness and follow up.

I used a number of followup questions because I was not convinced of the answers when Mr. Altman was in front of us, and I think that my second and third questions and fourth and fifth questions would depend upon his first answer and subsequent answers. I do not believe that investigating a matter as complex as the decision to oppose extending the statute of limitations can well be answered by a question submitted for the record. That is not the role of questions submitted for the record.

Mr. PRYOR. Well, Mr. President, I am not going to pursue this matter any further today. But it appears that almost every other hour on the floor of the Senate, it has gotten to be the pattern now that one of our colleagues will come over and attempt to impugn someone's integrity or make some assertion about someone's character or their lack of honesty, or what have you. It appears that the pattern has been set, and we have seen that pattern over the past several weeks.

So I just think that it is time we set the record straight; that we take the advice of the independent counsel and wait until the proper time for any hearings. And if congressional hearings are justified, we will hold congressional hearings, but to hold congressional hearings at the moment that the grand jury is meeting is unwise—and, by the way, Mr. President, the grand jury, as we stand here on the floor of the Senate, is meeting, actively meeting, and interviewing witnesses in this whole case.

I hope we will listen to the plea of the independent counsel and use our common sense and attempt to make certain that the facts—that the facts—are ascertained. Let us listen to Mr. Fiske, a respected and Republican special counsel, and let him do his work without congressional interference.

Mr. President, I yield the floor.

Mr. BOND. Mr. President, I will say simply to my good friend from Arkansas, whose integrity I respect, that I trust that he was not directing any comments to me because I have come here to ask questions. I have seen allegations and accusations made about people on this floor many times. But we are attempting to get congressional authorization to hold hearings, to ask questions which are not going to be the province of the investigation by the special prosecutor.

I do not want to impede that. I do have a series of questions and I believe my colleagues have questions that deserve to be answered.

I suggest to my good friend that when those hearings are scheduled, then there will not be need to come to the floor to talk about the questions that should be asked if there were that opportunity.

I thank the Chair, and I thank my good friend from Arkansas for giving me the opportunity to respond.

The PRESIDING OFFICER. Who seeks recognition?

Mr. COVERDELL. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNFUNDED FEDERAL MANDATES

Mr. COVERDELL. Mr. President, first, I want to commend Senator SIMPSON from Wyoming for his amendment in the current debate. I am a cosponsor of it. I have not spoken on it directly this morning because last evening there was unanimous consent on my amendment that dealt with a sense of the Senate to call on the U.S. Postal Service to cease and desist from its audits and intimidating procedures they have used on private businesses with regard to the use of private carriers.

But this morning, I want to visit something we hear more and more about in this Capital City and that is unfunded mandates.

I voted against the proposal last year under the title of motor voter, and I warned at the time that it was an unfunded mandate and it was going to cause consternation in many of our States.

Our general assembly in Georgia has just concluded its session and, indeed, as was predicted, they have been confronted with a Federal order, edict, mandate which has caused them to spend millions of dollars to solve a nonexistent problem.

I read from the Atlanta Journal Constitution an editorial. It says:

> The so-called "motor voter" bill in the Georgia House is in many ways a sparkling example of the sort of junk laws that afflict society today. Its fundamental assumptions are flat wrong, it won't do anybody any good, and because it was forced on the State by Congress without any funding, it will cost the State's taxpayers several million dollars.

But it has to be passed because not to do so puts a bludgeon in the hands of the Federal Government. This is a classic example of the activity that should come to a stop in this Nation's Capital.

Mr. President, I ask unanimous consent to print this editorial in the CONGRESSIONAL RECORD.

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

[From the Atlanta Journal and Constitution, Feb. 14, 1994]

MOTOR VOTER IS BAD, BUT PASS IT

Most of the time, if there are lots of things wrong with a piece of legislation and only one thing in its favor, the natural conclusion is that it ought to be defeated. There are, however, rare exceptions.

The so-called "motor voter" bill in the Georgia House is in many ways a sparkling example of the sort of junk laws that afflict society today. Its fundamental assumptions are flat wrong, it won't do anybody any good, and because it was forced on the state by Congress without any funding, it will cost the state's taxpayers several million dollars. But it will have to be passed.

Why? Because the congressional action makes it essentially a done deal. If Georgia doesn't go along with the charade, then voter registration procedures for federal and state elections would be different, and the legality of some elections could be challenged. Meanwhile the state would have to shell out more money to fight lawsuits than it would cost to implement the new system—and almost certainly lose in the end anyway.

We resent all these sorts of "unfunded mandates" Congress keeps pushing on the states and their taxpayers. We resent them even more when they are no more than posturing for political constituencies, showboating measures that accomplish nothing. No one seriously thinks that voter participation will be meaningfully increased by allowing registration when a citizen gets a driver's license; in most states where that has been implemented, turnout for elections has actually gone down.

But, despite all the arguments against the bill, it's futile to fight it now. The best thing states can do is pass it, then hope whatever new voters are registered around the country will elect smarter people to Congress.

Mr. COVERDELL. Mr. President, on January 21 of this year, I received a letter from the speaker of the house, signed by the majority leader, the chairman of the ways and means committee, the chairman of the rules committee, and the chairman of the human relations and aging committee, the chairman of the university system, the chairman of appropriations, the chairman of state institutions and property, chairman of governmental affairs, speaker pro tempore.

I will not share the entire letter, but I will ask that it be printed in the RECORD.

On the first page, the speaker of the house, the longest standing speaker in the United States, says:

In sum, Georgia will attempt to comply with the National Voter Registration Act, but we are not happy with unfunded Federal mandates in this or any other area. If the Congress wants programs to be implemented, then Congress should fund such programs accordingly.

I could not agree more with these distinguished gentlemen. It is wrong for one government to impose an edict and instruct another government to fund its priorities, and the Congress is not accountable for what has to be done because of a law passed; someone else is. Any time we have a situation where one body can pass laws and order another to be accountable for them, we are developing a major problem and a constitutional crisis.

Mr. President, I ask unanimous consent to print the letter from the speaker of the House of Representatives of Georgia in the RECORD.

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

HOUSE OF REPRESENTATIVES,
Atlanta, GA, January 21, 1994.

Hon. PAUL COVERDELL,
Senate Office Building,
Washington, DC.

DEAR SENATOR COVERDELL: The Georgia General Assembly is now confronted with the need to fund and implement the provisions of the National Voter Registration Act of 1993 (NVRA). Due to the fact that Georgia presently has none of the forms of registration required by the NVRA, this Act imposes a significant burden on the state, both as a practical matter and as a financial matter.

We must be in compliance with the NVRA by January 1, 1995. This leaves only the remaining months of this year to fund and develop a system to meet the mandate of the NVRA. Consequently, the cost of implementing the NVRA is high since all of our efforts must be focused into a short period of time. We anticipate that compliance may cost well over $8 million at a time when our state treasuries are not stocked with funds for current obligations, much less new programs.

While the goals of the NVRA may be laudable, it appears to us that the failure of the Congress to fund this legislation is inexcusable. If Congress feels that the NVRA is a good idea, then it is worth funding. The NVRA came to us with no funding whatsoever.

We continue to receive complaints at the state level from our counties and cities about the evils of unfunded mandates and we are attempting to respond to those concerns. Congress would do well to rein in further unfunded mandates to the states. In fact, it is not too late for Congress to appropriate funds to cover the costs of implementing this Act or to relieve some of the costs of the Act. We ask that you consider such action as soon as possible.

In sum, Georgia will attempt to comply with the NVRA, but we are not happy with unfunded federal mandates in this or any other area. If the Congress wants programs to be implemented, then Congress should fund such programs accordingly.

Sincerely,

House Budget Sub-Committee Members:

Thomas B. Murphy, Speaker; Larry Walker, Majority Leader; Thomas B. Buck, Chairman, Ways & Means; William J. (Bill) Lee, Chairman, Rules; David Lucas, Chairman, Human Relations & Aging; Calvin Smyre, Chairman, University System; Terry Coleman, Chairman, Appropriations; Carlton Colwell, Chairman, State Institutions & Property; Bob Homes, Chairman, Governmental Affairs; Jack Connell, Speaker Pro Tem.

Mr. COVERDELL. Mr. President, on February 24, I received a letter from the distinguished secretary of state of the State of Georgia. He says:

As the State of Georgia undertakes the necessary steps to implement the National Voter Registration Act, we are more and more concerned about the cost of this federally imposed mandate.

At one time in the discussions of motor voter, to assuage the States, we said they would have lower-cost mail, third-class costs but that it would be treated as first-class mail. Now the Postal Department, which I talked about a little earlier, has told the States, "No, that is not so." So they cannot use the lower-class mail because voter information would not be delivered on time. It could be 3 weeks or longer.

So we have welshed, once again, on the burdens that are incumbent upon us to deal with these costs we have imposed on someone else.

In this particular case, just this function of the motor voter bill will cost a quarter of a million dollars to the State of Georgia virtually every year.

Mr. President, I ask unanimous consent to print in the RECORD the letter from the secretary of state for the State of Georgia.

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

SECRETARY OF STATE,
ELECTIONS DIVISION,
Atlanta, GA, February 24, 1994.

Hon. PAUL COVERDELL,
U.S. Senator, Senate Office Building, Washington, DC.

DEAR SENATOR COVERDELL: As the State of Georgia undertakes the necessary steps to implement the National Voter Registration Act of 1993 (NVRA), we are more and more concerned about the cost of this federally-imposed mandate.

One section of the NVRA is especially troubling. In Section 8(h), the Congress amended Chapter 36 of Title 39 of the United States Code to provide for reduced postal rates for mailings under the NVRA. These reduced postal rates were supposedly to be made available from the post office by utilizing the nonprofit organization rate. The United States Postal Service has taken the position that this section provides that the states can utilize the nonprofit organization rate and level of service, which is third-class mail. Under the provisions of the NVRA, there are no mailings which are contemplated to be handled under third-class mail. All of the mailings under the NVRA must be handled by first-class mail. In addition, the Postal Service is phasing out the nonprofit organization rate. This has therefore made these supposedly reduced rates for mailings under the NVRA illusory and of no use whatsoever.

I request that you take whatever steps are necessary to assist the states in funding the provisions of the NVRA by making the reduced postal rates a reality. This could be done very easily by requiring the Postal Service to develop a reduced rate for first-class mail for all mailings which are cer-

tified by the appropriate election official to be required under the NVRA. This would permit substantial savings to the states. If the rate were one-half of the current first-class mail rate, the savings to the State of Georgia would be projected at $250,000,000.00 each year. Please consider taking the initiative to give us the assistance needed in implementing this mandate.

If you have any questions concerning this matter, please feel free to contact me.

Sincerely,

H. JEFF LANIER,
Director, State Elections Division.

Mr. COVERDELL. Mr. President, we have had county commissioners in this State, we have had mayors visit our capital, school boards. They are all saying the same thing: "You have to stop imposing mandates on local government for which you do not pay."

Currently, almost any local jurisdiction is spending about one-third of its property tax base trying to answer current mandates.

We all talk about how onerous they are. But we keep passing them and they keep having an effect, as motor-voter did in the State of Georgia, costing the State millions of dollars.

What is truly sad is that nothing of significant value is achieved. I have argued that if we are going to pass a Federal mandate, then there should be a compelling need for it. I would hope that some of the various provisions introduced in the Senate or the House will be implemented in the near term to slow this train down and stop this egregious behavior, this imposition of one branch of government on the other. As I saw these letters from leaders of my State, it infuriated me once again as to the unfair nature of what we continue to do in the Nation's Capitol.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. HOLLINGS. Mr. President, I hope those in support of the Simpson amendment will now proceed to the floor, because the reason we yielded, I guess, to these extraneous matters, is they are just as relevant as the Simpson amendment is to the underlying bill. No relation whatsoever. I keep insisting that you can go down the list of all these matters, whether it is regulatory or anything, they have nothing to do with the developing of technology.

Just going down the summary sheet, the Economic and Employment Act has nothing to do with it. The impact statements there, nothing to do with the development of technology. Private property rights has nothing to do with the development of the Nation's technology. The flex amendments has nothing to do—judicial review of adverse decisions has nothing to do with the development of technology. Davis-Bacon does not contribute to the research and development of technology. Paperwork requirements has nothing to do with it. I can go right on down this list here—banking regulations and all.

S. 4 has been worked out over the years with bipartisan support until now. I take it what got us off track is that the Senator from Missouri did not like the General Agreement on Tariffs and Trade negotiations relative to subsidies.

On that particular score, what in heaven's name have we been doing over the years but subsidizing? So it is an offset. They make direct allocations, I take it, of funds to Airbus. We, indirectly, come around either through the Defense Department, through the National Aeronautics and Space Administration, in space research, allocating the spinoffs from these research endeavors to the aircraft industry, coming around indirectly with the Export-Import Bank.

In one particular item, Mr. President, relative to the recently hailed contract of sale of aircraft, civilian aircraft to Saudi Arabia, we understand that 6 billion dollars' worth of commercial aircraft from United States manufacturers to furnish a civilian fleet of about 50 planes was linked to the rescheduling of $9.2 billion in Saudi debt in United States defense equipment.

Now, Mr. President, there is also the transaction being facilitated by $6.2 billion in export financing provided by the Export-Import Bank.

I can tell you now, to come here and talk about a new philosophy on account of what they did on GATT is begging the question, and they know it. They have to know that. Here, we use every device; they use every device, and that is the message. We are into a competition. You are not going back and asking 114 nations to renegotiate the subsidies section. That is not going to happen.

The distinguished Senator who raises the point wanted to say, I wish to make sure it does not happen. He pressed for fast track. This Senator opposed it. I was defeated. The Senator from Missouri won the fast-track debate, put it on there so that there could not be any amendments by any Members of the Senate. Now he comes with an amendment here on this Senator's bill, on the technology bill, because he knows he can't amend GATT.

Now we are getting to the meat of the coconut. We wonder how in heaven's name you get a unanimously passed bill 2 years ago, ready to send it over into law. Then you ran out of time, so you come back and unanimously report it out again. All Democrats, all Republicans joined last year. We finally get it to the floor and then find our colleagues almost in a block yesterday afternoon voting to kill the bill, voting to kill the bill. And you finally hear this morning what evidently is on their mind because that is just terribly unfortunate.

It is not that at all. I described Arati Prabhakar, the fine lady who is the administrator now, the Director of the National Institute of Standards and Technology, coming over from the Defense advanced research programs section of the Pentagon. I wanted to emphasize—and will probably again before this debate is out—her background, showing exactly what she did at that particular time in the Department of Defense, because we had her confirmation hearings, and in her curriculum vitae it notes:

> Managed one of the largest DARPA offices; execute a total annual budget of $300 million and 300 contracts with 65 companies, including large electronics manufacturers, traditional defense contractors, midsized, small technology firms, 50 universities, and 30 other laboratories.

Now, they never said there were big bucks to be given out over there by the Department of Defense. They never said that was a new philosophy. This is what she is doing now and has been doing for years. They never said that was new technology or, rather, new policy, that we ought to have a debate here on a new policy.

That has been going on, and to have it now go on in commerce instead of defense was exactly what they asked for in the defense conversion report of the Republican body. The Republicans in the Senate convened, studied, and reported. The Senator from Missouri signed it, amongst a good 16 to 17 other Republican colleagues. They said what we should do is transfer DARPA, namely, defense research, into private or commercial research under the Commerce Department. What they said was we endorse NIST. We endorse the Advanced Technology Program. Those are their words.

So here we have Ms. Prabhakar doing exactly that. You cannot do better than that. You cannot do better than that. We not only do the programs over but we take the director of the programs and bring the distinguished leader and director of those programs in defense and have her as the new Director of the National Institute of Standards and Technology, and she is at work there.

Now we have at least a year's experience. They do not come, and, say, "Look at the pork; look how this contract was given; look how this facility was built; look how this research grant was made," because they cannot. It cannot be done that way. It has to be merit selected and in competition and reviewed by the National Academy of Engineering with the peer review process.

So they do not have any examples of abuse—not a single one.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont [Mr. LEAHY] is recognized.

Mr. LEAHY. Mr. President, I could stay here and listen to the distinguished chairman for the rest of the day. In fact, on occasion I have. I have found it to be a matter of some great education.

I should note, Mr. President, that I am a cosponsor of this legislation with Senator HOLLINGS and am proud to be. I enjoy the company I am in. I am pleased to be following his leadership. I think he has tried mightily and successfully to keep this legislation focused on its primary purpose.

It is so easy when legislation comes up to toss this, that, and other extraneous things at it as though somehow we are going to come out with a better law that way. The fact is that in most of these instances it simply goes nowhere.

The distinguished chairman has tried to keep together a piece of legislation that reflects not only the needs of today, but into the next century. As one who has children who will live most of their lives in the next century, I applaud the chairman for that. I applaud his leadership. I applaud him for his farsightedness, and I hope that we will resist the siren call of just adding on other things that will simply slow down and probably kill the legislation in the long run. Sometimes it is the death of legislation by good intentions more than anything else. Let us keep our eye on the ball.

Mr. President, if the chairman has no objection, I would like to refer for just a very few minutes to the issue of health care. I assure him that I will take but just a very, very few minutes.

HEALTH CARE REFORM

Mr. LEAHY. Mr. President, I think that the momentum in health care reform is changing. You can feel the difference.

Our subcommittee this week is actually marking up legislation guaranteeing every American health coverage. Senate committees are holding hearings almost every day. The House and Senate leadership are talking about going to the floor around Memorial Day and beginning the real debate, not the debate that goes on before the TV cameras, not the debate that goes on in the talk shows, not the debate that goes on in the press releases, but the real debate so the American public will find out how we are going to vote, and with that come to the issue of not if Congress is going to act but when. It means every one of us will actually have to stand up and be counted. That is because of the President's leadership, because he has forced this forward so we will stand up.

There will be a lot of give and take in it, but there is one part of this health care issue that is nonnegotiable. If we send a bill to the President that we want signed, it has to guarantee every American health coverage. The President insists on that. I support him in that. The vast majority of Americans support him in that. The question, of course, is how do you do it?

Some have suggested Congress increase taxes and let the Federal Government pay for health care. Others have proposed a mandate on every individual to buy health insurance. Of course, both options will be a major change in the way we receive our medical care. Currently, two-thirds of all nonelderly Americans get their health care through the workplace. That is why the President chose a third, and I think least disruptive, option—building on the current employer-employee system because it already works so well for so many Americans.

Back home, in my State of Vermont, our State legislature is having its own debate on health care. A very similar package is taking shape. Last week, a special committee of the Vermont House voted 10 to 1 for a universal health coverage bill, requiring employers and employees to share the cost of health insurance.

Basically, what happens is in almost every workplace where there is health insurance, it requires employers to pay 70 percent of the premiums, and it provides subsidies for small businesses with low-income families to shoulder the cost.

The Vermont special committee looked at all three options, and they chose the one closest to the President. It made the most sense, and our Governor, who is a practicing physician, Howard Dean, pointed out that it is the only approach that could command support of both Republicans and Democrats.

This kind of workplace health benefit is gaining ground around the country as well. Yesterday, Senator DASCHLE, who has done such tremendous work in keeping this debate going forward, released a letter signed by 110 national organizations, businesses, and unions supporting an employer mandate as a "fair, effective and practical means for achieving coverage."

Fair because it ends the cost-shifting going on right now when the majority of employers who provide health coverage for their workers pay for those employers who do not.

Effective, of course, because it gets us to universal coverage.

And practical because it is the least disruptive way.

If health care is going to pass this year, we should keep the momentum going and pass it.

I might suggest, Mr. President, that one way to keep the momentum going is to vote on S. 4 now and get this off the legislative calendar so we can go forward. Every single Senator knows how he or she would vote if we are going to have a final vote on this bill.

The distinguished chairman has worked extremely hard in the beginning of this Congress to bring this legislation before us. I cannot believe there is anybody in this Chamber who does not know how he or she would vote if we were approaching final passage. The American people have to wonder why the delay. We ought to be able to go forward, and I commend the distinguished Senator from South Carolina for his leadership.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona, [Mr. DECONCINI], is recognized.

Mr. DECONCINI. Mr. President, I will yield to the Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator. I thank my distinguished colleague from Vermont. He is a leader, not only on agricultural matters, but particularly with respect to foreign operations. I watched his work in the Appropriations Committee. He had a conference at the policy level with respect to health care, and we are mightily impressed with what Vermont is doing. I appreciate his bringing it to the floor. I thank him.

Mr. DECONCINI. Mr. President, I join the Senator from Vermont in reference to his remarks to the distinguished chairman of the Commerce Committee, the Senator from South Carolina.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. DECONCINI. Mr. President, the National Competitiveness Act that is before us today is something that I am going to vote for. The reason I am not here offering amendments and participating in the debate, at least from my standpoint, is that the Senator from South Carolina has constructed a bill through his most able manner of holding hearings, of listening to people, not just talking, but being very aware of the needs of the private sector, of what is necessary to invest in this country.

So I could not help but take the opportunity to come here and tell him that is why I am not bothering him with amendments about competitiveness in Arizona or someplace else because, though everybody could add or subtract something to this bill, he has done it in such a manner that I do not know that it could be done any better.

He will say if I vote for the amendment that is offered here, he will cite back my words, I am sure. I do not know what amendments will be offered here, but I do intend to oppose the substitute amendment that I understand will be offered.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative 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 (Mr. BRYAN). Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I ask unanimous consent that I be allowed to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHITEWATER

Mr. DASCHLE. Mr. President, this morning's Wall Street Journal reported on another poll they have done. The poll reflects what many of us have said all along: The American people see through all the partisanship of Whitewater. They see it for what it is: Politics at its worst. More Americans perceive Whitewater more as a beltway political fight than as anything else. Twice as many people believe the issue is being used against the President as believe there was anything done wrong.

No question was asked in the poll about whether this has been yet another body blow to the institution, but one does not need a poll to answer that. No one should be mistaken. Opponents of the President may be aiming their political missiles at him and the First Lady, but they are destroying us.

The age-old political tactic has always been to tear down the opponent, do what one can to tar him with negatives. As we know, all too often it works, at least in the short term. And as we also know, this practice usually raises the negative opinion of both sides, and that is what the polling data is telling us again today. The American people do not believe the accusations. They overwhelmingly believe that the motivation is political. And it appears they also believe less in the institutions of government now than at any time since polling data has been produced.

The American people are asking what a constituent of mine asked just last weekend: Why do all of you not put the same energy into health care or deficit reduction that you seem so consistently to put into politics?

I would add—why, especially if, with this kind of politics, everyone loses?

If the American people see through the political rhetoric, as the Wall Street Journal poll indicates—if their view of Congress continues to erode with each new episode, then, Mr. President, why do we do it? Why do we continue to destroy the institutions we all claim we came here to serve?

The motivations of some of our Republican colleagues could not be more clear than they are on the matter of the special counsel. We all now know the facts. Even though there were no specific allegations of legal wrongdoing relating to Whitewater, many Republicans created the appearance of legal wrongdoing and demanded a special counsel. Incredibly, the demand followed a long debate about the very need for a counsel, in which most Republicans argued for the abolition of the office.

Following Republican demands, Attorney General Janet Reno appointed a special counsel, in spite of the lack of specific legal allegations and, I might add, at a substantial cost to the taxpayer. The response to the appointment was universally positive.

Robert Fiske, a Republican attorney with an impeccable reputation, was an appropriate choice. Our colleague from New York, Senator D'AMATO, called him "one of the most honorable and skilled lawyers anywhere to be found." And praise was justified.

Since he was appointed, he has issued broad subpoenas and empaneled a grand jury. He is calling witnesses before that grand jury, as we speak.

Yet, just as he is about to delve into the allegations, carefully, systematically, with the precision of a surgeon, some of the same Republicans on both sides of the Capitol are now saying, "We want to do it too,"—but not as surgeons, more as butchers—taking a meat-ax to the process, to legal considerations for the investigation, to the reputations of the people involved.

After having opposed the Office of the Special Counsel, then demanding a special counsel and getting one, some of them now want to do his work. And by now everyone knows the position of the special counsel on the matter of the timing of congressional hearings. He has asked that all hearings be postponed. He has asked that he be given time to do the job that we asked him to do. And, he made it very clear, "Nothing could jeopardize the success of [his] work more than congressional intrusion right now."

That view is strongly shared by the last special counsel, Lawrence Walsh.

Judge Walsh, in his final Iran-Contra report, states:

> Congress should be aware of the fact that future immunity grants, at least in such highly publicized cases, will likely rule out criminal prosecution.
>
> Congressional action that precludes, or makes it impossible to sustain, a prosecution has more serious consequences than simply one conviction. There is a significant inequity when more peripheral players are convicted while central players in a criminal enterprise escape punishment. And perhaps more fundamentally, the failure to punish governmental lawbreakers feeds the perception that public officials are not wholly accountable for their actions.

Let there be no mistake, after creating a special counsel, some Republicans clearly are willing to subvert his work. What makes it even more transparent is something that appeared in this morning's Wall Street Journal, as well. Apparently, similar meetings to the ones which have so exercised some of our colleagues occurred in the Bush White House. In his book, "Full Faith and Credit," Bill Seidman describes a conversation remarkably similar to those now being criticized. On page 243 of his book, Seidman describes a telephone conversation between Al Byrne, the chief counsel of the FDIC, and C. Boyden Gray, the White House counsel. Gray raised the Neil Bush matter, known as Silverado:

> Boyden wanted to know if there was any legal process to move the Neil Bush case out of the administrative process and into a Federal court * * * On January 2, my first day in the office after the holidays, Tim Ryan informed me that Al had called him about Neil Bush and the possible change of venue * * * Here was a neat little story for some investigative reporter, and I could never write the headline: "White House Tries to Influence the Neil Bush Case."

Mr. President, perhaps it would be appropriate to ask Mr. Fiske to expand his investigation to all cases involving White House dealings and personal matters relating to the RTC, but that really takes me back to my original point: How is the institution best served in all of this?

I think we know the answer. The answer is really pretty simple. The answer is to let Mr. Fiske do his job. It is to let us tone down the political rhetoric and stop the posturing. It is to let us get on with the pressing legislative agenda before us. That is the answer.

We did that last year, and the results have exceeded our expectations. Frankly, that may be the very reason we are being diverted right now. It is hard to find something to complain about when it comes to the economy or our efforts to reduce the deficit. Nine months ago, many of our critics predicted a recession if the President's economic plan was passed.

But we know the results. Under President Clinton, we have seen a 2.8-percent growth in the economy, double what it was for the 4 years before he took office. The President's critics predicted massive job layoffs. Instead, 1.9 million new jobs have been created, more than the total number of jobs created in the 4 years before he took office.

Our critics predicted an increase, not a decrease, in the Federal deficit. But the projected deficit has been reduced by $114 billion for 1995 alone. Inflation is the lowest it has been since 1979, and, at 2.7 percent, is less than two-thirds of what it was in the 4 years before the President took office.

Maybe that is why the American people see through this, Mr. President. So many Republicans were wrong on the economy, so many were wrong on the deficit. They are likely wrong on this, too.

The American people shake their heads in recognition that politicians in

Washington just do not get it. It is politics as usual that drives them to support term limits and campaign reform and just about anything else that could bring about changes in our democratic institutions. But all they really want is something of which there is an abundance outside the beltway: They want hard work and good common sense.

I yield the floor, 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. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. BINGAMAN. Mr. President, I come here today to express my support for the efforts of the Senator from South Carolina, Senator HOLLINGS, and to express my disappointment with the vote last night on the Danforth amendment and the ongoing partisan debate that seems to have bogged this bill down into what I see as extraneous matters.

Last evening, I was somewhat amazed that the Danforth amendment won as much support as it did, particularly among Republican Senators. I hope that this does not signal the death knell of a very long era of bipartisanship on technology policy going back more than a decade. As we all tried to learn the lessons of the mistakes that were made in the seventies by Presidents of both parties on such large-scale development projects as the Clinch River breeder reactor, the Synfuels Corporation, and the supersonic transport.

I have supported making the research and development tax credit permanent since I have come to this body. In my view, it is a false choice to choose between this bill and that tax credit. I would like to challenge some of the fundamental points that were made yesterday by the Senator from Missouri because I think they relate to the facts.

The Senator from Missouri said yesterday that he is fundamentally concerned about the roles that this bill perceives for the Government in general and for the Department of Commerce in particular in the area of research. In my view, most of the roles that he is concerned about are long established.

We had a very good hearing yesterday morning in the Finance Committee on the research and development subsidy issue in the Uruguay round of the GATT agreement. In that hearing, I made the point that the Uruguay round essentially embraces President Bush's technology policy and, as many Senators know, President Bush and his senior policy advisors, his senior science adviser Allan Bromley, and Dick Darman at the Office of Management and Budget, and others, went to great lengths to distinguish the technology policy of President Bush's Presidency and that of President Reagan from the so-called industrial policy, as that term is used in a pejorative sense, that had occurred in the seventies; that is the Synfuels Corporation, the supersonic transport and the Clinch River breeder reactor as being three examples of the industrial policy that I think there is a general consensus now that was objectionable.

The heart of the Bush technology policy that is still the heart of the Clinton-Gore technology policy is that there is an appropriate role for Government in technologies that have commercial application, but that that role stops at precompetitive development which should be cost shared with industry.

It was in this way that President Bush could push a high performance computing initiative, and an advance materials processing initiative, and an advance manufacturing technology initiative, and a biotechnology initiative, and an advance battery consortium with the automobile industry, and Sematech with the semiconductor industry, and a doubling of the small business innovative research setaside, and an explosion in cooperative research and development agreements between our Federal laboratories and the private sector to ensure the fruits of our Federal research and development flowed to private firms and to other programs that were not national security concerns.

I know that yesterday Senator HOLLINGS pointed out the contradictions between the Rudman task force on defense conversion, that report that the Rudman task force issued, and the position now being taken by many of our colleagues in this body.

It might be instructive to read a bit from the last budget document submitted by a Republican President. I have President Bush's 1993 budget request here, and it has in it a very nice section called Investing in the Future. Within that section there is a chapter entitled "Enhancing Research and Development and Expanding the Human Frontier."

Let me just read a couple of excerpts from that chapter. These are items I know the Senator from South Carolina is very familiar with. But let me just read some of this from the last budget document that President Bush submitted to the Congress. This is a quotation from that document. He says:

> The administration has sought to foster technological advancement through a multifaceted technology policy that includes:
>
> Increased Federal investments in high-payoff applied research and development, including increased emphasis on pre-competitive generic technologies;
>
> Increased Government-industry collaboration, including both formal consortia arrangements (such as the Advanced Battery Consortium) and informal interaction such as the Computer Systems Policy Project;
>
> Accelerated technology transfer from Government laboratories;
>
> Greater emphasis on investments in new technologies as part of several National Strategies to address transportation and energy issues, and to advance the U.S. space program;
>
> Support for incentives to encourage greater private sector R&D investments including making permanent the R&E tax credit, expansion of the National Cooperative Research Act to include joint production ventures, and the proposed reduction of the taxation rate for capital gains.

And on and on.

Clearly, there was a major commitment to Government involvement and support for industry efforts to commercialize technology in the prior administration.

Yesterday, the Senator from Missouri questioned what he referred to as the "extent of partnership, if any, between Government and industry in research." That is a quotation from his statement yesterday.

If he indeed has deep philosophical concerns about this sort of partnership, I think the reality is that there is already a huge partnership today in this country encouraged by numerous pieces of legislation that were passed by this body since 1980, usually by unanimous consent, signed into law by Republican Presidents. I do not know where my colleagues were when that legislation was passed.

President Bush, at least in the budget document I referred to, was proud of the fact that on his watch civilian applied research and development had increased from $11.6 billion to $16.3 billion. He was also proud that he was proposing to increase that further to $17.3 billion in fiscal year 1993. This is not basic research for which President Bush was asking these billions of dollars but civilian applied research and precompetitive development and probably some development at NASA and DOE that goes beyond precompetitive. President Clinton's fiscal year 1995 proposed budget for civilian applied research and development is $18.6 billion. This is not a sea change from President Bush's last budget. If you put 2 years of inflation on $17.3 billion, it may actually be less than President Bush requested.

So, Mr. President, I frankly am somewhat perplexed by the debate that has occurred in the last day or two. I recall George Bush giving a series of speeches in the closing months of the 1992 campaign to industry groups in Detroit and Chicago and Colorado Springs where he enunciated a technology policy consistent with his budget.

I recall Allan Bromley, the President's Science and Technology Adviser, complaining to the Los Angeles Times reporter in October 1993 that President Bush did not get enough credit for his technology policy and that the Clinton policy was just borrowing the Bush administration's ideas.

So maybe my memory is faulty. Perhaps the Senator from South Carolina has more details on this. I am sure he does since he spends great time on it. But I do not recall deep philosophical and partisan debates over this matter when we passed all the legislation that was passed in this area in the 1980's and in the early 1990's.

We spend today $70 billion plus each year on research and development. That is at the Federal Government level. There is no way that that spending is going to be neutral among different industries. We have mission agencies, we have the National Institutes of Health, we have the Department of Energy, the Department of Defense, NASA, the Department of Agriculture. Mr. President, you can tell by the names of these agencies where they are going to direct the great bulk of their research dollars. Our research expenditures abandoned the pristine neutrality that the Senator from Missouri apparently desires, and we abandoned that when we invented these mission agencies.

It is an incontrovertible fact that the research of these mission agencies increasingly overlaps with the research conducted in the private sector. It was the recognition of this fact that led us, on a bipartisan basis from 1980 until the present, to try to define partnership mechanisms between the mission agencies and the private sector. In my view, if Senators have concerns such as have been expressed in the last 24 hours, they should have opposed this entire body of law that has passed in the last 14 years.

I do not think we should go back. I do not think we can go back. A research and development tax credit has a role in our policy, and I support making that R&D tax credit permanent. But we should not kid ourselves that such a credit is neutral. Obviously, it favors firms in sectors which invest intensively in research compared to those which do not. Electronics is benefited much more than textiles. Firms with profits to be taxed benefit more than small firms, small business startups still facing losses. So we should not kid ourselves that even that tax credit is perfectly neutral.

The bill that the Senator from South Carolina is so ably managing has a significant role, too. If you accept that the mission agencies are going to be investing in research beyond basic research, as they have for the entire post-World War II period, there is a significant role for the Commerce Department beyond its traditional role in standards research and oceanic and atmospheric research. The Advanced Technology Program and the HOLLINGS manufacturing technology centers are the heart of that role. They have broad support in industry, as the Senator from South Carolina has repeatedly pointed out in this debate.

Until this year, they were not controversial. Since I have served on the Armed Services Committee, I tend to see some of what we are trying to do with the Advanced Technology Program in terms of the history of the Department of Defense research agencies.

Back in 1958, President Eisenhower created the Advanced Research Projects Agency. He did this because he thought defense research was in a rut. It was not investing enough in breakthrough technologies. It was underinvesting in some key generic technologies that cut across all the services, technologies such as electronics and materials and computation. The Advanced Research Projects Agency became a court of last resort for innovative military technologies which the service bureaucracies, for whatever reason, were failing to fund. In that role, ARPA's successes included precision-guided munitions, phased-array radars, stealth technology, and many others.

Our second mission was to invest in those crosscutting technologies which the services would underinvest in: electronics, materials, computation, et cetera. And in that role the agency has an even longer list of successes. The whole foundation for computer networking and personal computing is an obvious example.

The Commerce Department through the ATP program can similarly be a locus of industry-led, pre-competitive research and development that seeks both to support cross-cutting generic technology, for example in advanced manufacturing processes, and to fund innovative industry ideas for pro-competitive development that the civilian mission agencies for whatever reason are underinvesting in.

Yesterday, the Senator from Missouri posed the question whether the Commerce Department has a leadership role to play in this new era of strong international competition. His answer was no. My answer is yes. ARPA manages to lead innovative research within DOD despite having a budget that is only about 6 percent of the overall DOD research budget. Under S. 4, the ATP and Hollings Center budgets remain well less than 5 percent of our civilian research budget. The key is not to duplicate what the other agencies are doing. It is to look, in partnership with industry, for the high-leverage opportunities that the other agencies are missing or to leverage their resources to get something done. In that way Commerce can keep those agencies on their toes and be an advocate for greater government-industry partnership in those agencies' research programs, where that makes sense, just as ARPA performs that same function in the Department of Defense.

I am personally delighted with the people we have in place at the Commerce Department to carry out the programs we are authorizing in this bill. Mary Good, who comes out of Allied Signal with long experience on industry advisory boards, and Arati Prabhakar, who was ARPA's best program manager in the Bush administration, know how important it is to work with the other civilian agencies. They know how important it is to preserve industry-led, merit-based procedures in these programs. They have a strong champion in Senator HOLLINGS in his role as chairman of the appropriations subcommittee to ensure that the earmarking Senator DANFORTH talks about does not occur here, as it too often does in the civilian mission agencies. And I have been an ally of Senator DANFORTH of Missouri on that subject of trying to reduce earmarking.

My bottom line is that we need to move forward. Senator DANFORTH would move us back not just a small step, but all they way to 1980 or perhaps 1945 with his notion that government's role in civilian research should be limited to basic research and an R&D tax credit. Such a limitation of the government's role is not appropriate, it is not sustainable, and it flies in the face of decades of history. I am with him if he wants to oppose large-scale Federal support of development of particular commercial products by particular firms. I do not want to fund Synfuels Corps., or Supersonic transports, or Clinch River Breeder Reactors to the tune of billions of dollars.

The real money to get a product to market comes in development beyond the pre-competitive stage. We should let our private sector handle that unless there is a compelling government mission need, such as defense, that forces us into the development phase.

But there is a role for government in general, and the Commerce Department in particular, in research and pre-competitive development of technologies of commercial interest. It has been carefully defined in a large body of legislation which has preceded this bill into law. It has been carefully defined in this bill. This bill is simply not industrial policy in the sense that term has been used in the past. To call this bill industrial policy is to accuse Presidents Reagan and Bush of being card-carrying advocates of industrial policy.

So I hope we will not go back. I hope this series of extraneous amendments will be rejected, just as the Danforth amendment was last night. I hope the Members on the other side of the aisle who supported Sematech, who supported the Trade Act of 1988, the Tech-

nology Transfer Act of 1986, the National Competitiveness Technology Transfer Act of 1989, the Energy Policy Act of 1992, and numerous other pieces of legislation will join us in voting down these amendments. I hope those Members who supported President Bush's budgets for civilian applied research and development will support this bill. I hope those members who signed their names to the Rudman Task Force report in 1992 will support this bill. I hope those who have supported this very bill until recently will reconsider making technology policy a partisan issue, when President Bush's last budget saw it as a key component of our country's need to invest in our future.

Again, I want to commend the Senator from South Carolina for carrying the entire burden of this debate on the very important legislation on the floor. If this bill is industrial policy, then virtually every authorization bill of every mission agency and every appropriations bill of every mission agency should provoke a similar debate. And this body will not have much time to debate anything else.

Mr. President, I appreciate the opportunity to speak.

Again, I commend the Senator from South Carolina for his excellent work, and I hope we can proceed to final passage of this bill quickly.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mrs. MURRAY). The Senator from South Carolina.

Mr. HOLLINGS. Madam President, the distinguished Senator from New Mexico has been the leader with respect to technology and competitiveness in the field of technology.

Madam President, he does not just serve as the chairman of the Subcommittee of Armed Services on Industry and Technology but he has chaired for years the Competitiveness Task Force in Congress. He and I have been in lockstep with respect to trying to sustain all of this wonderful talent that we have, and at the same time direct it to where it is needed, the talent being of course in our National laboratories, Livermore, Sandia, the others.

We have worked very closely with Craig Fields over the years. We were disappointed when he left. Otherwise, we were very much enthused, as the distinguished Senator has emphasized, when Arati Prabhakar took over as the administrator of DARPA, and in her current capacity as administrator of NIST. Her service has given us a tremendous continuity and integrity in the entire approach.

I like the Senator from New Mexico's emphasis with respect to the bipartisan nature of this effort. Until this bill reached the floor, I always thought it to be bipartisan. I cannot thank Senator BINGAMAN enough. We really are engaging in continuity and follow-up, here. This is just one more step in a well-established direction that he gets the lion's share of credit for.

I do understand now that the distinguished Senator from Wyoming wants to amend his amendment, which of course is his right. I wish he would amend it all and eliminate it; eliminate all extraneous matters, and then he and I in a spirit of goodwill can get on with this measure. I yield the floor.

Mr. SIMPSON. Madam President, Senator HOLLINGS and I do a lot of legislative work together in this Chamber. As I say, I have been more times on his side than on the opposing side. But there is another linkage that we have, and that is that our spouses are trustees of Ford's Theater. Senator HOLLINGS and I as "spouses of" are invited from time to time to various festivities at that particular remarkable historical and entertainment site. I want to keep that in close view as we go forward.

MODIFICATION OF AMENDMENT 1486

Mr. SIMPSON. I understand that, procedurally, at the current time I have a right to modify my pending substitute. I send to the desk a modification of the substitute amendment.

The PRESIDING OFFICER. The substitute is so modified.

The modification is as follows:

On page 13 strike line 6 through and including page 14, line 25.

Mr. SIMPSON. Madam President, although it is not necessary, it is important, I think, as we do proper legislation. This is a two-page section in the bill that has to do with codification of the issue of the taking of property and proper compensation. There is a judicial decision on that, and that is quite adequate. This would have codified that. But for the purposes of procedure at this time, I submit that modification and ask its acceptance.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Madam President, I have heard a lot of talk about this bill being industrial policy. I have heard a lot of talk about why it is unwise policy, and about all kinds of provisions in it, or that might be added to it. What has not been said, and must be said, is that it is none of the above. It is straight, old-fashioned, politics.

Madam President, I have a speech that was given in California by the Democratic Party chairman, David Wilhelm. It says, in effect, that this bill—not by name, but by strategy—is for the purpose of taking California and its electoral votes for the Democratic Party. Let me read a few things from a news article:

The comments by the 36-year-old Wilhelm, now the aggressive new chairman of the Democratic National Committee, came last weekend at the State party convention where he made sure everyone understood that Clinton will not repeat Bush's mistake of a year ago.

The President was elected with just 43 percent of the vote. "Clinton's success or failure in transforming his first term into a new Democratic majority depends largely on his ability to consolidate a tenuous political hold on California," Wilhelm said.

"California is the beginning point and the ending point of our electoral college strategy," he said.

If you win California, the entire match shifts in your favor. If you lose California, you are so far behind the eight ball, you are left with nothing but a thread-and-needle strategy, where you have to win just about every remaining State so that you have a chance.

By contrast, Wilhelm ticked off a list of actions Clinton and the Democrats plan to take through California: provide money, operatives and frequent campaign swings by the President and Vice President as part of a coordinated plan to replace Pete Wilson with a Democratic Governor in 1994.

Madam President, I hope the Senate listens to this and the American public listens to this.

The next point says: Use the office of Commerce Secretary Ron Brown to develop and carry out a targeted strategy to help boost California's ailing economy and cushion the blow of military base closings by earmarking defense conversions and job retraining for the State.

Madam President, what this bill does is take $2.8 billion of Americans' hard-earned tax money for a campaign fund. That is what this bill we are debating is all about. It is not about an industrial strategy. Rather, it is intended to put into the hands of the office of the Commerce Secretary, Ron Brown, the resources to carry out the above-described strategy to boost the economy of California and to earn votes.

Some on our side have been willing and honest cosponsors of this legislation. But clearly they did not understand what it was that they were being asked to do. When you combine this bill with the comments from the chairman of the Democratic Party, it no longer is merely some little bill. Simply, it is a campaign strategy to use $2.8 billion of the public's money over 2 years. Incidentally, is it not curious that the length of the authorization period is only 2 years, when most of the rest of the appropriations and authorizations are for 5 years? How much will it cost over the next 5 years to help Secretary Brown carry out his targeted campaign strategy?

I am opposed to an industrial policy because I do not believe it works. One of our so-called successful industrial strategies was the Synthetic Fuel Corp., which wasted billions of American dollars to buy us nothing. We have seen what happened to Japan when they spent billions of their taxpayers' dollars trying to develop HDTV, only to find it was all wasted.

The Government's place is not to pick winners and losers among Ameri-

ca's private sector energy. But when they have $2.8 billion to woo big corporate America—and you can, because big corporate America's basic political philosophy is to go where they are rewarded—and you use that money to target a campaign strategy to elect Democrats, it is not why Americans pay taxes.

This debate, therefore, is not an argument about whether we should have a national industrial strategy; it is an argument about whether we are going to stand by and allow the Congress of the United States to spend Americans money to assure a permanent majority for the Democratic Party. The sum $2.8 billion may not seem like very much in terms of the great, enormous deficits America runs, but I will tell you that the people in the State of Wyoming think it is a huge amount of money. It would run our State for 4 years.

I hope that the Members of the Senate on both sides realize that what we are doing here is wrong. It is not about the philosophical differences between parties. It is about whether we will use the money of Americans honorably, or as part of a targeted strategy to help boost California and to keep Democrats elected.

I yield the floor.

Mr. HOLLINGS. Madam President, nobody in their right mind is going to believe what you just heard on the floor of the U.S. Senate. I thought as the Senator from Wyoming got into his marvelously creative tale that he was also going to assert that Ron Brown deliberately caused the earthquake in Los Angeles—for the sole purpose, of course, of allowing Democrats to pump $6 billion or $7 billion into California for sinister electoral purposes. This whole California conspiracy theory is fabricated out of the whole cloth.

Because my own industry could not qualify under Ron Brown. We went out and got a $350 million program out of Livermore in California. It is almost like the fireplug wetting the dog. I mean, what we have had is California giving to the textile industry what Ron Brown refused them, a $350 million program.

Let us talk sense and let us talk facts. I presume I have met Mr. Wilhelm. I cannot tell you when. I do not say that in a disparaging sense at all. I just am not that familiar with the national party and the talks they are making and what have you.

But I can tell the Senator the Democratic National Committee has no relation whatsoever to this program here, and this has been his program, and I am going to show him how this reckless talk of $2.8 billion could not possibly happen unless it went through very loyal and studious and professional Republican hands.

If the Senator has a question, I will be glad to try to answer.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. WALLOP. The effect of it is, from what I read, it is not a unique thing. That was last April. But on December 5 of this past year, there is a statement that says:

> The White House, mindful of how California turned on George Bush, is waiting to 1996 to shower the State with attention. In addition to his three quick visits, Clinton put Commerce Secretary Ron Brown in charge of a California task force that directs Federal spending and other assistance to California. Clearly it is a very important political State, Brown says.

Mr. HOLLINGS. The Senator and I gave him the money.

Mr. WALLOP. I am suggesting that what we are about to do is invest in the Department of Commerce a significant amount more of money. Its purpose has been signaled to us, not through California earthquake relief or fire relief, but through a very specific program which put it in the Department of Commerce to be expended by the Secretary of Commerce, Mr. Ron Brown, after having heard from him and from others in the administration, including the chairman of the Democratic Party that this is part of a targeted program to achieve political success.

Mr. HOLLINGS. Let us get down to the real figure, I say to the Senator. Let us assume that is true and I am Ron Brown. Now, I am looking at the laboratory itself, and that is not for California. That is the regular old Bureau of Standards laboratory for next year, funding of $320 million. So I cannot send that money to California. I look down the list and find out the National Science Foundation is $75 million, and I cannot send that money to California. I know construction and facilities, we have been trying to get the old Bureau of Standards into better facilities with $110 million of that amount. And the national information superhighway—that money will be distributed nationwide. Otherwise, the $475 million is all National Academy of Engineering merit selection and peer review.

Maybe I ought to emphasize here the merit selection process, incidentally, because it is very interesting in that we have two folks over there administering that program—two women of impeccable credentials. But the truth of the matter is that we have Mary L. Good, who is the Under Secretary of Technology. She was appointed by President Reagan to chair the Board of Directors of the National Science Foundation. You are not going to find a more competent industry scientist. She was vice president in charge of all research and technology for Allied Signal for years. But she was President Reagan's appointee. So we more or less have a Republican appointee directing this alleged Democratic Party conspiracy to pump money into California.

And then Arati Prabhakar, who served in the Department of Defense in the Reagan administration from 1986 to 1990. She was those 4 years program manager of the Electronic Sciences Division of the Defense Science Office in the Defense Advanced Research Program. That was under President Reagan. Then under President Bush she was Deputy Director of the Defense Sciences Office from January 1990 to April 1991, and then, from 1991 until 1993, she was Director of the Microelectronics Technology Office and managed the largest office of all, $300 million with 300 contracts—in a Republican administration. I guess that Ms. Prabhakar, too, is part of the Democratic National Headquarters conspiracy to pump money into California with an eye to 1996.

So when you look at that particular part of the program, Wilhelm does not know what he is talking about. He is whistling Dixie. We right now have $30 million in manufacturing technology centers, the so-called Hollings centers. That would go up to $70 million next year and $100 million the following year, and they are all under a competitive basis and peer review and by way of competition. I had agreed with the distinguished Senator from Missouri when we put through the authorizing legislation that this was going to be peer reviewed.

I hear what the Senator says and, incidentally, I am grateful to the Senator from Wyoming. I heard the rumor, and I said I do not know what they are talking about. They are saying Ron Brown is going to be dishing out the big bucks to California to carry the State. I said I wish the Senator from New Mexico, JEFF BINGAMAN, were here. We have been working in this technology field for years now. Books have been written on it. We do not even have a good start. There is $70 billion in research money, $40 billion in defense alone, but we get peanuts for these technology programs. So if Wilhelm thinks S. 4 is a piggy bank for funding California, he doesn't know from "sic 'em." He better look at some of the other departments where the real money is.

I had one program here just came through this week for McDonnell Douglas, $42.9 million for advanced systems of hardware. They were in that contract. That is over in defense, that one little contract, in the backyard of the senior Senator from Missouri right where he is living in St. Louis, the fundamental industry that he supports, they get $42 million. That's just one defense contract, and we have $30 million for seven of the centers around the country. It is a modest amount.

But Ron Brown—let us get him out of the particular debate here. I cannot imagine passing this thing out unanimously on a bipartisan basis, and working on it over 3 years, and all the hitches taken care of. We got together on a bipartisan basis with the House

side. All of these things have been ironed out. And the Lord is my judge, I never heard of David Wilhelm or any notion that this was a pot of money to be dished out for electoral purposes. That is pure fantasy.

That is less than what the Senator from Missouri—the Senator voted for $1.5 billion in June when we reported the bill out. But when OMB got hold of it, they cut it back.

So this is not any ballooning money the administration got. They have to find out from David Wilhelm, to quit cutting my budget because they are cutting, in fact, $143 million that we could have put out in California, according to that article. They are cutting it back $143 million. We better get David Wilhelm to talk to the OMB, because they are cutting out our campaign in California. You know differently.

Mr. WALLOP. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. WALLOP. Madam President, I am touched by the list. The National Science Foundation, of course, takes the grant and places them, and has not been above having them placed with a little direction.

But leaving that all aside, let me just not quote David Wilhelm. It is Secretary Ron Brown, himself, saying, "It is a very important political State and we are really doing this because of basic economic judgment."

I understand how long the Senator has worked on this bill. But this is not what we passed almost by unanimous consent in previous years. It is quite a different bill. It contains nearly 10 times as much spending. Then, it authorized $208 million. Now it is $2.8 billion.

The fact of it is, things have changed. I appreciate you do not believe this, but your party chairman appears to, and some of us are skeptical enough to believe that politics do play a role. I would not be accusing the Senator from South Carolina of playing politics, but when you have these various statements, one has to be skeptical.

And one has to believe that corporate America is only too willing to take tax dollars from whatever source they are, Republican or Democrat. One of the things that is interesting to many of us is the fact that corporate America, having once opposed the bill, now supports something called industrial policy.

But I am still persuaded that this is at least as much, and probably twice as much, political policy as it is industrial policy.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. My head is shaking in disbelief about the figure used. They always relate that back about 10 times as much. It is 10 times as much that the Senator from South Carolina put in there under one particular item for the centers when we started, because the Bush administration did not like this program. They absolutely redlined it and would not appropriate anything for the first 2 years.

So you can say, 1,000 times as much, if that is the way you want to describe it. But the bipartisan technology group—and I will put that in the RECORD—called for a program of between $4 and $8 billion. We got it up 2 years hence at $1.4 billion. We have not got it to $4 billion, and we have not gotten it to $8 billion. These are your friends that recommended that much.

But, the gentleman's statement should not really poison the well with respect to the bipartisan nature of this bill, because I think the distinguished Senator here was in on that program sometime back. I will have to get the particular one that was recommended by the task force.

I have here the report of the Senate Republican Task Force on Adjusting the Defense Base. This is defense conversion, dated June 1992. It is signed by Senator Rudman, Senator DOLE, Senator HANK BROWN, Senator COHEN, Senator DANFORTH, Senator DOMENICI, Senator HATCH, Senator KASSEBAUM, Senator LOTT, Senator LUGAR, Senator MCCAIN, Senator Seymour, Senator STEVENS, and Senator WARNER.

You have 17 distinguished colleagues of yours. I do not see your name listed on that particular task force.

But this task force concluded as follows:

> The task force endorses two programs. The National Institute of Standards and Technology is important to the effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the manufacturing technology program and the advanced technology program.

So we are doing exactly what the Republican task force recommended. Look at the public record. The peer review boards do not award plums to California on a political basis. We could not have gotten this thing through, we really could not have, if we had been a pork barrel program.

We wanted to make sure it was balanced, it was peer reviewed, it was on a merit basis, it was on a contested basis in competition. And then we followed through by getting President Reagan's appointee and President Bush's appointee to come over to Commerce to run these programs.

Then to come in loosely and say the funding is $2 billion, gone up 10 times, ballooning—that is not the case at all. We have the breakdown here, and Secretary Brown has no control whatsoever in where the money is awarded.

Now I know something about Government. I know where I can get money. I was taught by my own textile industry. We have never had $350 million for the advanced technology program. But the textile crowd came to town and could not qualify under Secretary Brown. And here I am, the chairman of the committee. They called and asked, "Why can't you take care of your people?" Commerce told me, "Well, they do not meet muster." And so I said, "Well, that is it. Live by the sword, die by the sword." I put it in merit review in the bill myself.

Then I got a call to invite me to the textile award announcement down in Raleigh, NC. I said, "What award is that?" They said, "We got the textile program funded out of Livermore, the Energy Department. It is a $350 million program and we are going down to Raleigh, NC, to advance it. We know you are interested and have tried to be helpful. Thank you, all the same."

So continue your search for conspiracies. Your notions are way off base with regard to S.4. If this is some kind of Democratic Party conspiracy, it is the sorryest, most inept conspiracy imaginable.

Now you know that you would really be able to sail ahead here if Secretary Brown just disregarded the particular law and did not have the peer review, did not have the merit selection. Boy, oh boy, then you could really give us a fit there. And I hope you will watch it between now and 1996, because I certainly will, I promise you that right now.

Mr. WALLOP. If the Senator will yield, I would say to my friend, by then it would be too late. Should this strategy have worked, it will not matter what I or anybody else on this side would say.

Mr. HOLLINGS. But after all, to get California moving, we have got to start dishing out the big bucks, as the term was used. I would hope they could start dishing out the big bucks to California, but they are not dishing it out from this program.

Watch defense, watch energy, watch disaster funds. I never did get a good accounting of that, and that bothered me, those disaster funds. Because I had the hearing, I say to the Senator, with respect to the San Andreas Fault where the veterans hospital fell into the crevice there. We went out after several months and found out, where in the world were these $3,500 loans being made by SBA. And they invariably had a swimming pool manufacturer going door to door, saying, "Sign your name here and you get your $3,500. We will build a swimming pool." And the Government is never going to come back, as the district attorney is too busy out there in California, and they never did. It was a scandal. It was a scandal.

You have to watch those things. But do not look at the newspaper at what Ron Brown or David Wilhelm were saying. If they were really going to attempt some political hijinx, do you think they would be announcing it in the newspaper? They are better politicians than that.

Mr. WALLOP. Again, if the Senator will yield, forgive my continued skepticism. But when I see a strategy so clearly described and then I see money that had not been anticipated going to that source, you would forgive me if I thought—like most Americans thought—that this was part of a strategy that had been laid out.

Mr. HOLLINGS. I understand the Senator's fear, but I can tell him in all honesty: All our Republican colleagues participated and they never raised this question. I understand that was April of last year, that particular statement. In 1993 we reported this bill out unanimously, all Republicans and Democrats, in June 1993.

Mr. WALLOP. I would say the second one I quoted was December 5 of last year.

Mr. HOLLINGS. The second one. But the first one——

Mr. WALLOP. And it is, if anything, more specific. So the pattern is running in the direction that causes the Senator anxiety.

Mr. HOLLINGS. Then as a last plea, think of the country, not Republicans and Democrats and who is going to get elected and reelected. We have had a struggle, trying to get the economic backbone of this country repaired. It has degenerated for various reasons. Financially, the Senator from Wyoming agrees on that, we have not paid our bills as a government. With respect to trade, we have not enforced the trade laws. I always said when I put up the textile bill, if they would only enforce the existing trade agreements I would withdraw the bill. We have never been able to get an industrial policy going except on an ad hoc basis for semiconductors; yes, for airplanes; yes, for cancer research and health matters and a select group of industries.

But when it comes to small business and general assistance on a merit basis and peer review in limited amounts? I noted for the Senator a defense award made this past week in St. Louis that exceeds the entire budget for the extension centers over in Commerce—just one award.

On a very, very limited basis, on a bipartisan basis, we have tried to move forward, but you would want a newspaper article quoting a party chairman to sour the well. I hope it will not. I hope the colleagues will look at the number, 10 times the number, $2.8 billion. When you vote the Simpson amendment, you do away with the Bureau of Standards. You do away with programs that have been going on for years, formative programs. The facilities they are going to build, $110 million 1 year, and $112 million—not out in California, that is right here in Washington.

So I hope the Senator will look at it closely and reconsider his position on this one and I thank the distinguished Senator.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Madam President, the senior Senator from Wyoming and I have legislated together for nearly 30 years in the Wyoming Legislature and House of Representatives and then he went on to the Wyoming Senate and then he came to the U.S. Senate 2 years previous to my entry here. It has always been a great pleasure, a great exciting adventure in legislating with my friend MALCOLM WALLOP.

Of course he will leave this Chamber at the end of this session to go into other things in life, like many others on both sides of the aisle have done. But one thing about my friend MALCOLM WALLOP, he is direct, exceedingly articulate, very dedicated, and he has come upon something that is very disturbing to us. It matters not. I do not attribute any of this to Senator HOLLINGS. In fact, Senator HOLLINGS is one of the most knowledgeable people of what the needs are out in the area of his committee jurisdiction. He works with Senator DANFORTH in a unique way.

But Senator WALLOP has just spotlighted something which has to be distressing. If this had happened during Ronald Reagan's time or George Bush's time, where the chairman of the Republican Party got up and spoke about what needed to be done in a certain State for one purpose only, to carry the State in the next Presidential election, I can tell my colleagues, having sat here for 12 years and watched—not Senator HOLLINGS but a certain trio or cadre over here on this side of the aisle that chopped George Bush's bicycle tires to shreds on a daily basis, they would have had high glee in this situation.

It is the same irony we find, I suppose, when we see what is happening with the Whitewater issue. I heard comments from others what a horrid thing it is that the Republicans are involved in this in some way.

As far as I know, the Republicans do not have much power over the New York Times or the Washington Post or other papers that seem to be reporting this with great relish as they often do. They get excited and just seem to go to pieces when they get slavering over some cadaver in the roadway, some carrion upon the pavement. And that is what they see here as something they can hardly stop doing. And that is the way that works. But that is not Republicans.

I could not help but think how, during the administration of Ronald Reagan and George Bush, we had a request for congressional investigation about once a day. There was the Iran-Contra. There was HUD. These were not just normal committee activities. These were the things that were just continual. October Surprise—oh, there was a magnificent, dazzling thing, the October Surprise—surely the most sinister thing that ever lurked in the caverns of American political life. And not a thing to do with it; nothing. Absolute zip. But it sure did not help George Bush when it came to October. So many things like that.

So, if we can all remember the horror that would roar through our own bosoms if we saw this occur, whether it be investigations that the Democrats used to urge upon America once a week or once every other day with Ronald Reagan and George Bush in the White House. Oh, that was a frequent call. And from the same people who are saying you are picking on us.

But there is one thing about the Senator from South Carolina and I, we both take politics as a contact sport. He is a good man to get in a scrap with, because it is done with gusto and spirit and energy and always, at least in my experience, good humor. When you walk away, you shake hands and move on. That is the pleasure of legislating.

A lot of people do not understand that aspect of what we do, but I surely understand it because I have been doing it for 30 years. The only time I get in trouble is when I get a belly full of something and then I am not very good at my craft because it shows in many, many ways—when I get a pure belly full.

So we have had some who feel very, very suspicious simply because, rightly or wrongly, this man, this chairman of the Democratic Party, in an interview of April 10, 1993, Saturday, final edition of the San Francisco Chronicle, talks about the comments by this vigorous 36-year-old Wilhelm, David Wilhelm, who is the same person who wrote a very powerfully potent, almost threatening kind of letter to Senator ALFONSE D'AMATO of New York. That letter you will want to see, and plenty will see it, because it was a slasher.

So this fellow is not exactly one to wallflower here or Willie Wallflower. He is pretty tough stuff. He tells us, as Senator WALLOP shared with you, that the beginning and end of all political life for the President of the United States is California. That is in his article. He says:

> California is the beginning point and the ending point of our Electoral College strategy. If you win California, the entire map shifts in your favor. If you lose California, you are so far behind the eight ball that you are left with nothing but the thread-the-needle strategy where you have to win just about every remaining State that you have a chance.

And then the most disturbing part is that he listed the things, he ticked off a list of actions that Clinton and the Democrats need to do to woo California. And the one that grinds in our craw like the rocks in a gizzard is this one. It says:

> Use the Office of Commerce Secretary Ron Brown to carry out a targeted strategy to help boost California's ailing economy and

cushion the blow of military base closings by earmarking defense conversion and job retraining programs for the State.

And then more.

That is very disturbing and I think would be exceedingly disturbing if it were heard by a Democrat who is listening to a Republican Chairman talking about what he or she were going to do for a Republican President. That would spook you up.

Then, of course, the more current one of December 5 where a California pollster—this is just a few months ago—says:

But the White House, mindful of how Californians turned on George Bush, isn't waiting until 1996 approaches to shower the State with attention.

I am being repetitive. It has been shared with you. Then it says:

In addition to his frequent visits, Clinton put Commerce Secretary Ron Brown in charge of a California task force that directs Federal spending and other assistance to California.

Then Ron Brown said clearly, it is a very important State politically, a political State but "we're really doing this because of a basic economic judgment. You cannot very well declare economic recovery in America until you start to turn the California economy around. The politics won't matter if there isn't a recovery."

Those things do not have anything to do with Senator HOLLINGS. They have a lot to do with serious reservations by people in our party when we see public comments like that. I think my good colleague from Wyoming is perfectly right in his scope and duty to present that, and it disturbs us.

It is a big bill. It has lots of things in it. It has some things that have gone up from zero percent to big percent. I am sure that all of those have been explained, and I am not on the committee of jurisdiction and I would not in any way want to get into the detail of the bill because I know that the mastery of the subject is far beyond me.

But I do note in the summary of the authorization—I believe this is a committee printout—that there are some huge increases. I am sure that every one of them is explainable. These are the things that have caused concern. Here is one, SBA pilot program. I do not know what that is, and that is $50 million. It was zero in 1994. There was no request for it and then $50 million. I am not trying to delay, but I ask about that one.

Then the NIST funding goes from the fiscal year 1994, $520 million to a request of nearly double, $935 million. The bill takes it up further. Then in 1996, all of them go up.

The disturbing thing to us, again, not attributed to the Senator from South Carolina, is that it is curious to see a bill with these kind of increases for only two fiscal years, the two fiscal years which will end at election time of 1996.

That is the essence of Washington, DC. Because I am sure there is an explanation for that, but the perception of it is beyond comprehension. When you read the language, when you see the request, when you see it for 2 years, you know as a political person—and we all are—that this is a tremendous political advantage. I hear the part about peer review. I believe that, and I need to learn more about that, apparently. I hear the material about merit. But I also know that I hear politics, maybe on cat-like tread, but I tell you, I think if you listened and developed it further, it would sound like elephants clomping through a hard wood floor.

So that is the concern; that remains a concern. I do not know how many more wish to speak on the amendment. I know that the Senator from South Carolina will, and he has been very courteous to us, make a motion to table within a very short time. I certainly will yield to the Senator from Washington. I believe that is perhaps, I will say, the final warning. I will say that I hope our people, if anyone wishes to speak on the amendment, will come forward so that Senator HOLLINGS may proceed with that after we hear from our colleague from Washington.

Mr. HOLLINGS. I did hear the Senator from Missouri wanted to say a few remarks. I hope he hears it or someone can communicate that to him.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Washington.

Mr. GORTON. Mr. President, it occurs to this Senator that the amendment proposed by my distinguished friend and colleague from Wyoming presents at least two quite distinct issues for debate in this body and perhaps three.

The first issue, of course, is the validity of the underlying bill, the bill for which the Simpson amendment is a substitute.

The second is the validity, the importance, the urgency of the various reforms which are contained in the Simpson amendment itself.

And the third has to do with one of the criticisms that was presented by the distinguished Senator from South Carolina with respect to this amendment, and that was that it substituted for every single element of S. 4 itself.

This Senator, for example, joins with the distinguished chairman of the Commerce Committee in praising the effectiveness and acknowledging the importance of the National Institute of Standards and Technology and in being somewhat biased in favor of increasing its ability to provide services to American business.

The Senator also is a strong supporter of the National Science Foundation and the work that it does in this connection.

This Senator might suggest that if these items were separated from the primary thrust of the bill that the Senator from Wyoming himself would very likely be willing to accept these additions and these new programs. The criticism which he has levied and which his distinguished colleague from Wyoming has levied against the major portions of this bill is that which provides for subsidies, provide a huge new supply of pork to be distributed by a national administration.

A particular department, a political agenda of which is certainly open to question at the very least, as the Senators from Wyoming have pointed out, that is the heart of the criticism which has been levied against this bill. In that connection, this Senator finds that criticism to be overwhelmingly justified.

This bill and its principal elements, without exception, with respect to its new programs, is an attempt further to governmentalize the private sector of the economy of the United States, either at its worst to distribute money for purely or principally political purposes or, at best, to substitute the determination of Government bureaucrats for that of the private sector with respect to what should be the areas of concentration of a dynamic and a growing American economy.

If the history of this economy and of every other economy in the world is any indicator, Government simply is not capable of making decisions of that sort effectively or efficiently when compared to the individual judgments of individual entrepreneurs. Government agencies will always and inevitably be behind the curve in that connection.

When, on the other hand, the Government supports a National Science Foundation, when it supports a National Institute of Standards and Technology, it can be a facilitator when it stays out of the direct business of business itself.

And so this Senator, and he suspects most of his colleagues on this side, would be happy to provide for increased efficiency, effectiveness, and services on the part of those two entities. This Senator joins with his colleagues on this side of the aisle, however, in stating that the bulk of this bill, the largest amount of money contained in this bill, is either purely political or almost certainly ineffective and would be far better not spent and returned to the people of the United States either directly by lower taxes or indirectly by this great a diminution of the deficit.

But the other half, perhaps the more important half, of the debate in which we are engaged right now has to do with the merits of the various programs contained in the Simpson amendment itself.

In that connection—and it seems to this Senator that the arguments in

favor are for all practical purposes overwhelming—it may be that many of the individual bills which are gathered together in the Simpson amendment have not gone through the long and laborious process of endless committee hearings, but that certainly is not the fault of the sponsors from both sides of the aisle of each of these proposals. Each of them is a proposal which meets with a tremendous degree of support in the private sector of our economy, a private sector increasingly beleaguered by Government regulations which limit its ability to compete, limit its ability to innovate, limit its ability to provide better and better jobs and careers for increasing thousands of American people.

While we can make these statements in general, I would like to share with my colleagues a couple of examples of specific small businesses in my own State that have taken the opportunity to write to me about the way in which they are treated and regulated by Federal agencies. The first is an excerpt from a letter I received from a business entitled "Skagit River Steel and Recycling."

The president of that company writes me as follows, and I quote:

> We are a typical small business. We employ 37 people at well above minimum wage and provide 100 percent medical insurance for our employees, life insurance, and a profit-sharing pension plan. We believe that by the very nature of our business we are a big part of the solution to the reduction of the waste stream. We take seriously our responsibilities to educate the public about recycling and conduct many school tours and speaking engagements to that end. We strive to be a good corporate citizen as we believe every business should. But we are also being taxed into extinction. It is not just direct taxation but the insidious tax that is imposed in the form of excessive regulation, paperwork, and paperwork regulation. Because these taxes are so difficult to quantify, most small businesses fail to recognize the true impact this creeping bureaucracy is having on their business. I have listed the administrative costs of compliance with Federal, State and local regulations.

This ends the quote directly from the letter.

The president then said that his total tax of regulatory burden was $248,585 for a recent fiscal year. Of that, $51,341 was regulatory compliance spending.

The president of the company ends his letter by saying, and I quote once again:

> We employ 3 full-time people or 8 percent of our total work force just to complete Government forms and comply with Government regulations. No small business can survive very long under this burden.

Now, Mr. President, two restaurant owners recently contacted us and said that they were forced by the Bureau of the Census to fill out what was called a Commodity Flow Survey. Each told me that this survey cost them $500 to complete. On their behalf, I contacted the Bureau of the Census and once the Bureau took a look at the requests, its officials said that for one of the restaurant owners, and I quote: "The activities at his location are not covered by this survey."

I must say that I was somewhat puzzled that someone at the Bureau of the Census did not reach that conclusion before they required the business owner to shell out $500 in order to complete that survey. But, of course, the fact that that expenditure was undertaken did not affect anyone in the Bureau of the Census at all, but it did have a small but nevertheless measurable effect on the owner of that restaurant.

There is not a Member of this body who could not multiply each of these examples by 10 or 100. There is not a Member of this body who has not heard the legitimate complaints of those who are attempting to build their businesses and provide jobs for the American people about the crushing burden of regulation imposed upon them. There is not a Member of this body who does not recognize that the great majority of all new jobs in this country are created by small businesses. The amendment of the distinguished Senator from Wyoming would mark a tremendous step forward in relieving some of that burden and in giving promise to our small business people that additional burdens would also be lifted.

There is no question in the mind of this Senator whatsoever that the relief from the burdens which would be provided directly by the passage of this Simpson amendment into law would vastly exceed all of the improvements in our business climate and competitiveness by every one of the programs in S. 4 even if those programs worked in the way in which their sponsors intended, an intention which will almost certainly be frustrated in the real world.

So purely on a substitution of the Simpson amendment for S. 4 itself, the business community, the job climate, American competitiveness, American exports would all be enhanced. At the same time, I am sure that changes and improvements in the National Institute of Standards and Technology and the National Science Foundation could also be accommodated.

Mr. President, we do not need a whole series of new Government programs. We do not need a Government deciding which cutting edge or innovative businesses it should invest in. We need a freeing up of a free-market system which has meant so much to the people of this country, and we will come far closer to freeing up that free market by the passage of the substitute than we will by the passage of the original bill.

Mr. HOLLINGS. Mr. President, it is difficult to believe your ears when those who come from the aircraft industry, subsidized over the many, many years, preach about free markets and the evils of industrial policy. The aircraft industry is the beneficiary of government industrial policy par excellance, when government-financed technological research, with all the financing of the Export-Import Bank; and just recently boosted with a $6 billion program, an order from Saudi Arabia for 50 commercial aircraft to be financed by in excess of $6 billion financing by the Export-Import Bank, and a rescheduling of billions in Saudi Arabia's debt.

I have a hard time believing my ears when I hear about the free market from those who have benefited so generously from government policies.

Let me refer specifically to April 10, 1993 where the Senator from Wyoming said that Wilhelm ticked off a list of actions that Democrats planned to take to move California. Amongst others here, about Ross Perot; high-techology planning, startup companies; investments; and get some other things done.

And I quote, use the office of the Commerce Secretary Ron Brown to:

> * * * develop and carry out a targeted strategy to help boost California's ailing economy, and cushion the blow of military base closings by earmarking defense conversion and job retraining programs.

That is how much Wilhelm knows about it. After all, Secretary Brown does not have the defense conversion and job retraining programs. I know from my experience, a modest amount you might call it, in commerce with EDA, he could give the entire EDA budget. We do not earmark. We refuse, on the Senate side, to earmark EDA funds, as all the Senators know.

Otherwise, to use Secretary Brown—that is why I was wondering, I was going down the list, not having seen the article, and saying, well, he cannot use it here, he cannot use this construction money there, he cannot do this other thing.

One other one that was pointed out as an increase about the Small Business Administration, that is only $50 million. That was worked out for technology loans to small business. Everybody is for that. That is a pittance compared to the $720 million that we voted last year when the loan fund ran out of money.

This Senator happens to have the Small Business Administration appropriations. We worked that out. But this, when it comes to small business loans, is peanuts in this particular bill.

When we moved California, Wyoming or South Carolina, what is really said, and you have to agree, California is the beginning point. This is what chairman Wilhelm said.

> * * * is the beginning point and the ending point of our electoral college strategy. If you win California, the entire map shifts in your favor. If you lose California, you are so far behind the eight ball that you are left with nothing but a thread-the-needle strategy.

Well, you have to win just about every remaining State that you have a chance in.

I agree with that. I know a little bit about national programs. I tried to get in one. Nobody remembers it. But in any event, I remember it very, very well. I traveled to the State of California, as well as the other 49 States.

It goes on to say:

Bush and the Republicans used to make similar noises in paying lip service to California's 54 electoral votes. But when the deal went down, their preelection strategy consisted of making Vice President Dan Quayle the GOP point man in the State. And their campaign plan was even worse. After promising the California delegation to the Republican National Convention that Bush would wage an enormous campaign in the State, the Ex-President made exactly one appearance shortly after Labor Day and never came back.

I can tell you that in the little State of South Carolina, I was in the only statewide race with the President. He made four appearances in 1992 in the little State of South Carolina.

So do not let us get all boiled up. I rather think that rationale is accurate, and I think will help in emphasizing the importance of California. And I hope he, and whoever the chairman of the Republican Party is, will both emphasize it. That is real politics.

But he is mistaken with respect to conversion and retraining programs. He is either under labor or the Department of Defense. That is why it does not allude to this bill at all.

Look at another bill. Look to the funds that they may have in other programs in the Commerce Department like EDA, or look to the energy appropriations, or look to the defense retraining, and conversion moneys. Look, Mr. President, to the $8.8 billion that all of us Senators voted for disaster relief as a result of the earthquake.

You can bet your boots there is going to be in 1996, out of that $8.8 billion, $1 billion going perhaps into the State of California. That is a given.

But that is not going to happen with this well-conceived, bipartisan program. At best, all we could do was take the $70 million that is in 1 year, and $100 million in the other year, and put all of the development centers in the State of California. But under peer review that is not going to happen. In any case, California already has one. I doubt if they get any more under the particular merit selection basis. It is competitive. It will have to go through none other than Arati Prabhakar, who is the President Reagan appointee and President Bush appointee for these programs, and Mary Lowe Good who is also President Reagan's appointee as Chairman of the Board of Directors of the Science Board under the National Science Foundation. You cannot get two more people of higher integrity, and with the admonitions and restrictions of law, better peer review, and not political.

Mr. DOLE. Mr. President, it is a fact that we are overregulated and the American consumer pays the price for it. The costs of this overregulation are really a hidden tax on the consumer that does not appear on paystubs but that is just as real and just as relentless as more-visible taxes.

This substitute measure contains numerous proposals from both sides of the aisle, each of which aims to reduce the regulatory burden on American consumers, without endangering their health or their safety. The measure is a proposed substitute to S. 4, which is incongruously called the "Competitiveness Act." Simply declaring something "procompetitive" does not make it so.

Mr. President, in the international marketplace, governments do not compete, people and companies do. And governments do not make people and companies more competitive in the global marketplace by further intervention into the private sector.

Governments can make individuals and industries more competitive by reversing the crushing burden of regulation, and by eliminating the "hidden tax" on consumers that overregulation creates.

This substitute measure contains many proposals to begin that reversal. This is just a start. Preliminary CBO estimates show that the bill would save approximately $1 billion over 5 years. Clearly, this is just the tip of the iceberg.

One element of this amendment is a proposal of which I am the primary sponsor. It was an honor for me to have been asked by our very distinguished former colleague, Steve Symms of Idaho, to introduce this measure a little over a year ago. It is called the Private Property Rights Act.

One might reasonably ask why, in a nation in which the rights of property owners are supposed to be protected from the Federal Government under the fifth amendment to our Constitution, and from State Governments by the 14th amendment, would we need a law protecting private property? The reason is, unfortunately, those working in Government, those who have sworn to uphold our Constitution, are not always as vigilant as they need to be.

There are literally billions of dollars in claims filed against the Federal Government by landowners who believe their private property has been taken by the Government without just compensation, as is required by the Constitution. It is important to note that a taking can occur even though title to the property remains with the original owner and the Government has only placed restrictions on its use.

Fortunately, courts have recognized these partial takings are subject to just compensation. Unfortunately, the only check on the enforcement of the Constitution has been through the court system, wherein citizens can, at vast expenditure of money and time, ensure that Government complies with the Constitution.

Were it not so tragic, it might be amusing—we are forcing our citizens to spend their time, their money, to ensure those who are sworn to uphold the Constitution—Government employees—actually do so.

President Ronald Reagan recognized this failure of the system and, on March 15, 1988, issued Executive Order 12630 which, in effect, required Federal agencies to review regulations before they were issued to determine whether takings of private property could occur thereunder. The order also established a set of principles based on the age-old law of man that private property ownership is sacred and should be defended. The order told the agencies not to take private property—in whole or in part—unless absolutely necessary.

The private property rights provision in this substitute measure would accomplish two goals: First, the Executive order would become law, and second, would require all Federal departments and agencies to comply.

These are simply goals really, we are asking the Government to uphold the Constitution—we are asking those who have sworn to uphold our Bill of Rights to do so, we are telling the citizens, the taxpayers, the landowners that finally we will do our job, and they can rest assured they will not spend their time, their money, to ensure we do our job.

Mr. President, this substitute measure also contains a provision for Federal regulatory agencies to address the risk and cost/benefit of their regulatory actions. The provision requires Federal regulatory agencies to conduct a comprehensive analysis of the specific costs and benefits of a proposed regulation. It then asks the agencies to publish analyses or detailed summaries of such analyses in the Federal Register. Specifically, it asks the agencies to outline the jobs gained or lost; the costs incurred by Federal, State and local governments and other public and private entities; and any human health or environmental risks created by the regulations proposed.

Mr. President, the substitute measure will be a start on the road toward real regulatory reform. In contrast, S. 4 will send us hurtling down the road of industrial policy. This is not a road that most Americans want us to take. I urge my colleagues to take the side of the American consumer and support this measure.

Mr. BURNS. Mr. President, I want to announce my intent to vote against the amendment offered by Senator SIMPSON to the pending bill, S. 4, the National Competitiveness Act. Included in the Senator from Wyoming's amendment are a number of provisions I support. But even if this amendment passed all it would do is kill the bill now before the Senate.

The National Competitiveness Act is legislation I have cosponsored since it was introduced on the first day of this Congress, January 21, 1993. This bill is one of the top five priorities for Senate Democrats and I am the only Republican cosponsor. My support for this measure has not been overlooked by my colleagues on this side of the aisle.

I worked closely with the distinguished chairman of the Senate Commerce, Science and Transportation Committee, Senator HOLLINGS, to improve this bill as it moved through the committee. Senator HOLLINGS indicated a willingness to work with all the members of the Commerce Committee both Democrats and Republicans on this bill. In fact, there were no Republicans on the Senate Commerce Committee who opposed the bill when it passed the committee.

When I was sent to the Senate by the voters of Montana they knew my party affiliation but expected me to do what was in our State's and Nation's best interest. With this vote, that is what I am doing.

I think it is vital for our Nation to be the world's leader in advanced technologies such as information, computers, electronics, and new materials. This bill helps us accomplish that goal. It contains provisions for research and development companies, universities and tribal colleges in my State.

For these reasons and many more I will elaborate on in later debate, I want the National Competitiveness Act to pass the Senate. While I support a number of the provisions in the Simpson amendment because it is a substitute for the existing language in S. 4 designed to eliminate the thrust of S. 4, instead of improving the bill I plan to vote against the pending amendment. If the Simpson amendment was offered as an addition to the bill rather than a substitute, I would then support it.

I yield the floor.

Mr. HEFLIN. Mr. President, I rise to express my exasperation with the pending substitute amendment. The last version I have seen of it is a conglomeration of about 12 separate legislative proposals. Many of them I support. Some of them I am actively working to pass. Yet, without any notice from Members on the other side of the aisle, these proposals have been included in this substitute amendment, along with a host of other, unrelated provisions which I and other Members may or may not support. The upshot of this is that the sponsors of this substitute amendment are forcing Members to vote against proposals which they support and on which they have been working.

For example, I, along with other of my colleagues, have been working to pass the Private Property Rights Act. In fact, staff are scheduled to meet tomorrow about this legislation. Yet, without any notice or warning, I find that this proposal, one which I support and am working on, has been incorporated into a controversial, killer amendment to S. 4.

Likewise, for some time now, I have been working with the chamber of commerce on a regulatory flexibility proposal, one which I support, to give small business judicial review of adverse decisions concerning the impact of Federal regulations. Yet, this amendment and many others, which enjoy bipartisan support, are being used here in the most partisan of manners.

These are just two examples. There are others. Other proposals which I support individually but have been tossed into this substitute amendment. By incorporating them all in one amendment, the substitute's sponsors know they are forcing Members, especially Members on this side of the aisle, to vote against proposals which they strongly support. Rather than working for a vote on these amendments on their own merit, the proposals have been lumped together to serve a political purpose, not to provide any relief or benefit for our constituents. I for one believe that the individual's proposals which make up this substitute are too important to be used as a political hand grenade to be thrown at the underlying bill and I urge the sponsors of this substitute amendment to withdraw it from consideration immediately.

Mr. LIEBERMAN. Mr. President, I very much oppose this amendment. Let's not lose sight of what is going on here. This is a substitute for S. 4. If adopted, this amendment would replace S. 4. Let's be clear about that. If we adopt this amendment, we will not simply have added provisions that might be appropriate in another time or another place. We will have replaced the text of S. 4—a bill that is critically important to our future competitiveness, a bill that will keep our manufacturers on the leading edge of technology and, perhaps most importantly, a bill that will help generate the technology that will create the high-skill, high-wage jobs of the future.

So, you may like the idea of reforming Davis-Bacon. You may like the idea of providing small businesses with judicial review of adverse decisions concerning the impact of regulations. You may like the idea of requiring cost benefit analysis of all regulations. In fact, I like some of the things in the Simpson substitute. But I don't like the idea of killing S. 4.

In another place, in another time, I would certainly consider the merits of this proposal by my friend and colleague from Wyoming. But that is beside the main point.

As I look through this proposal there is at least one section which I have trouble with—the Private Property Rights Act. Private property rights are, of course, an important foundation of our economic system.

But one of the hallmarks of our system of government is that all rights are balanced and none are absolute. Even the freedom to speak, which is the cornerstone of democracy, has its limits. I respectfully suggest that this substitute takes the tried and true and much revered, much appreciated, much valued, much protected, right of private property in this country and would use that right as a theory to obliterate a host of other rights we have such as the right to due process, to be safe, healthy and free, and to be protected by a government of laws that we must depend on because we cannot always protect ourselves.

Mr. President, this proposal overreaches by far. It prohibits any rulemaking from becoming effective until the promulgating agency has been certified by the Attorney General as complying with Executive Order 12630 or similar procedures. Believe it or not, Mr. President, this amendment actually prohibits deregulatory rule makings from going into effect. This amendment prohibits rules from being repealed.

It is important to understand the tremendous breadth of the regulatory freeze that would be imposed by this proposal. It prohibits regulations from becoming effective even where the benefits clearly outweigh the costs. It would even prohibit emergency regulations, such as might be imposed if we found ourselves suddenly at war.

This proposal purports to codify by reference an Executive order which is a very significant change in the way this proposal was made from last year, because it means that no changes can ever be made to the Executive order except by statute. We must really devote careful study to the provisions of that Executive order before we codify it and prevent the President from ever changing it.

Furthermore, even if this proposal only applied to rulemakings that increase regulatory burden, it raises very serious questions. Under this proposal, the remedy for an agency's failure to achieve Department of Justice certification of its regulatory procedures is holding up the implementation of the final rule. By the terms of this proposal, a party challenging a regulatory action would not need to show that an actual taking had occurred, or that takings concerns were even implicated by the rulemaking. All it would have to show is that the Department of Justice had not certified that the agency was in compliance with the codified Executive order. The remedy goes way beyond what is necessary to address the perceived harm.

Mr. President, even where a taking may arguably have occurred, I am not convinced that this proposal is nec-

essary. The Constitution establishes a very fair principle in the fifth amendment that when the Government takes private property there ought to be just compensation. Private parties who believe they have had their property taken can seek restitution in the U.S. Claims Court.

Moreover, there is a clear line of decisions that establishes what private property is. There are some court decisions that have begun to raise the question of whether some of the kinds of actions by regulatory bodies sometimes affect private property rights, but the job of developing that peripheral body of case law is much more appropriately left to the courts. The courts have been addressing these issues for over 200 years. And the fact that some of these courts have found that some Government regulations may result in a taking shows that the court system is working.

Mr. President, the proponents of this proposal have simply not made the case for this aggressive legislative intervention that I think would effectively and dramatically limit our Government's capacity to protect us, protect our environment, protect our health, protect our safety. It is important to remember what is at stake here. For example, should the President's proposals to reform banking regulations to ease the credit crunch really be delayed while the banking regulators are certified as complying with the Executive order? Do we really mean to suspend the government's ability to promulgate rules that save lives and protect public health? Do we really want to halt for an indeterminate period the Government's ability to issue rules that prevent fraud, waste, and abuse in Government programs, or that attempt to detect money laundering by drug traffickers?

My answer to all of those questions is no, and that, as well as my support of the underlying language of S. 4, is why I will vote against this amendment.

AMENDMENT NO. 1480

Mr. PRESSLER. Mr. President, yesterday the Senate refused to table an amendment I cosponsored with my distinguished colleague, Senator COCHRAN, which delayed the implementation of burdensome EPA regulations.

Regulations have damaged the competitiveness of U.S. businesses. If we are serious about passing legislation to improve the competitiveness of U.S. industry, the Simpson amendment deserves the consideration of my colleagues. Passing the Simpson amendment will do more for Main Street American business than any provision of S. 4.

Most Americans do not make their living in the high technology industry or in manufacturing. Manufacturing jobs, as a percentage of all nonfarm employment in the United States, have remained relatively flat for the past 33 years. Most of the jobs created in the United States have not been in the manufacturing sector. Does this mean we are not competitive in manufacturing? Not necessarily.

A recent McKinsey & Co. study, "Manufacturing Productivity," found that the United States still holds a worldwide edge in manufacturing in certain sectors. I would like to ask consent to submit for the record a New York Times article about the McKinsey report.

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

[From the New York Times, Oct. 22, 1993]

WHY U.S. IS INDEED PRODUCTIVE

(By Sylvia Nasar)

Contrary to a widely held view that the United States is an industrial has-been whose productivity in manufacturing has been surpassed in some other countries, a new study concludes that for manufacturing as a whole, the United States still holds a significant edge over the presumed world standard-setters, Germany and Japan.

The yearlong study—by the consulting firm McKinsey & Company, together with three of the nation's top experts on productivity including Robert M. Solow, a Nobel laureate in economics—combined research into nine industries with a wide array of available statistics. While other studies have also found that the United States was still the world's productivity leader in manufacturing, the new study provides a more detailed look at individual industries.

Productivity, or output per hour worked, is the ultimate yardstick of an economy's competitiveness. It determines a nation's material standard of living as well as its standing among nations.

EXPLAINING THE DISPARITIES

Perhaps the most provocative findings concern the probable causes of the productivity differences that do exist. It concludes that in industries where the United States has fallen behind, the reasons have more to do with how goods are produced than with the skills of workers or the quality of technology.

"If the United States is lagging behind Japan in certain manufacturing industries, it doesn't appear to be because of the failure of our schools or technology," said Martin Baily, a University of Maryland professor, who helped direct the study. "We haven't put enough effort into organizing the workplace and designing products so that they are easy to manufacture."

Others versed in the field welcomed the McKinsey effort. "A couple of economists in some dingy room can cook up anything," said John A. Young, former chief executive of the Hewlett-Packard Company and chairman of President Ronald Reagan's Commission on Industrial Competitiveness. "This draws on McKinsey's incredible network of people in the field who can do a little sanity check on the numbers."

The study, a sequel to a McKinsey report last year that found that American service industries had a large productivity lead over the German and Japanese industries, challenges the view of some influential economists—from Lester Thurow of M.I.T., author of "Head to Head: The Coming Economic Battle Among Japan, Europe and America," to Laura D'Andrea Tyson, chief of the Council of Economic Advisers—who have argued that American manufacturing has been overtaken by German and Japanese industries.

"There's a lot of conventional wisdom swirling around here that's turning out, by and large, just to be wrong," said Bill Lewis, director of the McKinsey Global Institute in Washington, and a former Assistant Secretary of Energy in the Carter Administration.

The study also suggests that losing leadership in a particular set of industries—cars, steel, consumer electronics—does not preclude first-rate economic performance or, for that matter, high living standards any more than a student with A−'s and B+'s would necessarily be less able than one who has a mixture of A+'s and D's.

"In the heads of a lot of people, there's a consumer-electronics theory of economic welfare," said Francis Bator, a Harvard University economist, who advised the research team. "It's nonsense."

The advice the report proffers runs counter to the conventional wisdom, and boils down to doing what the United States—as opposed to Europe and Japan—has already been doing: Where you lag, open your borders—not just to imports, but to transplants; where you lead, set up shop in the countries of the laggards.

"You can make theoretical arguments about managed trade," Mr. Lewis said, "but the evidence that we found, for the first time, is that the more open you are, the more productive you become. On the U.S. side, the proof is the renaissance of the U.S. auto industry."

McKinsey's comparisons of individual industries show that the United States is by no means the most efficient producer of all products: Japanese output an hour is 15 percent to almost 50 percent higher in cars, car parts, machine tools, consumer electronics and steel.

Germany's productivity, which is half to three-fourths this country's in half a dozen industries from cars to beer, is equal to the United States' in steel and machine tools.

But these industrial powerhouses trail so far behind in some other industries—packaged food in Japan, beer and cars in Germany—that, measured in dollars of comparable purchasing power, the average Japanese or German factory worker produces $8 worth of goods in the time it takes an American worker to make $10 worth. The comparisons are based on case studies of nine industries that account for about a fifth of United States manufacturing.

In Japan, for example, a worker in the highly protected and fragmented food-processing industry—which employs more workers than the auto, computer, consumer-electronics and machine-tool industries combined—produces $39 worth of food in an hour, compared with an American counterpart's $119.

"What makes the Japan-U.S. comparison for manufacturing as a whole so much in the U.S. favor is that food production is such a large business in Japan and is so primitive," Professor Bator said.

The study suggests that a lack of leading-edge technology is less important than some suggest. Brewers in Germany, for example, are far less productive than Japanese or American beer makers. But the reason is hardly that the Germans lack the technology. The more efficient American and Japanese brewers use machinery imported from Germany.

QUALITY BEYOND TECHNOLOGY

Nor is lesser technology necessarily the difference in cars. General Motors, for instance, poured billions into robots and other glitzy technology, while Toyota and other

Japanese manufacturers placed less emphasis on a high-tech approach and concentrated on how they trained, organized and motivated workers.

McKinsey's prescription for raising productivity—to expose manufacturers to head-to-head competition with Japan, Germany or whoever is No. 1 in an industry—raises hackles among American advocates of industrial policy.

The Europeans, said Stephen S. Cohen, co-director of the Berkeley Roundtable on the International Economy, "would be foolish to resist pressures to insulate themselves."

"They don't need more pressure," he added. "They don't have to take the same bloodletting."

But Professor Baily has a different perception. "We keep hearing policy makers say 'We've got to protect,' as if Americans got no benefit from going through all this pain and agony," he remarked. "Our industries today are in much better shape. Our view is that the evidence—particularly from Germany, which hasn't allowed that kind of competition—suggests that you should let the winners and losers emerge."

Copies of the report can be obtained from the McKinsey Global Institute in Washington by calling (202) 662-3141.

Mr. PRESSLER. High-technology jobs are high-wage jobs. I have seen the benefit of the creation of high-technology jobs in my State, but these jobs are still a small percentage of all the jobs created in South Dakota. Despite its small size, I doubt South Dakota is any different from other States in terms of jobs creation.

I have heard my colleagues state that S. 4 will create jobs. What I have not heard discussed is how many jobs will be created. The high-technology sector is promising, and has created well-paying jobs. Whether spending $2.8 billion over 2 years will generate a significant number of high-technology or manufacturing jobs is still, in my mind, a big question mark. Almost $3 billion may not impact significantly the trend of manufacturing jobs as a percentage of non-farms jobs since 1961.

By focusing on so-called critical technologies, we are rewarding specific sectors of our economy with Government incentives. The McKinsey study indicated that the United States has a worldwide edge in the food processing industry—not an industry identified as being a critical technology. It is, however, an industry of interest and importance to agricultural States. What do we do to assist industries that are not in manufacturing or high technology or identified as "critical"?

The wisest course we could take to assist these businesses, indeed, all U.S. businesses, is to implement regulatory reform, lift burdensome paperwork reductions and Government mandates on wages that must be paid for work on Government contracts.

I urge my colleagues to look upon the Simpson amendment as a logical extension of the Cochran amendment of yesterday. It is a concerted effort to lift onerous regulations from U.S. businesses, large and small, whether they are service industries or high-technology enterprises. Let us not just reward certain segments of the economy. Let us work for the benefit of all U.S. businesses.

Mr. CRAIG. Mr. President, I commend the Assistant Republican leader for offering this substitute to S. 4. Senator SIMPSON's substitute is the real National Competitiveness Act. The underlying bill, S. 4, is really the Picking Favorites and Industrial Policy Act.

Business enterprises in America want to compete, innovate, and create jobs. The biggest threat to their competitiveness, and therefore, America's competitiveness, is that the Federal Government will hobble them before they even make it into the world marketplace.

KEMPTHORNE OSHA REFORM

There are many excellent provisions in the Simpson substitute. I note, particularly, language that originated with my Idaho colleague, Senator KEMPTHORNE, providing exemptions from strict enforcement of the letter of the law when blind enforcement would punish heroic acts. That's pure common sense, but OSHA tried to fine an Idaho contractor when workers rushed to save the life of a coworker buried in a collapsing trench and ignored some OSHA technical requirements in the process.

That's what the Simpson substitute is all about: A commonsense understanding of how Government excess can stifle competitiveness and destroy jobs.

DAVIS-BACON REFORMS; INTRO

I want to speak in particular to the reforms that the substitute would make to the outdated Davis-Bacon Act of 1931.

I am the sponsor of S. 916, which would make comprehensive changes in Davis-Bacon, and I have cosponsored Senator BROWN's S. 1228, which would go all the way and repeal the act. I will continue to pursue those more substantial changes, but I welcome the incremental improvements that the Davis-Bacon changes in the Simpson substitute would bring.

I want to emphasize the compromise nature of the Davis-Bacon provisions in the Simpson substitute. These are the very modest reforms recommended by Vice President GORE's National Performance Review. This is about as bipartisan as you can get.

These provisions would raise the threshold below which contracts are exempt from Davis-Bacon from $2,000 to $100,000 and scale back a lot of unnecessary and useless paperwork that employers are required to file every week.

RAISING THE THRESHOLD TO $100,000

Setting this threshold for Davis-Bacon is consistent with other NPR recommendations that $100,000 should be a set as a uniform contract threshold for government acquisition of goods and services. The current $2,000 threshold was set in 1935 and is so low that, as a practical matter, all construction, alteration, and repair contracts are covered by Davis-Bacon.

The $100,000 threshold would exempt only 3.5 percent of the contract dollar volume of current Davis-Bacon contracts—in other words, only 3.5 percent of the actual construction alteration, and repair work being performed. But because a small amount of this work is covered by a very large number of very small contracts, almost 75 percent of the number of contracts would be exempted.

Today, the Department of Labor is forced by Davis-Bacon to spend a disproportionate amount of its resources issuing prevailing wage determinations and collecting paperwork for hundreds of thousands of these tiny contracts. They are stepping over boulders to pick up pebbles. By Federal standards, a $100,000 construction contract is a tiny contract.

Lifting this burden of micromanagement with a $100,000 threshold would free up resources to improve the quality of DOL's work on the remaining 96.5 percent of construction contracts.

Many small and minority contractors would like to bid on Federal contracts for small jobs but are discouraged from doing so because of the rigid and archaic work rules, the arbitrary and artificial wage rates, and overwhelming paperwork requirements that come with Davis-Bacon.

To at least a modest extent, therefore, this reform would allow many small and minority contractors to compete for the first time in the Federal arena. Senators talk a good game about promoting small and minority businesses. This substitute actually does something to treat them more fairly.

DAVIS-BACON PAPERWORK REDUCTION

The other Davis-Bacon reform that Senator Simpson adopts from NPR is paperwork reduction. Today, the Copeland Act of 1934 requires contractors on Davis-Bacon projects to submit copies entire payroll records to the government on a weekly basis. It's estimated that this produces 11 million reports a year, requiring 5.5 million hours of industry expense, and accounting for 5.5 percent of DOL's total paperwork.

Officials have testified in the past that, coming in a tidal wave as it does, all of this paperwork is useless and enforcement of Davis-Bacon generally depends on the filing of actual complaints.

The Simpson/NPR reform would require that every contractor certify compliance with Davis-Bacon on a monthly basis. This would still keep employers on notice as to their responsibilities and would deter violations.

Mr. President, the Davis-Bacon Act discriminates against minorities and

women, prevents public-spirited citizens from volunteering for community projects, reduces the amount of housing that can be provided for the poor, wastes billions of dollars, and lines the pockets of a few big contractors who specialize in milking the Federal procurement system.

We ought to repeal or more substantially reform it. But the Simpson/NPR provisions in this substitute are at least a step in the right direction.

CONCLUSION ON THE SIMPSON SUBSTITUTE, IN GENERAL

Back on a more general level, Mr. President; we all agree that government at local, State, and Federal levels should exercise its authority in appropriate circumstances to protect public and worker safety and promote fair dealing. But these responsibilities involve restraining excesses, promoting honesty, and penalizing negligent or dangerous acts.

That's a far cry from government trying to substitute its supposed wisdom for the judgment of the men and women actually trying to provide goods and services.

A funny thing happens when government gets tangled up in decisions that should be left to the marketplace. Political thinkers from John Locke to Lady Thatcher have pointed out that political considerations replace economic ones, favoritism replaces competition, and privileged elites are the principal beneficiaries.

If we genuinely want to enhance competitiveness, if we want real regulatory reform, we will pass the Simpson substitute to S. 4. It's a thoughtful and comprehensive plan that includes ideas from both sides of the aisle and deserves the Senate's approval.

Mr. HATFIELD. Mr. President, the Simpson amendment to the pending legislation, the National Competitiveness Act, includes important reforms to the Davis-Bacon Act of 1931. While I strongly support the continuation of the Davis-Bacon law, I do believe changes need to be made.

It is my understanding that legislation has been pending before the Labor Committee that would make extensive changes to the Davis-Bacon Act for the last two Congresses. In fact, many of the reforms have been marked up in subcommittee by the House. Several of the provisions of the bill are meritorious and it is my hope that we will be able to enact some of these reforms in the near future. By supporting these carved out reform provisions now, I believe that it will serve notice to the Labor Committee that I am ready to reform the Davis-Bacon Act sooner rather than latter.

I have my own ideas of reform that should take place regarding the applicability of the Davis-Bacon Act on volunteers. Volunteers should be allowed to work on certain types of community projects in rural areas if they choose to do so by their own volition and if they are not being supervised by paid contractors or subcontractors. Volunteers should not be allowed to work on the construction of nuclear power plants or highway projects. However, many rural communities cannot afford to improve their communities because of fiscal constraints. Without the use volunteers, many rural communities simply cannot afford to build new courthouses, schools, libraries, and the like. Clearly, projects of this nature benefit the community as a whole.

Mr. President, although I support the Davis-Bacon Act reforms included in the Simpson amendment, I am committed to working with my colleagues on the Labor Committee towards comprehensive Davis-Bacon Act reforms in the near future.

Mrs. FEINSTEIN. Mr. President, I would like to speak for a few minutes on the bill that is before this body, S. 4, the National Competitiveness Act.

I rise in support of the bill. I believe that this bill is going to improve the industrial competitiveness and the economic growth of this Nation. The reason it is going to do that is that it is going to strengthen civilian technology programs, something that we do not pay enough attention to, primarily in the manufacturing sector.

I am one that happens to believe that manufacturing is extraordinarily important to this country. It accounts for 19 percent of the gross domestic product, 75 percent of all U.S. exports, and approximately 19 million jobs. More importantly, it has traditionally, provided the well-paying jobs that have allowed average Americans to live the American dream.

You can get a production line job, you can buy a home, you can finance a car, you can educate your kids and, yes, you can even send them to college. That is the American dream.

In California—and since California plays so predominantly in this debate, let me make the argument on the basis of merit—our manufacturing sector has been severely and adversely affected by defense downsizing. Twenty-one percent of our manufacturing employment is in aerospace. The aerospace position of the manufacturing sector is being devastated. Since 1988, aerospace employment has declined by 42 percent.

On the basis of merit alone, the private sector job loss due to the defense drawdown between 1991 and 1997 is three times higher in California than in any other State in the Union. Of the top 10, California is No. 1, followed by New York, Texas, Virginia, Massachusetts, Pennsylvania, Ohio, Florida, Connecticut, and New Jersey. But the California job loss is three times that of the next highest States, Texas and New York.

So nobody should ascribe politics to this. Take a look at what is happening out there. It is three times worse in the State of California than in the next worst off State.

I mentioned this Nation must have a strong manufacturing base.

I will never forget being at a speech that Akio Morita, the chairman of the Sony, made. One of the things he said in his speech was, "What I greatly fear is that America loses its manufacturing base. If it loses its manufacturing base, it will cease to be a world power."

The United States, in fact, is falling behind other nations in adopting advanced manufacturing technologies to increase productivity and to improve the quality of goods.

According to the Department of Commerce, the United States is either "losing badly" or "losing" to Japan and Europe in 13 of 24 emerging technologies, including superconductors, advanced materials, sensors, and biotechnology. The United States is leading Europe in only 3 technologies and is not leading Japan in any technologies.

Let me quote from the 1991 Council on Competitiveness report:

> The United States is losing badly in many critical technologies. Unless this Nation acts today to promote the development of generic industrial technology, its technological position will erode further, with the disastrous consequences for American jobs, economic growth, and the national security. The Federal Government should view support of generic industrial technologies as a priority mission.

That is exactly what this bill does.

Unfortunately, our Nation has not invested in these technologies as much as other countries. While some European countries invest upwards of 20 percent of their research and development budget for the industrial sector, the United States invests a mere 0.2 percent in industrial development. Other nations, 20 percent; we are investing 0.2 percent only. At the same time, the United States invested over 65 percent of its R&D budget for defense, compared with 12.5 percent for West Germany and less than 5 percent for Japan.

Clearly, we must do more to help our civilian technologies. The United States R&D budget must place a greater emphasis on supporting civilian industrial technologies. As the committee report states, "The selective expansion of Federal civilian technologies and manufacturing programs can contribute significantly to United States economic competitiveness and prosperity."

The National Competitiveness Act, this bill, helps to accomplish this. It creates a "21st Century Manufacturing Infrastructure Program" to develop, in partnership with the private sector, new technologies to enhance productivity and improve U.S. global competitiveness. Also, it helps get these new technologies into the private sector quickly and effectively.

Let us talk about small business for a moment. The future of the American

business sector is small business, rising dramatically, new startups, new ideas, new creativity. Small business is where much of the action is.

This bill helps small business, and I will tell you how. Many small businesses, as we have discussed before on this floor, particularly when you talk about capital gains and capital formation, do not have the resources or the capital to invest in new technologies and upgrade existing equipment. According to the National Coalition for Advanced Manufacturing, of the 360,000 smaller American manufacturers—those with 500 or fewer employees—most have not advanced in the adoptions of modern equipment. Only 6 in 10 smaller businesses employ advanced technology, compared with 9 out of 10 businesses with more than a hundred employees.

Building on the successes of manufacturing technology centers and the State technology extension program created in the Omnibus Trade and Competitiveness Act of 1988, this bill will increase authorization for advanced technology programs, ATP—the one Federal program whose sole purpose is to help private sector civilian companies with the research that is necessary to speed the development of promising new technologies. ATP is similar to the successful technology reinvestment project, known as TRP, which is devised to help defense firms transition to the civilian marketplace, and it is also a competitive grant program.

This bill provides, as you know, $2.3 billion over 2 years to expand the efforts of commerce to place advanced manufacturing technologies into the hands of small- and medium-sized business.

Please, let us not get into this bill might benefit California, or this bill might benefit another State. Do we not want to do this as a nation? Do we not want to be strong? Do we not want to see our small businesses be able to compete with others? Do we not want to see our manufacturing in America be able to compete with Japan and Germany and other countries?

Anybody whose answer is no does not belong in the Senate of the United States.

Of course, we do. It is American to think that way. We want to see our businesses upgraded.

We talk a lot about global competitiveness, the free marketplace. What is wrong with talking about a partnership between the U.S. Government and the small businesses of this Nation; a partnership between America and manufacturing in this Nation? What is wrong with it? That is what we ought to be discussing.

I commend the Senator from South Carolina. This is an important bill. I submit to you, it boggles my mind to see how people could be opposed to it.

So I am very happy to support S. 4 and I was very pleased to see that it was unanimously reported out of committee with strong bipartisan support.

Please, this is not the stimulus package of a year ago. This is a National Competitiveness Act aimed toward the private manufacturing and the private small business sector to make us competitive worldwide. Let us go ahead with it.

Thank you, Mr. President.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator. It is a very eloquent statement, and a unique one in that it is on the bill.

This is the fourth day. We have never had an amendment, really, to the bill itself. We have had various political maneuvers to kill the bill, namely this one here at hand we will momentarily move to table. This, as the distinguished Senator reminded me, when Akio Morita made the statement that he was fearful we would lose our manufacturing base, that was over 10 years ago. MIT, a special commission on industrial productivity, issued a book back 5 years ago, "Made in America." Right to the point, they found we ought to be getting just into these programs we are talking about of the partnership in technological research.

I am going to skip over some things. Along comes the task force of the Republican Party. They state categorically, these distinguished Senators in the party itself, that "The task force endorses the National Institute of Standards and Technology as an important effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are: First, the Manufacturing Technology Program and the Advanced Technology Program."

So we know we have their programs and we have them endorsed. I know it is all peer reviewed and all on a merit basis. So what has the Secretary of Commerce done? He has gone over to the Defense Department and got Arati Prabhakar on the one hand, as the Administrator or Director of NIST, the National Institutes of Standards and Technology, who has been working for over 10 years in the Department for President Reagan and for President Bush, administering the programs. Otherwise, you have Under Secretary Good, who was President Reagan's appointment. She is the Under Secretary for Technology, President Reagan's appointee—the Chairman of the Board of Directors of the Science Board of the National Science Foundation. Then we come almost in seriatim to the programs themselves: 31 States, some 85 of the different programs, all listed that we have taken from DARPA, and put over here. That is why we have the increases.

Then we come, of course, to the Critical Technology Subcouncil itself that just recently put out a report saying this is exactly what we ought to be doing. It is updated now. They said we ought to have, for example, just by way of figures, because the moneys have come in—they said we ought to have in the Advanced Technology Program, I read: "Expanding the Advanced Technology Program in the Department of Commerce to an annual program level of $750 million."

This is only at the $500 million level 2 years out. We never have gotten to that. The overall program is less than $1 billion. In fact, all of these things in here, the National Science Foundation, the SBA loans, the construction of $100 million in here—all those add up to the $1.3 and $1.4 billion, which, incidentally, while I am reminded—the ranking Member, he voted for $1.5 billion. So this is less than what the distinguished chairman voted last June, along with all the other Republicans and all Democrats in the report of the bill.

But this auspicious group here, all the technology leaders in the country, said the Advanced Technology Program should reach $750 million, and it has here, the amount for the entire program should be anywhere from $4 to $8 billion. We do not even approximate that.

So we come to the end, after working through with the Energy Committee, with the Small Business Committee, Democrats, Republicans on both sides, Labor, Health, Human Resources, Education Committee; the White House, Department of Commerce, OMB that cut back the money and everything else like that, and really joined unanimously, 2 years ago—unanimously out of the committee last year. Now we are ready to pass it. And in 4 days they have not put up a single amendment that was pertinent to the bill or to amend any section of the bill. There have been these onslaughts from pesticides to post offices, Whitewater we have had around here and everything else but this.

This particular amendment has just a grab bag of any and every kind of regulations: Postal regulations, Davis-Bacon provisions, labor provisions, retraining provisions, Post Office provisions again, and everything of that kind. Not as an amendment to this bill, but as a substitute, to take all of this fine work and a studied measure, all in the best of light, really getting this country moving, and to put up that grab bag.

I move to table the Simpson grab bag.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the motion of the Senator from South Carolina.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Colorado [Mr. CAMPBELL] and the Senator from Connecticut [Mr. DODD] are necessarily absent.

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—56

Akaka	Ford	Mikulski
Baucus	Glenn	Mitchell
Biden	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boren	Heflin	Murray
Boxer	Hollings	Nunn
Bradley	Inouye	Pell
Breaux	Jeffords	Pryor
Bryan	Johnston	Reid
Bumpers	Kennedy	Riegle
Burns	Kerrey	Robb
Byrd	Kerry	Rockefeller
Conrad	Kohl	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Leahy	Shelby
Dorgan	Levin	Simon
Exon	Lieberman	Wellstone
Feingold	Mathews	Wofford
Feinstein	Metzenbaum	

NAYS—42

Bennett	Faircloth	McCain
Bond	Gorton	McConnell
Brown	Gramm	Murkowski
Chafee	Grassley	Nickles
Coats	Gregg	Packwood
Cochran	Hatch	Pressler
Cohen	Hatfield	Roth
Coverdell	Helms	Simpson
Craig	Hutchison	Smith
D'Amato	Kassebaum	Specter
Danforth	Kempthorne	Stevens
Dole	Lott	Thurmond
Domenici	Lugar	Wallop
Durenberger	Mack	Warner

NOT VOTING—2

Campbell	Dodd

So the motion to lay on the table the amendment (No. 1486), as modified, was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER (Mrs. BOXER). The Senator from Wyoming.

Mr. HOLLINGS. Madam President, if the Senator will yield a minute.

Mr. WALLOP. I will be happy to yield.

Mr. HOLLINGS. Madam President, we have had two formative votes relative to the so-called strategy, and I know this is not a partisan bill because I have worked it for 3 years. It is a bipartisan measure. So I hope that will satisfy the nicities of that particular thought. Now we can go on to anywhere, we have heard, from four to six remaining amendments. I do not know how long they will take. I think the two or three I have heard of will not take long, but there might be three others that might require extended debate. But it is the intent, with the majority leader's permission, to go right on at least a little bit later tonight to get several more votes.

So we are ready to go, and I thank the distinguished Senator for yielding.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 1487

(Purpose: To amend chapter 6 of title 5, United States Code, relating to regulatory flexibility analysis)

Mr. WALLOP. Madam President, I send an amendment to the desk on behalf of myself, Mr. COATS, Mr. MACK, and Mr. SIMPSON, and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP], for himself, Mr. COATS, Mr. MACK, and Mr. SIMPSON, proposes an amendment numbered 1487.

Mr. WALLOP. 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:

At the appropriate place, insert the following:

DEFINITIONS

SECTION 1. Section 601 of title 5, United States Code is amended—

(1) in paragraph (2) by inserting "any rule of the Internal Revenue Service" before "or any other law, including";

(2) in paragraph (5) by striking out "and" at the end thereof;

(3) in paragraph (6) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraph:

"(7) the term 'impact' means effects of a proposed or final rule which an agency can anticipate at the time of publication, and includes those effects which are directly and indirectly imposed by the proposed or final rule and are beneficial and negative.".

INITIAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 2. Section 603 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence by inserting "as defined under section 601(2)" after "any proposed rule"; and

(B) in the second sentence by striking out "the impact" and inserting in lieu thereof "both the direct and indirect impacts";

(2) in subsection (b)(3) by striking out "apply" and inserting in lieu thereof "directly apply and an estimate of the number of small entities to which the rule will indirectly apply"; and

(3) in subsection (c) in the first sentence by inserting before the period "either directly or indirectly effected".

FINAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 3. Section 604(a) of title 5, United States Code, is amended in the first sentence by striking out "under section 553 of this title, after being required by that section or any other law to publish a general notice of proposed rulemaking" and inserting in lieu thereof "as defined under section 610(2)".

JUDICIAL REVIEW

SEC. 4. Section 611(b) of title 5, United States Code, is repealed.

Mr. WALLOP. Madam President, as the Senate considers the National Competitiveness Act, many Americans find it ironic that the biggest hurdle to U.S. competitiveness is oftentimes their own Government. The rules to regulate every aspect of business activity—how it interacts with workers, other businesses, customers, the public, and the environment have become so pervasive and the burdens so onerous as to hinder all ability to compete.

Regulations are estimated to cost Americans between $880 billion and $1.6 trillion per year. This sounds like the kind of deficits we run up in decades, but Madam President, this is the per year cost to American business.

There are nearly 125,000 Federal employees who do nothing but issue and inforce regulations. In 1993, last year, the Federal Register published 69,688 pages of proposed and final regulations which businesses are expected to know and to comment upon.

How can we expect American business men and women to compete when they have to spend so much of their time, so much of their effort, and so much of their creativity just trying to meet the demands of their government. The burden is especially difficult for small business, and even small rural communities, to shoulder. Even relatively inexpensive regulations can pose insurmountable obstacles to small businesses.

One mechanism in place to help shield small entities is the Regulatory Flexibility Act of 1980. It requires agencies to consider the impacts of their rules on small businesses and when possible, modify those rules to mitigate any undue burdens.

Madam President, unfortunately, the agencies have found innumerable ways to avoid complying with this act, so that, despite its intentions it is no longer effective.

For instance, under current law no regulatory impact analysis is required for rules classified as interpretative—following congressional intent. Unfortunately, some agencies improperly classify rules as interpretative and thus avoid having to perform any analysis of its impact.

This amendment closes the loophole by including interpretative rules within the coverage of the act.

Second, the original Regulatory Flexibility Act does not take into account the fact that regulations which are imposed on small entities have an indirect impact on the customers and/or clients of those entities. This amendment would ensure that these are properly considered.

Most importantly, currently the Reg Flex Act has no teeth. Whatever its intentions, it cannot be made to be enforced.

Let me briefly outline how the process is supposed to work. If a proposed rule impacts small entities—small businesses, small nonprofit organizations, and rural municipalities—then agencies have two options; perform a regulatory flexibility analysis or issue a certification.

If a rule significantly impacts a number of small entities then the agency must perform a regulatory flexibility analysis. Most importantly, the agency must review alternatives which might mitigate the adverse economic impact of the rule.

If, on the other hand, the agency decides that a rule will not have a significant economic impact upon a substantial number of small entities, it issues a certification of that fact, along with the reason for the finding.

The Reg Flex Act has no teeth because agency decisions cannot be challenged.

Madam President, this Congress spoke loudly and clearly when it passed the Flex Act. It intended for agencies to pay heed to the effects of their regulations on small business. But these are made essentially unreviewable by any court. So while a court can look at a regulatory flexibility analysis to determine whether a rule is rational, no court has ever deemed the rule invalid based on a defective regulatory analysis. Thus, agencies can prepare an inadequate impact analyses with impunity and they can certify that a rule has no significant impact without any meaningful challenge.

Absent judicial review, the Regulatory Flexibility Act simply does not work as intended. It will not, and cannot shield small entities from the crushing weight of burdensome regulations unless we give them the opportunity to have a court review agency actions.

To my knowledge, the only opposition to allowing judicial review is from the Federal agencies themselves. They fear a flood of lawsuits to slow them down. Madam President, I do not believe that is a bad thing, but, history says those fears are unfounded. The fact of the matter is, that small businesses simply cannot afford to challenge any but the most egregious rulemaking. And I would also note that although 24 States allow judicial review of their State rulemaking process, less than 10 lawsuits have ever been filed.

Madam President, this is not a partisan issue. This is a provision which has widespread support on both sides of the aisle.

Let me read from Vice President GORE's National Performance Review. The first recommendation of the Small Business Administration is to:

Allow Judicial Review of the Regulatory Flexibility Act—allow access to the courts when federal agencies develop rules that fail to properly examine alternatives that will lessen the burden on small businesses.

So the administration is in favor of it. The Vice President has made it part of his National Performance Review. The Acting Chief Counsel for Advocacy, the office charged with giving small business a voice in Government, recently discussed the importance of judicial review of Reg Flex decisions. Doris Freedman said:

Absent some procedure to force agency compliance with the RFA (Reg Flex Act), such as improved opportunity for judicial review of agency determinations under the Act, some agencies will continue to evade the spirit of the RFA through mechanical and boilerplate application of the certification process. Such evasion is antithetical to good government and mocks the reform recommendations instituted by President Clinton and other recommendations made by the NPR (Nation Performance Review). After considering other alternatives, I must agree with the NPR—the threat of litigation, judicial review, and potential remand of regulations is the only way to obtain full agency compliance with the analytical requirements of the Act.

Virtually every small business trade association supports strengthening the Reg Flex Act. The National Association for the Self-Employed, representing 320,000 members 85 percent of whom employ five people or fewer, strongly support my amendment. The most recent White House Conference on Small Business, held in 1986, endorse strengthening it.

I urge my colleagues to join me in doing something to improve national competitiveness. By mitigating the impact of excessive regulation, the competitiveness of America's small business can be determined in the marketplace, not the office of a Federal bureaucrat.

Madam President, I ask unanimous consent that the paragraph from the Vice President's National Performance Review recommendation, Small Business Administration No. 1, be printed in the RECORD.

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

VICE PRESIDENT GORE'S NATIONAL PERFORMANCE REVIEW RECOMMENDS:

SMALL BUSINESS ADMINISTRATION

SBA01: Allow Judicial Review of the Regulatory Flexibility Act—Allow access to the courts when federal agencies develop rules that fail to properly examine alternatives that will lessen the burden on small businesses.

Mr. WALLOP. Madam President, I also ask unanimous consent that a letter to me from the Chamber of Commerce of the United States dated today endorsing this be printed in the RECORD. I will read the first paragraph.

The U.S. Chamber of Commerce, representing 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 69 American Chambers of Commerce abroad, strongly supports the regulatory flexibility act amendments, which are expected to be offered as an amendment to S. 4 by Senator Wallop. Accordingly, we urge you to vote for adoption of these amendments.

The letter goes on to say that the Chamber will include this vote in its annual "how they voted" ratings, and it is signed by William T. Archey, a senior vice president for policy at Congressional Affairs.

I ask unanimous consent that the entire letter be printed in the RECORD.

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

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, DC, March 10, 1994.

Hon. MALCOLM WALLOP,
U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR SENATOR WALLOP: The U.S. Chamber of Commerce, representing 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 69 American Chambers of Commerce abroad, strongly supports the regulatory flexibility act amendments, which are expected to be offered as an amendment to S. 4 by Senator Wallop. Accordingly, we urge you to vote for adoption of these amendments.

The Regulatory Flexibility Act of 1980 (RFA) was designed to provide the small business community respite from the ever-growing hindrance of excessive regulation by requiring federal agencies to consider the impact of proposed regulations on small entities. Its intent was to ensure that the least burdensome approach for regulatory implementation was adopted. Unfortunately, the law has some fundamental flaws, the most important being that the agencies do not have to answer to any compelling authority for noncompliance. The RFA specifically excluded the courts as reviewers. In turn, this has led to bureaucratic abuses of the RFA. Senator Wallop's amendment would authorize judicial review of agency compliance with the RFA—the crucial ingredient necessary to make the RFA work as originally intended.

The RFA was never intended to relieve small business of its responsibilities, but rather to ensure ease of compliance. Small businesses have too often borne the brunt of the cumulative impact of federal mandates. Given their importance to our struggling economy, we need to ensure not just their survival but their growth as well. Senator Wallop's amendment is in that spirit and merits your support.

The Chamber will include this vote in its annual "How They Voted" vote ratings.

Sincerely,

WILLIAM T. ARCHEY.

Mr. WALLOP. Madam President, it is my hope that the Senate will see fit to adopt this amendment. It has been bipartisan and has been the subject of Small Business Committee hearings. The Senator from Arkansas [Mr. BUMPERS], has been in favor of it. I do not see him here. The fact of it is that the agencies of the Government of the United States are simply not complying with the spirit of the law. Elsewise, we would not need judicial review. This amendment simply provides a means by which some in small business—and many of them do not have the wherewithal to challenge Government—will, from time to time, be able to take on

the most egregious regulations and ask that they be reviewed as Congress intended.

I urge adoption of my amendment.

I yield the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Madam President, I regret that I must oppose the amendment offered by my colleague from Wyoming, Senator WALLOP. I very strongly support the goals of the Regulatory Flexibility Act, and I realize, as hearings by the Committee on Governmental Affairs have shown, that Federal agencies have done a poor job. They have indeed done a poor job of meeting the Reg Flex Act and requirements for regulatory flexibility for small business and for small governments, also.

I agree with Senator WALLOP that the act has not lived up to its promise, and its regulatory flexibility requirements do need to be strengthened. I, too, have introduced legislation to accomplish that objective. But I feel that, right now, in the middle of this S. 4 is not the time to consider this particular amendment.

The Committee on Governmental Affairs, of which I am chairman, will soon have a second hearing on unfunded Federal mandates on State and local governments. We plan a further hearing on the regulatory burdens on business and the current state of Federal regulatory management. These hearings, I think, will be a very appropriate forum in which to consider all the different aspects of proposals to reduce regulatory burdens on small business and small governments.

There are a couple of specific concerns with this particular amendment that I wanted to point out. First, the proposed amendment would require agencies to analyze indirect economic effects on small entities, as well as the direct effects. I agree that agencies should consider such indirect economic effects in the regulatory process. But the amendment would, as I understand it, require regulatory flexibility analysis on all regulations that have either a direct or indirect effect on small business or small governments.

If I read this correctly, this provision would require an analysis for every single regulation put forward by the Federal Government. I do not want to get us into another situation of paralysis-by-analysis. If we are saying, well, it would not require that on most of them, well, you never know what the direct or indirect effects are going to be unless you do this kind of analysis to find out. On every single regulation to be put out—and there are thousands per year—we are trying to reduce those regulations, and I agree that we have far too many regulations put out, and we want to curtail that. But to require such an analysis on every single regulation, which is the only way this can be interpreted, I think that puts us into a situation, as I said, where we are going to analyze things into paralysis, I am afraid.

Further, the amendment subjects the analysis to judicial review—all of these things, every single one of them. I am sympathetic with the concerns that underlie the need for judicial review. I favor some sort of judicial review. However, we should be careful that in inserting judicial review into the Reg Flex Act, we do not want to turn this into the "lawyers full employment act." I know the Senator from Wyoming addressed this, and there have not been many cases, or whatever the statement was a moment ago, in the State functions. Only a few cases have been brought.

I believe that any efforts to establish judicial review should be very carefully evaluated and then carefully crafted so we can avoid the flood of litigation that could end up clogging the courts. So I hope that my colleague from Wyoming could work with us in strengthening the Reg Flex Act. I want to work with him on that. I believe that the currently scheduled hearing before the Committee on Governmental Affairs will provide an appropriate forum in which to consider the ideas. We already have the hearing schedules. This debate on S. 4 is neither the right time nor place to consider the amendment.

With regret, I must urge my colleagues to vote against the Wallop amendment.

I yield the floor.

Mr. WALLOP. Madam President, I wish I had heard reason to oppose my amendment. I have heard lots of reasons to move on with it.

I say to my friend from Ohio that we have been trying to get these amendments considered. We had hearings on this as far back as 1989. It does not give the people of America, who have to live with these things, a great deal of confidence to know that we are going to have more hearings. It has often been said, incorrectly, that the way to do nothing is to have a study. What we have is another study.

The Senator from Ohio talks of unfunded mandates. For Heaven's sake, they are part and parcel of the problem, but not the direct effect of this amendment or the Senator from Wyoming and the Reg Flex Act.

What we are talking about here is what the Vice President of the United States has endorsed. What we are talking about here is what the Office of Advocacy in the Small Business Administration has endorsed. What we are talking about here is the necessity for judicial review. If anybody thinks that there is the means by which you can add teeth to this regulatory flexibility, the Reg Flex Act, as it now exists, without giving judicial review, let them say. But there have been hearings in 1989, 1990, 1991, 1992, and 1993. It is time we acted on this. America is waiting for us to do something different, and we have not been willing to.

They have been speaking to us about how the arrogance of the regulatory community is very, very simple. It just says we do not have to do it, and you cannot make us.

The Senator says—and I agree—that we do not want to establish a paralysis-by-analysis and a lawyer's dream. But there are 240 years worth of experience within the States, and only 10 times have there been cases brought. American small business is a darn sight more intelligent and practical than is America's regulatory community. They are waiting for us to act, and we do not need more hearings. We know what it means.

We have had, with all due respect, hearings and hearings upon hearings, and the fact of it is that the small business community continually comes to us and says: For Heaven's sake, put the voice of reason into this Government. The reason why we continue to have a high degree of small business failures, frankly, Madam President, is because it is so complicated to comply with the rules of the Government of the United States that most of them cannot afford to.

If the Senator would agree, and I am sure he would if he has been traveling his State of Ohio, that what has taken place in America is that small businessmen and small governments are frightened of their Government lest it take notice of them. They are trying to serve it rather than be served by it.

We would not be here with this amendment if the agencies of the Government of the United States had in any way lived up to their responsibility as Congress hoped when we passed the Reg Flex Act in 1980.

It just does not make sense to ask businesses and small communities and small governments in America to wait for more hearings when we have been doing nothing here. How do we listen? The hearings have been held. But the listening has apparently not started. This amendment is an attempt to get us to listen to America.

If the Senator wants, report language could easily reflect the worry that he has about this turning into a judicial nightmare. I think the worry is misplaced. The experience of States has been that it just is not a problem, and there is no reason to suppose, unless there is a total lapse of responsibility, that the Federal Government would have more problems than do the States.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Madam President, I know we do not want a long, extended debate on this. I do not plan to get in a long discussion of this thing because

I know the distinguished floor manager of the bill, Senator HOLLINGS, wants to move along and get this done as rapidly as possible.

I would only respond in brief, in that I know there have been hearings. For a long time I have tried to get regular review, and I know the Senator from Wyoming has been very interested in this.

I submit, before one of the things that held it up in the previous administration was some of the action on the Council on Competitiveness where, when we tried to get regulatory reform and interest in it, there was not that kind of interest. There was interest in taking some other paths toward paperwork reduction and reg reform and that sort of thing.

I submit we are into a different day now. The new administration has, in fact, put out an Executive order, which I am sure the distinguished Senator is aware of, cost-benefit analysis. It does not go to the smaller contracts, that is true. It is on the bigger contracts. But something like that can certainly be extended down to the smaller contracts, and smaller regulations will be considered. So we want to look at that.

But as I understand it—and I would like to be corrected on this; I seriously would like to be corrected if I am wrong—as I understand it, this would require analysis of every single regulation put forward by the Federal Government for direct or indirect consideration and then would submit each one of those to judicial review if the person wanted to do that.

That opens up a real enormous Pandora's box of potential litigation, as I see it. If I am wrong in my assumptions, then that is a little different ball game. But I do not think I am wrong, not by the wording of it anyway. This would require that kind of a regulation to know whether there are direct or indirect effects, I believe. Is that correct?

Mr. WALLOP. The Senator is correct, when dealing with the final rule. But if the Senator has talked with his small businessmen and his small communities—and I am sure he has—and I am sure he knows that the indirect effects are the ones that are killing them. Their impact is not so difficult to analyze. The fact of it is that small businesses need this help. What has happened is that the arrogant Washington Government just does not care what the indirect effect is. If agencies did nothing but look over their shoulder, we would have a better and more efficient Government.

Madam President, I do not intend to carry on the debate, but I would like to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There does not appear to be a sufficient second.

Mr. WALLOP. Madam 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. GLENN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. WALLOP. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to call the roll.

The assistant legislative clerk resumed the call of the roll.

Mr. GLENN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Madam President, will the Senator yield again for a request?

Mr. GLENN. I yield.

Mr. WALLOP. Madam President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Madam President, I was not aware until just a few moments ago that there has been a letter sent to the distinguished chairman of the Finance Committee, Senator MOYNIHAN, from the Department of the Treasury, Secretary Lloyd Bentsen, and I will read the letter:

DEAR PAT: I understand that the Senate is currently considering Senator Wallop's amendment to the Regulatory Flexibility Act (the "Act"). This amendment would subject interpretative tax regulations issued by the Internal Revenue Service (IRS) to the provisions of the Act. I believe that this amendment is unwise and would operate to the detriment of taxpayers, including small businesses.

Currently, the Act requires agencies to prepare a regulatory flexibility analysis when the Administrative Procedure Act or any other law requires the publication of a notice of proposed rulemaking—that is, when the regulations are not interpretative. When regulations merely interpret rules passed by Congress, rather than impose additional rules on taxpayers, an agency is not required to issue a notice of proposed rulemaking and thus is not required to prepare a regulatory flexibility analysis.

I oppose Senator Wallop's amendment for several reasons. First, current law requires the IRS to consider the impact that their interpretative rules will have on small businesses. Congress has, in the past, carefully considered and rejected the application of the Act to interpretative IRS regulations. It should do so again. Rather than apply the Act to all IRS regulations, Congress in 1988 enacted section 7805(f) of the Internal Revenue Code. This section requires the IRS to submit all proposed regulations to the Small Business Administration's (SBA) Chief Counsel for Advocacy for review and comment. The IRS is required to explicitly address comments of the SBA when it is finalizing regulations. These rules are a very important part of the regulatory process and the IRS fully complies with these Congressional mandates.

Second, this amendment would have a significant adverse affect on the ability of the IRS to administer the tax code and provide necessary and timely guidance to taxpayers. The IRS issues interpretative rules to provide taxpayers with the guidance necessary for compliance. Tax regulations are generally classified as interpretative because they are so closely tied to the statutory provisions to which they relate. The IRS does not classify tax regulations as interpretative to avoid rules requiring an analysis of how the rules affect small businesses.

Third, this amendment would have an adverse impact on taxpayers ability to comply with a detailed and comprehensive framework for the determination and collection of taxes. We have received numerous complaints from taxpayers and their advisers that the IRS issues too little, rather than too much, guidance and that guidance is needed faster. On Sept. 30, 1993, the President issued a memorandum directing agencies to review the procedures by which they develop and review regulations and to report back to him by March 31, 1994 on actions they have taken to streamline those procedures. The President's goal is that regulations be issued on a more timely basis. To impose the Act on the IRS when it is issuing regulations that merely interpret rules enacted by Congress would clearly delay the issuance of regulations to the detriment of taxpayers, including small businesses.

Sincerely,

LLOYD BENTSEN.

I was not aware of this letter until just a moment ago here. So I am sorry I did not have a copy of this to give to my colleague. If he wishes a copy, I will be glad to give it to him.

Mr. WALLOP. Madam President, I will try not to carry on too long on this.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Madam President, at the end of my remarks I know what happens. This will be used as a means by which to destroy what we are trying to do for small business.

The letter from the Secretary of the Treasury is precisely why we need this amendment.

I will move to strike the provision. If I could have the attention of the Senator from Ohio, I would like to say why it was included and why it is needed and why I will fight to return one day to put it in.

The fact of it is that the IRS is the principal agency to whom this ought to apply. The Office of Advocacy in the Small Business Administration says so. But they have one person—one person, Madam President—to look at everything that comes out of the IRS.

Now if we want to expand exponentially the staff of the Small Business Advocacy Administration, we can do that, but the IRS will ignore them anyway because they have no means by which to enforce the RFA.

The Regulatory Flexibility Act now applies only when Federal agencies are required to issue notice and comment. As a result, interpretative rulings, general statement of policy, rules concerning loans, grants, benefits or public

contracts are not subject to the analytical requirements under the act. Because the IRS claims that its rulings are "interpretive"—to advise the public on the construction of the law—the IRS falls outside of the requirements of RFA.

Our amendment would subject the IRS to the rules of RFA. It would treat them like other agencies. There is no good reason why the tax hounds of America ought to be treated differently than other agencies and, in fact, because of the economic cost of their regulations, it is all the more important that they are treated the same.

By applying RFA to the IRS, they would have to consider the impact of their regulations on small businesses and determine if there is a less onerous alternative that does not detract from its collection purposes.

And I might say, Madam President, that in the course of this, I will show that in some cases the IRS is costing itself money by its idiotic application of regulations.

My amendment is intended to apply only to temporary, proposed, or final regulations issued by the IRS. These are the rules by which they interpret the tax code and which have the most impact on small business.

Why should we not consider what the impact of regulations are on small business? Is the IRS king god, above all of us? Are they not part of a democratic process? Is the IRS so important to America that they can waive all the constitutional requirements of a democracy?

Now I do not intend to have the amendment apply to such rules as technical advice memoranda, revenue rulings, or revenue procedures.

The IRS says the Office of Advocacy at SBA should handle it this issue.

They have used this argument, I would say to my friend, absolutely endlessly to claim that they should not be subject to the rules and, if they are, the Office of Advocacy should be responsible.

I would tell the Secretary that the SBA Advocacy Office disagrees. He might once in awhile talk to the people who he says can undertake this process.

Besides, the IRS is the only one really equipped to handle the analysis. Instead, they are advocating the creation of another entire bureaucracy to address an analysis which they alone are already prepared to do.

Now the IRS says that the proposal will generate lots of litigation.

The judicial review provision obviously adds teeth to the RFA. It will force agencies to assess and deal with the impact of their actions on small business. A simple certification would allow the IRS to avoid any analysis of the impact on small business.

By making the RFA subject to judicial review, any challenge to the reasonableness of a regulation would include consideration of the regulatory flexibility analysis performed for the Federal rule.

All this provision will do, I say to my friend from Ohio and the Secretary of the Treasury, is give taxpayers additional information with which to challenge IRS regulations. It merely requires them to give further consideration to the impact on small business.

I have seen a total lack of concern, even disdain, by the IRS about the impact of its action on taxpayers. And this is as true with its regulations, as it is when it brings a case against a taxpayer.

For example, Senator PRYOR from Arkansas has been trying for a long time to get his Taxpayer Bill of Rights 2 enacted into law, but he has been thwarted in his efforts, in part, because the bill would give taxpayers an opportunity to receive more information about the IRS actions and receive attorney's fees more readily.

If the IRS does not care about the cost incurred by a taxpayer who may be wrongly affected by the service, why should we think that they care about the impact of their regulations on small businesses? And experience tells us they do not.

As usual, this is a bureaucracy, and perhaps a bureaucracy above all others in the American bureaucracy, that wants all the powers and leaves the taxpayer without recourse.

Let me give my colleagues an example of an IRS regulation that will have a significant impact on small business and to which the IRS and Treasury have shown little concern.

When the tax bill was enacted last August, it included a provision to change the point at which the diesel fuel taxes are assessed and collected. It would require tax-exempt diesel fuel to be dyed, because it was thought that this would be an easier way to ensure compliance.

This diesel fuel dyeing provision is ridiculous and it is going to cost businesses more to comply than the revenue that will be raised, which is why Senator NICKLES' proposal to require a cost-benefit analysis provision prior to enactment of a law is so important.

Now I understand that IRS and Treasury have to draft regulations on a bad law, but they have done nothing to alleviate the problems. And they appear to have little concern for the impact their regulations will have either on business or the environment.

Did you know that the IRS may mandate that terminal operators to install dyeing equipment to meet the provisions of the law?

In Wyoming, I have refiners who chose not to install dyeing equipment when the EPA rule requiring high sulfur fuel to be dyed, was enacted. Instead, customers agreed to pay slightly higher fuel prices for undyed, low-sulfur fuel because it was more environmentally sound.

So now the IRS says that if they want to sell dyed fuel, they have to put in equipment that costs upwards of $20,000 per terminal in order to ensure that the IRS collects a few extra dollars—$20,000 per terminal, Madam President, and they do not seem to care. And there are other ways, and they have been shown other ways, to achieve their goal.

Did you know that the IRS wants to require 10 pounds of dye per 1,000 barrels of diesel fuel? Yet, preliminary data suggests that the 10-pound dyeing requirement for high-sulfur diesel fuel could impair product quality by increasing the amount of sediment in the fuel; it could plug burners in heating units; and high dye concentrations make it impossible for pipelines to perform quality testing. Finally, those high dye concentrations leave residual deposits which causes storage tanks to be useless for other products or could bleed through to a new product.

Does the IRS care that it is bothering the environment? Does the IRS care that it is making them useless? No, they do not.

Does anyone in the Senate know that the regulations give the IRS the ability to detain a vehicle, a train or a boat to inspect its fuel tanks and storage tanks? This has nothing to do with collecting taxes. But there are no limitations to ensure that this detainment is not abusive. How can we stop the IRS from holding up important and timely shipments?

These are only some of the problems with the IRS diesel fuel regulations. But they certainly highlight the need for a regulatory analysis.

I would also like to reference some comments by Congressman UPTON at a hearing on the Regulatory Flexibility Act:

> The IRS maintained that the contemporaneous record-keeping requirements were a classic case of interpretive regulations. They insist they were simply carrying out Congressional orders which they were powerless to change or control. Yet IRS used their own judgment in deciding what Congress meant by "adequate contemporaneous records." In the IRS view, this required a daily log of date, purpose (whether business or pleasure), user's name, place of use, odometer readings, and length of use (if appropriate), as well as other related expenses. When public pressure grew and it became obvious the reporting cost far outweighed the benefits gained, the IRS proceeded to amend their regulations and adopt alternatives.
>
> As they told an IRS commissioner later, "If you were doing the Reg Flex analysis that many of us think you ought to be doing all along, you would have come up with the proposal and said, 'Look, in order to gain $150 million it is going to cost the taxpayers $3 billion in extra paperwork.'"

I know what this letter from Secretary Bentsen means. But I do not want it to be a means by which it impinges on the freedom of the rest of

small business to receive the benefits of judicial review of the RFA.

So, Madam President, I ask unanimous consent that I be permitted to amend my amendment by withdrawing paragraph 1 which says: "in paragraph (2) by inserting "any rule of the Internal Revenue Service before "or any other law including"; which would eliminate the IRS.

I will send that to the desk.

The PRESIDING OFFICER (Mr. WELLSTONE). Is there objection?

Mr. GLENN. Mr. President, reserving the right to object, and I do not think I will object because the Senator can modify his amendment if he likes. Either way.

I want him to be aware there is another letter here that has come to our attention. We are not bringing these things out of the woodwork, they are just arriving as we are on the floor here. But this is from the Small Business Administration to Senator BUMPERS, who is chairman of the Senate Small Business Committee. The last paragraph of which says:

My support for providing regulatory relief to small businesses is well known, but, under these circumstances, we feel that S. 4 is not the appropriate vehicle for resolution of the issues raised by Senator Wallop's amendment. We recommend it not be added to S. 4 at this time.

Mr. President, I ask unanimous consent the entire letter from Erskine Bowles, Administrator of the U.S. Small Business Administration, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, at the appropriate time I will move to table the amendment. But I want the distinguished Senator from Wyoming to know——

Mr. WALLOP. Would the Senator permit the Senator from Wyoming to modify his amendment as suggested, to remove the IRS?

Mr. GLENN. I have no objection to that.

The PRESIDING OFFICER. Is there objection to the Senator modifying his amendment? Without objection, it is so ordered.

The amendment (No. 1487), as modified, is as follows:

At the appropriate place, insert the following:

DEFINITIONS

SECTION 1. Section 601 of title 5, United States Code is amended—

(1) in paragraph (5) by striking out "and"at the end thereof;

(2) in paragraph (6) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(7) the term 'impact' means effects of a proposed or final rule which an agency can anticipate at the time of publication, and includes those effects which are directly and indirectly imposed by the proposed or final rule and are beneficial and negative.".

INITIAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 2. Section 603 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence by inserting "as defined under section 601(2)" after "any proposed rule"; and

(B) in the second sentence by striking out "the impact" and inserting in lieu thereof "both the direct and indirect impacts";

(2) in subsection (b)(3) by striking out "apply" and inserting in lieu thereof "directly apply and an estimate of the number of small entities to which the rule will indirectly apply"; and

(3) in subsection (c) in the first sentence by inserting before the period "either directly or indirectly effected".

FINAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 3. Section 604(a) of title 5, United States Code, is amended in the first sentence by striking out "under section 553 of this title, after being required by that section or any other law to publish a general notice of proposed rulemaking" and inserting in lieu thereof "as defined under section 610(2)".

JUDICIAL REVIEW

SEC. 4. Section 611(b) of title 5, United States Code, is repealed.

Mr. GLENN. Mr. President, I want to make clear I am entirely in favor of some of this regulatory relief that hits small businesses, hits small governments, hits them hard. We are moving in that direction. We have several pieces of legislation.

I know the Senator says we have gone back many years but we did not go back many years with this administration, let me point out. The problem with regulatory change has not been with the Clinton administration, with all due respect. The problem has been in the past administrations, Bush and Reagan, where we really did try to do this and it was blocked. So let us just make sure we understand that.

I was part and parcel of that, in trying to get some changes. So we do have a different ball game now. We have an Executive order out from this President that says we are going to look at these things. He applies it to the bigger entities, so it does not go down to the level the Senator from Wyoming wants. And I want to take it down to that level. But I want to do it after due consideration in the committee, where we already have hearings scheduled. I am committed to this as much as anybody in this Chamber, including my distinguished colleague from Wyoming, to getting regulations under control. We are inundated with regulations. We are moving with Leon Panetta, OMB, to look at these things. We are getting a new person in on management over there as well as the people who are working on this out of OIRA, the Office of Information and Regulatory Affairs. So it is not something we are ignoring.

All this about the past history of this thing, that was the past administration where they did not really go for this sort of thing. They wanted to do it under the Council on Competitiveness, under the Vice President. That is what we had to fight before. When we tried to change some of these things we were blocked. So let us make sure we all understand what we are talking about here.

I am not trying to block anything. I am as much for regulatory reform as anybody in this body and have worked to that end and am doing so on the committee now. That is what I want a chance to do, is go ahead and take these things up in committee so we can do the proper job on it and not just do it out here on the floor with one particular piece of legislation. We are going on longer than I had anticipated with this debate here.

Mr. WALLOP. If the Senator will allow me to conclude?

Mr. GLENN. I will indeed. At the appropriate time, if my colleague will let me know, I will move to table.

EXHIBIT 1

SMALL BUSINESS ADMINISTRATION,
Washington, DC, March 10, 1994.

Hon. DALE BUMPERS,
Chairman, Senate Small Business Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: It has come to my attention that Senator Wallop proposes to offer an amendment to S. 4, the National Competitiveness Act, which would amend the Regulatory Flexibility Act to provide regulatory relief to small businesses.

As you know, we are strongly in favor of S. 4. We believe it can make a real difference in promoting job growth and economic development for the nation. The President has indicated his preference that the Senate reject any amendments which would delay enactment of this bill.

My support for providing regulatory relief to small businesses is well known, but, under these circumstances, we feel that S. 4 is not the appropriate vehicle for resolution of the issues raised by Senator Wallop's amendment. We recommend that it not be added to S. 4 at this time.

Sincerely,

ERSKINE B. BOWLES,
Administrator.

Mr. WALLOP. Mr. President, I ask unanimous consent that Senator PRESSLER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. I would say to my friend from Ohio, his excuse is gone. His excuse is gone.

Mr. GLENN. My excuse?

Mr. WALLOP. It is not here anymore. And my question is, what is it about ruling that makes governments resist management? If the excuse was that the Bush administration stopped the Senator from doing it, well, that administration is gone.

Mr. GLENN. Will the Senator yield for an answer?

Mr. WALLOP. Absolutely.

Mr. GLENN. I am not looking for any excuse at all. I am the last guy in the world here who is going to have an excuse for anything like regulatory reform. But I want to do it right. I do not

want to do it here on a bill it should not be on to begin with. I want to take it up in committee, consider big business, small business, big government, small government, small government enterprises, and do it right. We have several different pieces of legislation that are proposed. I just do not want to see us do a halfway job on this and do something that is going to be a lawyers full employment act.

All we are going to do—we say we are going to take up every direct and indirect possibility of every single rule and regulation that is put into effect in this Government. We are talking about thousands and thousands of potential lawsuits across this country. Maybe my colleague says in the States that has not been the track record, but that is the potential he is opening up. I would say, all I want to do is consider this in committee and take it up. I will be glad to work with the Senator from Wyoming on this in committee so we can come up with something that has less potential for disaster than this has. That is my only view on it.

Mr. WALLOP. Mr. President, if we have the potential for those thousands and thousands of lawsuits, maybe it tells us something about what we are doing. I would say to my friend from Ohio that this administration in the past year has put out the third largest number of regulations in the history of our country. The previous two records having been held by Jimmy Carter.

That is not a record that matches the rhetoric. But I would say that this Government, of which you are part of the majority, has already considered this in the National Performance Review.

Let me say it is always interesting that an administration can summon, on demand, a new level of opposition even from someone who has just given his or her blessing. I speak in particular of the Small Business Administration. Administrator Bowles is obviously doing somebody's bidding that does not reflect his own view. Because in response to a question by Senator MACK during his confirmation hearing asking "What changes do you believe need to be taken to strengthen the regulatory flexibility act?" The answer was, "Imposition of judicial review would strengthen the act by ensuring a Federal agency failure to comply would be answerable in the courts. In addition, the RFA must be clarified to ensure that agencies examine, indirect ["indirect" Senator] as well as direct impacts on small businesses. Often agencies issue rules that only have minor direct impacts but the indirect impacts are quite onerous."

All I would say is that something has happened. I suspect it is an order from the Treasury Department or the White House, to have changed the very specific and clear response that Administrator Bowles gave in the first place.

Mr. President, I ask in closing that a list of several dozen organizations, including the NFIB, be printed in the RECORD as supporting the concept of strengthening the Reg Flex Act, especially with regard to providing judicial review. I yield the floor.

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

ORGANIZATIONS WHICH SUPPORT STRENGTHENING REG FLEX

National Federation of Independent Business.
The Society of American Florists.
National Tooling & Machining Association.
Automotive Parts Rebuilders Association.
National Association of Plumbing-Heating-Cooling Contractors.
Manufacturers' Agents National Association.
The National Association of Negro Business and Professional Women's Clubs, Inc.
National Roofing Contractors Association.
American Road & Transportation Builders Association.
American Association of Nurserymen.
National Association for the Self Employed.
Business Advertising Council, Inc.
Small Business Exporters Association.
National Limousine Association.
Association of Women Government Contractors.
National Parking Association.
United Bus Owners of America.
Minority and Women Owned Businesses of the D.C. Metro Area.
National Association of Chemical Distributors.
Opticians Association of America.
Associated Landscape Contractors of America.
Asian American Business Roundtable.
International Dairy Foods Association.
Associated Specialty Contractors.
Automotive Body Parts Association.
Automotive Parts Rebuilders Association.
Automotive Engine Rebuilders Association.
Automotive Service Association.
Auto International Association.
Automotive Service Industry Association.
Automotive Parts & Accessories.
Automotive Warehouse Distributors.
Council of Fleet Specialists.
Paint, Body and Equipment Association.
Motor & Equipment Manufacturers Association.
Production-Engine Remanufacturers Association.
National Glass Association.
Specialty Equipment Market Association.
National Tire Dealers & Retreaders Association.
Automotive Wholesalers Association of New England.
Professional Lawn Care Association of America.
Independent Business Association of Illinois.
National Small Business United.
Northeast Texas Nursery Growers Association.
American Boiler Manufacturers Association.
American Trucking Associations.
Associated Builders and Contractors, Inc.

Mr. GLENN. Mr. President, only one final remark. I talked about the number of regulations that could come out this year. I am sure the Senator from Wyoming is aware it takes a year or two for regulations to come out after laws are passed. The regulations coming out this year are from laws passed during the Bush administration, basically.

Mr. WALLOP. The regulation, nonetheless, I would say to my friend, is the province of the agency. Not the province of the Congress which passed them. That is why we passed the Reg Flex in the first place, because we saw the agencies doing more than we suspected they would when we passed the law.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I understood the discourse. I appreciate the interest—the Senator from Wyoming with regulations—but there has been no keener interest than the distinguished chairman of our Governmental Affairs Committee.

I think Senator GLENN has outlined it exactly. Here is an amendment that has no relation whatsoever to the bill. This Chinese-bandit approach. I would have hoped now, having had two really informative kind of votes—one just to get rid of the bill, really not appropriate to anything to authorize, and another one of a grab-bag approach by a very popular leader, Senator SIMPSON, with Democratic cosponsors within the grab bag in order to get the vote, what have you. It did not work.

I guess they want to wear us down. Of course, that is not going to happen. I learned one thing. I have a harder head than most of these folks around here, so we are willing to stay, rather than have all these votes on tabling.

Mr. WALLOP. Mr. President, the Senator would surely not accuse me of taking a long time on this amendment.

Mr. HOLLINGS. No, even bringing it up. There is no objection to your amendment; there is no objection to the subject matter. In fact, I am confident the Senator from Ohio would work with the Senator from Wyoming and get the job done within the committee and get it out. There is not going to be any delay this year.

It is seemingly a part of the Chinese-bandit strategy: Keep peppering with nongermane amendments that do not apply to technology and the Advance Technology Program.

Mr. WALLOP. I will say to the Senator, if he will yield, one of the rationale that has been proffered for S. 4 is to improve American competitiveness, and this does.

Mr. HOLLINGS. That is the general idea. I guess we ought to change the title if we can ever get to an amendment and get to the real substance of it. That was just a buzz word and everybody can come in and say that improves competitiveness. It has no relation to the bill and ought to be tabled.

I yield to the Senator from Ohio.

Mr. GLENN. Mr. President, I move to table the amendment.

Mr. WALLOP. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PRESSLER. Mr. President, I rise today as a cosponsor of the Wallop Regulatory Flexibility Act amendment to S. 4, the National Competitiveness Act. The Regulatory Flexibility Act is of paramount importance to the 21 million U.S. small businesses. This sector played a starring role in the economic expansion of the past decade. Small businesses today employ 54 percent of the U.S. work force, account for 44 percent of all sales, and generate 39 percent of our gross domestic product. Government regulation places undue burdens on small businesses which in turn inhibits their ability to compete at home and in the global marketplace. However, the Regulatory Flexibility Act [RFA], if properly implemented and appropriately strengthened, can help ease the regulatory burdens on small businesses. That is why the small business community strongly endorses this amendment.

THE REGULATORY FLEXIBILITY ACT

The RFA is based on two premises. First, Federal agencies often do not recognize the impact their rules have on small businesses. Second, small businesses are disproportionately affected by Federal regulation compared to their larger counterparts. The RFA was enacted to not only obtain Federal agency recognition of these effects, but to reduce them. The RFA requires Federal agencies to assess the impact of their proposals on small businesses. Agencies have two options under the statute—performing a regulatory flexibility analysis or issuing a certification.

An agency certifies a rule if it determines the rule will not have a significant economic impact on a substantial number of small businesses. The certification must be announced in the Federal Register and must be accompanied by "a succinct statement explaining the reasons for such certification." Boilerplate statements that the rule will not have such an effect are inadequate under the RFA.

An agency assessment that reveals the rule will have a significant economic impact on a substantial number of small businesses requires the agency to prepare a regulatory flexibility analysis. The analysis must contain: a description of the reasons why the action is being considered; a succinct statement of the objectives of, and legal basis for the action; a description and estimate of the small businesses affected by the agency action; a detailed description of the reporting, recordkeeping, and other compliance requirements with special attention to the affected small businesses; and any duplicative Federal regulations.

Additionally, the analysis must describe and examine significant alternatives to the proposed rule which accomplish the objectives of the agency, but that minimize the economic impact on small businesses. Significant alternatives may include, but are not limited to: Establishment of differing compliance or reporting requirements that take into account the resources available to small businesses; the use of performance rather than design standards; or exemptions of small businesses from all or part of the rule. When an agency promulgates a final rule under section 553 of the RFA, it must explain why it did not adopt other alternatives to minimize the effects on small businesses which were presented to the agency during the rulemaking process.

Unfortunately, not every agency has discovered the RFA is a valuable tool in its regulatory process. When agencies fail to comply with the RFA, they impose significant and burdensome requirements on small businesses, and thereby threaten their viability. These agencies often view the RFA as nothing more than another procedural impediment to the promulgation of a particular rule. This causes agencies to issue boilerplate certifications without performing the underlying assessment of impacts on small business required by the RFA.

Some agencies use loopholes in the RFA to avoid the analytical requirements of the act. For example, the Internal Revenue Service (IRS) avoids compliance by labeling its regulations as interpretative and therefore not subject to the rulemaking requirements of the RFA. These loopholes undermine the potential promise of the RFA as a tool to improve agency rulemaking.

MEANS TO STRENGTHEN AGENCY COMPLIANCE WITH THE RFA

Our Regulatory Flexibility Amendment has three key elements: First, repeal of the prohibition against judicial review; second, coverage of both direct and indirect effects; and third, coverage of interpretative rules—closing the IRS loophole.

The RFA requires agencies to consider the impact of their actions on small businesses. However, the authors of the RFA were concerned a litigation explosion might result under the RFA. The rationale being that businesses would attempt to delay the implementation of regulations through court action. To prevent this problem, the sponsors included a provision excluding separate judicial challenges to agency compliance with the RFA. However, it is highly unlikely there would be a flood of litigation if a judicial review provision was added to the RFA. The fact is, that most small businesses do not have the financial resources to bring countless RFA suits. As a consequence, my Colleagues, should not be fooled by the "red herring" of a threat of litigation explosion.

The ability of agencies to ignore their responsibilities under the RFA is enhanced by the conspicuous absence of judicial review under the RFA. Without judicial review, compliance rests upon each agency's voluntary commitment to utilization of the RFA in its quest for rational rulemaking mandated by the Administrative Procedure Act [APA]. However, small businesses do not need voluntary commitments, they need action. The primary means to accomplish mandatory compliance would be to repeal section 611 and authorize individuals aggrieved by agency failure to comply with the RFA to challenge the agency's action in court.

Additionally, agencies would increase their contact with the SBA Office of Advocacy, take greater heed of its advice as the agency responsible for monitoring the RFA, and improve the documentation of their discussions with the SBA Office of Advocacy concerning potential impact on small business, in their efforts to avoid potential litigation. Of course, Federal bureaucrats will not view with any pleasure the institution of yet another means to challenge their regulatory authority.

The RFA currently requires Federal agencies to comply with its terms only when they are required to issue notice and comment rulemaking of the APA or some other law. Thus, interpretative rules, general statements of policy, and rules concerning loans, grants, benefits, or public contracts are not subject to the analytical requirements under the RFA. For the most part, this causes no problems in agency compliance with the RFA. Generally, rules most often classified as interpretative do not pose problems for small businesses. Similarly, rules concerning agency management, while significant, usually do not affect small businesses. One exception to this basic premise is the actions taken by the IRS.

A majority of rules issued by the IRS are characterized as interpretative. Interpretative rules are meant only to advise the public, not to bind them.

However, many rules the IRS labels interpretative are indistinguishable in their substance and effect from rules requiring notice and comment under the APA. To the small business owner, who must comply with the IRS' rules, they are identical.

Congressional committees with RFA oversight responsibilities, repeatedly have urged the IRS to put aside the often arbitrary distinctions drawn between interpretative and legislative rules and to utilize the analytical procedures of the RFA to provide a solid foundation for its rulemakings.

The IRS has used this exemption and other means to avoid the small business analysis required by the RFA—irrespective of the potential burden the

rules would place on small businesses. The RFA also does not reach Revenue Rulings, Revenue Procedures, Notices, or Letter Rulings. These are akin to general statements of policy which are not subject to the notice and comment provisions of the APA. In addition, they are not subject to the analytical requirements of the RFA. The IRS decision to classify a rule or pronouncement in a particular manner virtually is impervious to court challenge.

The IRS should be required to comply with the provisions of the RFA. Its interpretations have a substantial impact on small businesses and the IRS should consider these effects when it issues rules. Congress should amend the RFA to require the IRS to comply with the Act, irrespective of the characterization of the IRS issuance. The interpretative rule loophole in the RFA needs to be closed if small businesses are to be protected from excessive regulation by the IRS.

CONCLUSION

Mr. President, I fully support this effort to strengthen the RFA. This amendment will help curtail excessive regulation by Government bureaucrats. Furthermore, it will add teeth to the RFA and give small businesses a legal means for countering continued violations of the RFA. The RFA, if properly implemented and appropriately strengthened, can help ease the regulatory burdens on small businesses. Regulatory relief for small businesses will create greater opportunity for small businesses, more jobs for American workers, and will expand the U.S. economy. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1487. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Colorado [Mr. CAMPBELL] and the Senator from Connecticut [Mr. DODD] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 31, nays 67, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—31

Akaka	Hollings	Pell
Biden	Inouye	Pryor
Boxer	Johnston	Riegle
Bradley	Kennedy	Robb
Daschle	Levin	Rockefeller
DeConcini	Lieberman	Sarbanes
Dorgan	Metzenbaum	Simon
Feingold	Mikulski	Wellstone
Ford	Mitchell	Wofford
Glenn	Moynihan	
Graham	Murray	

NAYS—67

Baucus	Brown	Coats
Bennett	Bryan	Cochran
Bingaman	Bumpers	Cohen
Bond	Burns	Conrad
Boren	Byrd	Coverdell
Breaux	Chafee	Craig
D'Amato	Hutchison	Nickles
Danforth	Jeffords	Nunn
Dole	Kassebaum	Packwood
Domenici	Kempthorne	Pressler
Durenberger	Kerrey	Reid
Exon	Kerry	Roth
Faircloth	Kohl	Sasser
Feinstein	Lautenberg	Shelby
Gorton	Leahy	Simpson
Gramm	Lott	Smith
Grassley	Lugar	Specter
Gregg	Mack	Stevens
Harkin	Mathews	Thurmond
Hatch	McCain	Wallop
Hatfield	McConnell	Warner
Heflin	Moseley-Braun	
Helms	Murkowski	

NOT VOTING—2

Campbell Dodd

So the motion to lay on the table the amendment (No. 1487) was rejected.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. WALLOP. Mr. President, I ask unanimous consent that the request for the yeas and nays on the amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment. The amendment (No. 1487) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. I thank the Chair. I thank the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COHEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHITEWATER

Mr. D'AMATO. Mr. President,

> A central function of democracy is to allow a free people to drag realities out into the sunlight and demand a full accounting from those who are committed to hold and exercise power. Congress provides a forum for disclosing the hidden aspects of governmental conflict.

These are powerful words that proclaim the responsibility of Congress—on behalf of the American people—to expose the truth and demand a complete report of the facts from those entrusted to function within our Government.

These are great words. They are not mine. These words were written by two highly respected colleagues, the distinguished majority leader and Senator COHEN, in a book entitled "Men of Zeal."

These words are being echoed all over America. Just this morning, Sam Dash, the man whom the Senate chose to serve as the chief counsel of the Special Committee To Investigate Watergate, said:

> We have a democracy. The ultimate sovereign is the people, and Congress is the agency that is given the power and the right to inform the public on how the Government is working and how the Executive Branch is working.

He went on to say:

> I see no problem in Congress holding hearings. I think Senator D'Amato and the other Members of Congress have acted responsibly.

The New York Times in an editorial, yesterday, said:

> Congress has a clear right to ask questions about the Government regulation of the savings and loan mess in Arkansas and, even more urgently, about whether the recently disclosed White House meetings with bank regulators represented an attempt to obstruct justice. * * * The public has a right to know whether the White House is abusing its power.

Mr. President, I do not believe that there is a single Member of this body who does not agree that the public has a right to know what is taking place in our Government, and that the Congress has an obligation to gather that information and bring those facts to light.

Indeed, during my 12 years in the Senate, the Congress has not hesitated to conduct extensive hearings into the conduct of the executive branch of Government, especially if there has been even a hint of potential wrongdoing. Yet, some Members of this body have refused to hold hearings involving Whitewater. Have the responsibilities of Congress changed? No. Has the public's right to know changed? No. There has only been a change in one thing: the political party in power in the White House.

To those who say it is the Republicans that are playing politics, Al Smith said it best: "Let's look at the record." That record shows that it is the Democrats who are playing politics. First, they oppose the appointment of a special counsel, and now they are opposed to holding hearings. By refusing to hold hearings, the Democrats are building a stone wall around Whitewater and blocking the flow of facts to the American people.

Mr. President, yesterday Senator COHEN and I met with Robert Fiske, the special counsel appointed to look into the Whitewater affair. Understandably, he must be able to conduct his investigation, and we agreed and

made it clear that Congress should not and would not grant immunity to any witness involved in his investigation. That is the right thing to do. But to permit Democrats and my colleagues in the Congress to grant immunity to the White House from any hearings is just plain wrong.

There should be no congressional immunity for the White House and the people have a right to know. That is exactly what is taking place now. The issue is not whether Congress should hold hearings, but rather how to conduct those hearings in a way that enables the special counsel to conduct his investigation. The special counsel has a job to do, and so does Congress. Congress did not delegate its oversight responsibility to Mr. Fiske. There have been many investigations, but Congress has never before run away from its oversight role as a result of an ongoing investigation.

We should not let Congress leave the scene now. As the New York Times stated in yesterday's editorial:

> The challenge now is for both sides to figure out a way for Congress to conduct legitimate inquiries, without impeding a thorough and fair criminal investigation.

Mr. President, I am confident that Congress can meet this challenge on how best to structure oversight hearings. Unfortunately, getting my colleagues on the other side of the aisle to join me in fulfilling our congressional responsibilities to hold any hearings is the biggest challenge of all.

Mr. President, let me say that it was as a result of a Senate Banking Committee oversight hearing that we found out that there were meetings taking place that should not have taken place. We found out from Mr. Altman, the acting head of the RTC, that he had initiated, in his own words, one meeting to give a "heads up," as it related to the Whitewater-Madison matter, to people in the White House. Thereafter, Mr. Altman sought to correct his testimony in two letters. One was dated March 2 and the other March 3 to Senator RIEGLE.

The fact of the matter is that in both of those letters he did not adequately address the fact that there may have been other conversations with those in the White House. I refer to today's New York Times, page 820, in which people at the White House have indicated that indeed Mr. Altman has had some other meetings or conversations. And one of them—it may seem a rather simple matter—I would suggest is more distressing and disturbing than what we have already learned. Because if it is true that the acting head of an independent agency actually went to the White House to ask them whether or not he should recuse himself, then I have to suggest that that in and of itself is rather damning.

There were those of us who suggested publicly that Mr. Altman was in an untenable position, being a top political appointee to the Treasury Department, and finding himself as the acting head of an independent regulatory body conducting investigations that may touch upon the very people who appointed him. I believe that this was difficult, if not impossible for him. It put him in a terrible position. But, Mr. President, I suggest that if he went to his own counsel, if he went to outside ethics counsel to ascertain whether or not he should make this recusal, that would be the normal course; but to go to the White House and ask the very people who he goes in to brief, that is unacceptable. Just think about it. It is absolutely wrong on its face.

The fact that after he communicated in letters to the chairman of the Banking Committee to correct his testimony, that he communicated as it related to his testimony to Senator BOND thereafter, but never brought up the fact that he made contact with the White House to seek their advice as to whether or not he should recuse himself is absolutely unforgivable. There is no explanation that can justify that kind of conduct. It is absolutely wrong on its face.

You do not go to the very people who may have a very real interest as it relates to what that independent agency is doing to ascertain whether or not you should recuse yourself.

Mr. Altman certainly should have known better. According to this account, he refused, or failed to tell the committee, and thereafter, on at least three separate occasions, even after advising the committee chairman that he would like to correct his testimony, that he asked whether or not he should recuse himself. If this account as contained in the Times, which quotes unnamed White House sources and certain other sources, is accurate, I suggest to you that Mr. Altman should resign.

I yield the floor.

Mr. FORD. Mr. President, the Senator from New York has, from time to time, come to the floor—and I cannot place it in any kinder words—and damned this present administration. I think when Mr. Fiske was appointed, the most eloquent approval of Mr. Fiske was given by the junior Senator from New York—thorough, honest, all of the accolades and things that you need.

We learned a real lesson in Iran-Contra here in the Senate. The lesson was that we gave immunity for testimony. Those who gave the testimony were convicted, they appealed their conviction, and the circuit court ruled.

In the ruling of the circuit court—and I am not a lawyer so I take my advice and counsel from what dad would tell me, "Get a good lawyer and stay with him," and I have tried to do that—the rules of the game have been changed because of that decision.

It is not that we are trying to not hold hearings, but we want the special counsel to do exactly what the junior Senator from New York wants him to do—make a thorough investigation without being impeded; second, if he finds wrongdoing in that investigation, to prosecute it vigorously.

You cannot ask for much more than that from the special prosecutor who has been given the highest accolades anybody can give. He even made a trip to Capitol Hill to say, "Please do not do this to me; let me complete my investigation."

Yet we come out here and hear the chest thumping and desk pounding of why we are not getting it done.

I was not in the meeting, but I listened to the junior Senator from New York and Mr. Fiske yesterday on television, and read his article in the paper, that after he completes certain portions of his investigation he said, yes, you can, and we can go forward with it. And the Republican group that was there said we will wait until June.

I think it ought to be left there. Everybody understands that it is a different situation. Everybody understands we have a special counsel. Everybody understands that he has the support of the party on the other side of the aisle, particularly the junior Senator from New York.

Oh, I understand. I am not as good as he is. He can jump up and down and stay there all night and make speeches and do those sorts of things. But the facts are the facts, and I think it is time now that we try to get on with the business of the Chamber and let the individual do his job, instead of trying to make the headlines in the newspaper every day.

Mr. D'AMATO. Mr. President, will the Senator yield for a question?

Mr. FORD. I am not sure I can answer it, but without losing the right to the floor, Mr. President, I will yield.

Mr. D'AMATO. First of all, I thank my colleagues and thank Senator FORD. I think that maybe there is a ray of sunshine in his remarks, at least I detect, and maybe I have not seen it before.

Mr. FORD. There may be a ray of sunshine in the Senator's remarks. Get on with it. Maybe we can call it quits.

Mr. D'AMATO. If I take from what you indicate, the fact that you recognize it, that we did indicate that as it related to certain aspects of the independent counsel review, and the indication he would have it wrapped up and he would have no objection, provided, as we had indicated, that we were not going to attempt to give immunity to anyone thereafter, that minimized his concerns—I am quoting him—that minimized his concerns. He felt that was reasonable, and he said it. He said to Senators COHEN and D'AMATO, it is reasonable.

So if the response is that the deputy majority leader, the whip on the other

side, believes that my Democratic colleagues would be willing then to go forth within a 2-month period of time, or after he has undertaken the examination, as he has indicated, of some of the events he thinks he can wrap up within a matter of weeks or a month or 2 months, and that is why I mentioned—I used the dateline, certainly—by at least June 1 if we could then undertake these reviews in an appropriate manner, that to me is a realistic answer. And if the Senator is saying he is prepared to at least negotiate that——

Mr. FORD. I am not prepared to tell the Senator anything today, one, because Mr. Fiske has not completed his investigation yet.

The Senator came out today, started accusing people at the White House, telling them how wrong they had been, and he has condemned them before Mr. Fiske has made a judgment.

Mr. D'AMATO. No; I have not.

Mr. FORD. Yes; the Senator has. We have read the RECORD. We read the RECORD. The Senator talked about Mr. Altman and all those at the White House.

Mr. D'AMATO. Yes.

Mr. FORD. The Senator condemned by his speech on the floor today, day after day after day after day. I say it is time to quit.

Even the special counsel that the Senator asked for, he has. And the one he has is one that he made great tribute to. Now let him do his work. The Senator does not have to continue coming out here every day to make a speech and condemn everybody, condemn everybody.

It is time to stop. Let us get on with the legislation. Let us get on with the job at hand.

If the Senator would spend more time working on legislation and less time working on what is going on at the White House he probably could represent New York a whole lot better.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, let me suggest as it relates to advising people how to represent their State, I will take my direction from the people of the State.

Let me also suggest that I came to the floor not to be incendiary—I do not think I was—and I pointed out that the central element of democracy, as in a statement made by the majority leader, is that we should go forward and show the sunlight, and there was a way in which to do this and not to impede the special counsel.

Indeed, we are not going to wait, and this Senator simply will not sit back and say we have to wait until all is done, whether it be 1 year from now, 1½ years from now, 2 years from now. But there is a way, as suggested by the New York Times and other editorial writers, that even Special Counsel Sam Dash, a learned professor of law, said we learned; you just do not grant immunity. And if Congress is willing to do that, it really has a right to go forward and a responsibility and a duty, and that is what I am suggesting.

Mr. FORD. Mr. President, will the Senator yield for a question? I yielded to him a moment ago.

Mr. D'AMATO. I will yield without giving up the floor. I will yield for a question.

Mr. FORD. He is referring to Sam Dash here several times this afternoon. Sam Dash said on TV the other night that you cannot prove any criminal activity, and you did not know what went on. Yet the Senator comes over here and says these things. And Sam Dash said you better take a step back and wait and let Mr. Fiske make his judgment. Once he makes his judgment, then you will have the facts. Right now you are talking about the unknown. Everybody knows that when you walk through the cemetery at midnight there is a ghost behind every tombstone.

I think it is about time we stop walking through the cemetery.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I might say, and maybe my distinguished friend and colleague is at a disadvantage and not aware of the fact that Mr. Dash was aware of Senator COHEN and my meeting with special counsel, and he was made aware of that and indicated today on television on "Good Morning America" on a program on which we both appeared. I did not know he was going to appear or what he was going to say. I quote: "I see no problem in Congress holding a hearing, if Senator D'AMATO and other Members of Congress acted responsibly." And he was talking about the fact, and he went on to say, that the big problem was when Congress granted immunity.

He also said, and I quote:

> We have a democracy. The ultimate concern of the people and Congress is an agency given the power and right to inform the public on how the Government is working and how much the Executive Branch is working.

Oh, no. The fact of the matter is here that it is not good enough to say, look, it was a goof off as related to Iran-Contra and, therefore, we should not have any congressional hearing. Oh, no. There is the blur, the blur; the fine distinction as it relates to the fact that whether or not Congress said we are going to go ahead willy-nilly how much we want, wherever we want, and grant immunity to everybody we want.

I think we learned, and that is why he said to the counsel and why he said he felt assured, he felt better. He said that he felt that we made progress in this, so we are not just demanding we go busting in.

But to say no, you are politicizing. The Senator says we want to recognize his role.

Let me suggest is there any politics? There is just as much politics. Of course, there are politics in this body. Let us not be naive. There are politics from both sides.

But to just simply say, no, this is driven by politics would ignore the fact that it was as a result of our asking questions that finally the special counsel was appointed. It was a result of a public hearing that finally we learned of not one meeting but two meetings and three meetings, and Lord knows we never would have learned of those meetings that took place and the question as to whether there was interference with an independent administrative agency.

So I think we have gone over it enough. I did not intend to engage in an extended debate or speech as it relates to this, and I apologize to my colleagues, the chairman of the committee, for going beyond the 10 minutes. I did not intend to do that.

I yield the floor.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the Consideration of the bill.

AMENDMENT NO. 1479

(Purpose: To require reports on foreign industrial espionage)

Mr. COHEN. Mr. President, I call up amendment numbered 1479, which is at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 1479.

Mr. COHEN. 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:

At the end of the title III insert the following:

SEC 309. REPORTS ON FOREIGN INDUSTRIAL ESPIONAGE.

(a) IN GENERAL.—(1) In order to assist Congress in its oversight functions with respect to this Act and to improve the awareness of United States industry of foreign industrial espionage and the ability of such industry to protect against such espionage, the President shall submit to Congress a report that describes, as of the time of the report, the following.

(A) The respective policy functions and operational roles of the agencies of the executive branch of the Federal Government in identifying and countering threats to United States industry of foreign industrial espionage, including the manner in which such functions and roles are coordinated.

(B) The means by which the Federal Government communicates information on such threats, and on methods to protect against such threats, to United States industry in general and to United States companies known to be targets of foreign industrial espionage.

(C) The specific measures that are being or could be undertaken in order to improve the

activities referred to subparagraphs (A) and (B), including proposals for any modifications of law necessary to facilitate the undertaking of such activities.

(D) The threat to United States industry of foreign industrial espionage and any trends in that threat, including—

(i) the number and identity of the foreign governments conducting foreign industrial espionage;

(ii) the industrial sectors and types of information and technology targeted by such espionage; and

(iii) the methods used to conduct such espionage.

(2) The President shall submit the report required under this subsection not later than 6 months after the date of the enactment of this Act.

(b) ANNUAL UPDATE.—Not later than 1 year after the date referred to in paragraph (2) of subsection (a), and on the expiration of each year thereafter, the President shall submit to Congress a report updating the information referred to in paragraph (1)(D) of that subsection.

(c) FORM OF REPORTS.—To the maximum extent practicable, the reports referred to in subsections (a) and (b) shall be submitted in an unclassified form, but may be accompanied by a classified appendix.

(d) REPORT UNDER DEFENSE PRODUCTION ACT.—Section 721(k)(1)(B)) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(k)(1)(B)) is amended by inserting "or directly assisted" after "directed".

(e) DEFINITION.—For the purposes of this section, "foreign industrial espionage" means industrial espionage conducted by a foreign government or by a foreign company with direct assistance of a foreign government against a private United States company and aimed at obtaining commercial secrets.

Mr. COHEN. Mr. President, I noted with some interest the findings in title III of the bill that is currently before the Senate in which the committee states:

The governments of our most successful competitor nations in the global marketplace have created supportive structures and programs that have been effective in helping their domestic industries increase their global market shares.

I assume that this refers to foreign governments' efforts to help their industries to compete by allowing well-educated workers to have access to low-cost capital and to benefits of government-funded research programs.

But there is another type of supportive structure and program that many foreign governments provide their industries. I am referring to industrial espionage committed by or with the assistance of foreign intelligence services.

Mr. President, I am not going to suggest that foreign industrial espionage is the greatest problem confronting the American industry today. But it is a real problem. It costs the U.S. economy billions of dollars annually, and it appears to be growing quite rapidly. It also is a problem that has received far too little attention. As a result, efforts to deal with it, I think, are grossly inadequate.

To too far an extent, foreign industrial espionage has been left as an issue of specialty to those who are studying intelligence matters, rather than those who are engaged in business. There are a number of larger companies who have taken measures to protect themselves, but most American businesses do not, including many of the smaller firms, which give birth to so much of our new technology. Here are a few examples of what is taking place; there are an abundance of reports in the media about this type of espionage:

A South Korean computer company penetrates an American competitor with a mole, who plants a bug in the United States company's FAX machine.

A Japanese company recruits an American executive, who has a drug habit to support, causing him to buy sensitive bidding information and other commercial secrets for their benefit.

A maintenance worker, working for U.S. companies overseas, reprograms the telephone switching equipment to enable them to eavesdrop on the company's phone calls.

An American scientist goes from lab coat to turncoat, selling foreign pharmaceutical companies trade secrets.

These are just a few of the examples one can read day after day. And while much of the industrial espionage is solely the work of private firms, in many cases foreign governments are assisting or even directing economic spying activities.

French intelligence has long engaged in a large-scale industry espionage program, penetrating foreign businesses, intercepting telecommunications, and conducting a reported 10 to 15 breakins each day in Parisian hotels to copy documents that business people have left in their rooms. The information acquired is passed on to French industry.

The Governments of Japan, Germany, Belgium, Netherlands, and other allies, as well as other countries, such as China, are also reported to be spying on behalf of their countries' industries.

I am quoting now:

All of America's major foreign competitors have the full weight of their governments' diplomatic and intelligence resources thrown behind their nationals' companies or consortia, especially the ones in heavy offshore competition.

These are the words of former CIA official, George Carver; he spoke them about 3 years ago.

The situation is only getting worse as "foreign intelligence services have turned from politics to economics with the United States as their prime target," said the former CIA Director, Robert Gates.

The U.S. Government has taken some steps to make American industry better informed of this espionage threat, and also to assist it in defending itself. But most of these efforts have been directed toward the defense industry. These are the industries that were long targeted by the Soviet Union and other hostile intelligence services.

I think we have made some progress in this regard. But the reaction of the U.S. Government is largely a reactive one at best, telling nondefense industry: We are ready to help you if you come to us with a problem. In my view, the Government should have a much more aggressive approach going out to industry to explain what the problem is and how to guard against it.

Let me say that, to its credit, the FBI did produce in late 1992, a small pamphlet to raise business travelers' awareness of the industrial espionage threat while they are overseas. But the value of the pamphlet was undermined by almost the exclusive focus on industrial espionage by Communist or formerly Communist countries, which few view as economic competitors and even fewer travel to today. The GAO has summed up the situation, I think, well in its 1992 testimony. The efforts of intelligence in criminal justice agencies do not appear to be sufficiently coordinated to adequately protect U.S. industry against economic espionage. The Justice Department also has acknowledged the weakness in its ability to confront this.

So, Mr. President, I have considered various legislative options for addressing the problem, and the amendment I am offering today basically accepts the GAO recommendation that before we seek to legislate, Congress ought to generate, No. 1, broader public dialog and a comprehensive review on how the Federal Government is organized to fight the threat. This would help to ensure that the legislative and other remedies adopted are going to be effective.

So the amendment will do basically three things, and I am trying to summarize a fairly lengthy legislative proposal.

First, it would require a one-time report that reviews the following:

First, the respective roles of the various agencies in identifying and countering foreign industrial espionage threats.

Second, the means by which the Federal Government communicates the U.S. industry information on these threats, and methods that can be used to protect against it.

Third, the specific measures to improve the Government's internal functioning to counter the foreign industrial espionage threat and its communication with industry on these activities.

Fourth, the specific information on the nature of the threat, including the number and identity of foreign governments who are conducting it, the industrial sectors and information technologies being targeted for espionage, and the methods used.

Those are the four basic goals of this one-time report.

Second, the amendment would require an annual update, but only on the nature of the threat, so that the business community and Congress will be aware of the trend lines of this threat.

The third major goal would help to clarify existing requirements for quadrennial reports on foreign industrial espionage targeting of critical technologies, to examine not only espionage directed by foreign governments, but directly assisted by foreign governments.

I want to emphasize that there is nothing in this amendment that would in any way advocate that we engage in offensive industrial espionage. My colleague, the chairman of the committee, knows from his service on the Intelligence Committee, that at the end of the cold war, there was some notion that perhaps we ought to engage in economic spying. This amendment does not, in fact, advocate that.

This amendment advocates that we become aware that this is taking place on a substantial scale. It is not only individual firms within various countries, but being organized and assisted by foreign governments, and we are ill prepared to cope with it.

So basically, it is seeking to implement a GAO recommendation that we get more information to be coordinated, and that that information be disseminated. And we, therefore, take a pretty aggressive proactive measure to counter the kind of threats that we are being confronted with.

I ask unanimous consent that several documents and articles be printed in the RECORD.

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

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, October 6, 1992.

Hon. WILLIAM S. COHEN
U.S. Senate,
Washington, DC.

DEAR SENATOR COHEN: This is in response to your letter of July 28, 1992, requesting a point of contact within the Department of Justice should American corporations have questions or concerns regarding industrial or foreign espionage activities being directed against them. Your letter also invited suggestions as to what precautionary techniques we suggest businesses take to better protect themselves from these types of activities.

Jurisdiction to investigate violations of the espionage statutes rests with the Federal Bureau of Investigation (FBI). The FBI also has jurisdiction to investigate violations of those Federal criminal statutes generally relating to "industrial espionage"—type activities, for example: Wire Fraud, Interstate Transportation of Stolen Property, Copyright Infringement, and Conspiracy. Consequently, whenever businesses suspect their products or technologies are being targeted or stolen by foreign government or government-sponsored individuals/entities or by other individuals or groups which may be operation in violation of Federal law, they should expeditiously notify their nearest FBI field office for appropriate action. In addition, FBI Special Agents regularly provide one-on-one security, counter-espionage, and counterintelligence briefings to those companies possessing information or technologies known to be of interest to foreign governments or business entities. Again, interested companies should contact their local FBI field offices directly for further assistance and information regarding such briefings. Should you or your staff require further specific information, place contact FBI Supervisory Special Agent Peter F. Brust, Office of Public and Congressional Services, (202) 324-6027.

As you know, there are growing concerns in this country that "economic espionage" is routinely being conducted against American businesses by foreign government and/or government-sponsored business entities bent upon stealing, rather than developing for themselves, information or technologies which would make them competitive in the world marketplace. These concerns have identified and highlighted issues which need to be addressed by the United States Government if we are to protect American jobs and economic competitiveness. For example, in many instances information is being targeted and stolen which falls within a statutory "gray area"; that is, an area where law and jurisdiction, either from a criminal or counterintelligence perspective, remains as yet undefined. Proprietary information, intellectual property, and trade secrets all fall into this category. Under existing criminal statutes, the Attorney General has a limited ability to counter the unfair economic advantages being realized by foreign businesses and industries, entities which are too often covertly owned or fostered by foreign governments. Therefore, legislation providing additional "economic espionage" investigative jurisdiction to the Attorney General is warranted at this time. I would welcome an opportunity to further explore this topic with the Congress.

Thank you for your letter and for your interest in preserving the security of this Nation and economic well-being of its people.

Sincerely,

W. LEE RAWLS,
Assistant Attorney General.

U.S. DEPARTMENT OF COMMERCE,
OFFICE OF THE GENERAL COUNSEL,
Washington, DC, October 19, 1992.

Hon. WILLIAM S. COHEN,
U.S. Senate,
Washington, DC.

DEAR SENATOR COHEN: Thank you for your letter inquiring about steps that U.S. businesses can take to protect themselves against industrial espionage. Enclosed is a list of some of the associations and publications that deal in this area. Also, we understand that the Federal Bureau of Investigation will soon publish a pamphlet entitled "The Susceptible Traveler," providing tips on how best to protect information while traveling abroad. The pamphlet will be available from the Foreign Counter-Intelligence Training Unit of the FBI, which can be contacted at (202) 324-2566. Additionally, the Office of Export Enforcement at the Department of Commerce works with U.S. companies to prevent unauthorized disclosure or export of "dual use" technology and information (items with both military and civilian applications). Enclosed is a packet of information about their programs, and any questions can be directed to their office at (202) 482-2252.

We can also suggest a few general guidelines for companies to follow. First, a company should educate its employees about the threat of industrial espionage, increasing awareness about the techniques used by others to collect business confidential information and the basic countermeasures for protecting such information from disclosure. Second, companies must develop a system for safeguarding material, including storing documents in secure container and discouraging sensitive business discussions among employees in public places. third, a company should "compartmentalize" sensitive information, disseminating it only to employees who need to know such information to perform their jobs.

I hope these suggestions and the enclosed items will prove helpful to you in answering inquiries from U.S. corporations interested in countering industrial espionage.

Sincerely,

ELEANOR ROBERTS LEWIS,
Chief Counsel, International Commerce.

ECONOMIC ESPIONAGE—THE THREAT TO U.S. INDUSTRY

(By Milton J. Socolar, Special Assistant to the Comptroller General)

Mr. Chairman and Members of the Subcommittee: We are pleased to be here today at your request to talk about our ongoing examination of issues involving foreign economic espionage.

The theft of U.S. proprietary information or technology by foreign companies has long been a part of the competitive business environment. However, as the world political climate changes with the end of the Cold War, the surreptitious gathering of economic and technological information has taken on added significance. The unauthorized acquisition of U.S. proprietary or other information by foreign governments to advance their countries' economic position is growing—referred to as economic espionage. The loss of proprietary information and technology through espionage activity will have broadening detrimental consequences to both U.S. economic viability and our national security interests.

The United States, a leader in creative technological research and development, is a prime target for economic espionage. In recent months, government officials have begun to speak out about this problem. In a recent speech, Central Intelligence Agency (CIA) Director Robert Gates focused on the changing activities of foreign intelligence efforts when he reported, "[S]ome foreign intelligence services have turned from politics to economics and the United States is their prime target." President Bush also expressed concern about such activities when he stated in a speech, "We must * * * thwart anyone who tries to steal our technology or otherwise refuses to play for fair economic rules."

Sophisticated and often undetectable methods are used in economic espionage. Unfortunately, U.S. companies targeted by foreign intelligence agencies may not know—and may never know—that they have been targeted or compromised. In addition, many companies that know they have been victimized want to avoid the negative publicity associated with the loss of valuable trade secrets and other proprietary information. Industry representatives are thus reticent to publicize incidents of espionage.

While it is not possible for me to quantify the scope of economic espionage conducted by foreign intelligence agencies, there is evidence of a real and growing problem. It has been known for many years that the KGB has been misappropriating U.S. corporate secrets. Indeed, the FBI has estimated that the

efforts of the KGB and its surrogates saved the Soviet Union billions of dollars and years of research and development efforts in gaining Western technologies and expertise.

A former director of the French secret service, DGSE (Direction Generale de la Securite Exterieure), publicly admitted that he directed French industrial and technological intelligence forces to gather economic information from the United States and other countries. In one instance, he stated that the DGSE compiled a detailed secret dossier of the proprietary proposals from U.S. and Soviet companies who were competing with a French company for a billion dollar contract to supply fighter jets for India. Negotiators for the French company, which builds the Mirage jet, were stated to have then used the information provided by DGSE to obtain the contract.

The following instances of economic espionage that we found in open source documents further illustrate the nature of the problem:

Recon Optical, Inc., a U.S. company, contracted with the Israeli government to design a top-secret airborne spy-camera system. After months of disagreement between Recon and Israel, Israeli agents allegedly gave Recon's plans for the system to Electro-Optics, an Israeli defense contractor. Recon brought suit against Israel, and the case was settled in 1991. Court records of the settlement are still sealed.

In two other instances, the French DGSE was allegedly involved in the misappropriation of proprietary information from two U.S. companies. In the first case, the DGSE acquired proprietary information for IBM's next-generation personal computer. The DGSE reportedly provided the information to Campagnies des Machines Bull, an IBM competitor. In the second case, a French national, working for Corning, Inc. in France, sold information and trade secrets to DGSE regarding Corning's latest fiber optic technology. DGSE, in turn, allegedly provided this information to a French competitor of Corning.

In some instances, U.S. business people have aided foreign competitors in obtaining information. For example, in one case a U.S. scientist sold the trade secrets of U.S. pharmaceutical companies to foreign corporations. The research and development costs associated with the pharmaceutical products alone were estimated at $750 million.

A complicating factor in examining the problem of economic espionage is the difficulty in determining whether a particular theft of information is the result of foreign government or foreign business activity. This occurs when the company perpetrating the theft is in a country whose government-to-industry relationship is substantially different than what prevails in the United States.

The government-to-industry relationship in Japan makes it difficult to determine if the Japanese government is involved when Japanese companies successfully acquire U.S. corporate secrets in an unauthorized manner. For example, in 1982 Hitachi employees pleaded guilty to conspiring to transport stolen IBM property—in this case, design documents and components for every major part of IBM's newest and most powerful generation of computers, which were not yet on the market. Hitachi, a manufacturer of IBM-compatible products, planned to use this technology to eliminate costly and time-consuming research, thereby shortening the lead time required to bring compatible Hitachi products to the marketplace.

The clandestine operations by the DGSE and other foreign intelligence agencies can be contrasted sharply with the U.S. intelligence community's view that it should not conduct industrial or economic espionage to benefit U.S. companies. As CIA Director Gates recently stated, U.S. intelligence "does not, should not, and will not engage in industrial [or economic] espionage." Mr. Gates' position is consistent with the views of U.S. industry leaders; they have stated that it would be highly undesirable to have the CIA engage in this type of activity due to ethical and practical reasons. For example, what would the intelligence community's dissemination policies be with respect to foreign company secrets?

Cryptographic and other information technologies exist that can protect against the vulnerability of the electronic transmission of sensitive information. Such technology is readily available under internationally accepted industry standards. U.S. industry could use this technology to afford a high degree of protection to its proprietary information. The intelligence community, however, appears to be insisting upon the development of a different standard for U.S. industry for electronic communications between it and the government. This separate standard is weaker than what is commercially available, is an added burden on commercial activities, and raises the question as to whether any practical purpose would be served by the requirement. The issues involved, although they may lie within the national security area, merit public discussion.

Technological advances in computers have made it easier for foreign intelligence agencies and others to monitor the electronic commerce of U.S. industry. U.S. companies may be less able to protect themselves from the espionage apparatus of a foreign government than from a competitor. This problem is made more acute by the globalization of economic competition and the use of advanced communication technologies to conduct business. We need to examine openly the extent to which the government should be hampering industry's use of generally available cryptographic technology that would better protect electronic business communications.

The CIA and the Federal Bureau of Investigation (FBI) maintain foreign counterintelligence efforts to protect national security. However, the efforts of these agencies do not appear to be sufficiently coordinated to adequately protect U.S. industry against economic espionage. This suggests that there are significant policy issues requiring resolution. In addition, the National Security Agency (NSA) maintains electronic intelligence capabilities that may include gathering economic information. Under the Computer Security Act of 1987, NSA's role is to provide technical advice to the National Institute of Standards and Technology (NIST). NIST's responsibility, under the act, includes assisting government agencies and private entities in protecting unclassified, but sensitive, computer data from compromise.

Many of the issues in economic espionage, concerning the roles of the FBI and CIA, are similar to those raised during the hearings leading to the enactment of the Computer Security Act of 1987. A wide range of concerns had been raised at that time, regarding President Reagan's decision to give the Department of Defense (DOD) responsibility for computer security involving unclassified, but sensitive, data located in civilian agencies and the private sector.

As you know, Congress responded by holding hearings that resulted in legislation giving the responsibility to the Commerce Department instead of DOD. Pursuant to the act, the Commerce Department is responsible for issuing computer security standards that allow industry to use the best commercially available technology.

In closing, economic espionage is an important problem that this country has to face. The criminal justice and intelligence agencies have not adequately addressed this problem. Economic espionage must be looked at very carefully. There should be a thorough review of which agencies should be involved in this area together with what their responsibilities should be. No decision should be made without benefit of a full public debate. Currently, most of the discussions are being conducted within the intelligence community, without the benefit of public debate. In the final analysis, Congress may have to develop legislation to protect industry from economic espionage. How these issues are decided may have a dramatic effect on the economic future of this country.

[From Newsweek, May 4, 1992]

UNITED STATES FIRMS FACE A WAVE OF FOREIGN ESPIONAGE

(By Douglas Waller)

It's tough enough these days for American companies to compete with their Pacific Rim rivals, even when the playing field is level. It's a lot tougher when your trade secrets are peddled by competitors. One Dallas computer maker, for example, recently spotted its sensitive pricing information in the bids of a South Korean rival. The firm hired a detective agency, Phoenix Investigations, which found an innocent-looking plastic box in a closet at its headquarters. Inside was a radio transmitter wired to a cable connected to a company fax machine. The bug had been secretly installed by a new worker—a mole planted by the Korean company. "American companies don't believe this kind of stuff can happen," says Phoenix president Richard Aznaran. "By the time they come to us the barn door is wide open."

Welcome to a world order where profits have replaced missiles as the currency of power. Industrial espionage isn't new, and it isn't always illegal, but as firms develop global reach, they are acquiring new vulnerability to economic espionage. In a survey by the American Society for Industrial Security last year, 37 percent of the 165 U.S. firms responding said they had been targets of spying. The increase has been so alarming that both the CIA and the FBI have beefed up their economic counterintelligence programs. The companies are mounting more aggressive safeguards, too. Kellog Co. has halted public tours at its Battle Creek, Mich., facility because spies were slipping in to photograph equipment. Eastman Kodak Co. classifies documents, just like the government. Lotus Development Corp. screens cleaning crews that work at night. "As our computers become smaller, it's easier for someone to walk off with one," says Lotus spokesperson Rebecca Seel.

To be sure, some U.S. firms have been guilty of espionage themselves—though they tend not to practice it overseas, because foreign companies have a tighter hold on their secrets. And American companies now face an additional hazard: the professional spy services of foreign nations. "We're finding intelligence organizations from countries we've never looked at before who are active in the U.S.," says the FBI's R. Patrick Watson. Foreign intelligence agencies tradition-

ally thought friendly to the United States "are trying to plant moles in American high-tech companies [and] search the briefcases of American business men traveling overseas," warns CIA Director Robert Gates. Adds Noell Matchett, a former National Security Agency official: "What we've got is this big black hole of espionage going on all over the world and a naive set of American business people being raped."

No one knows quite how much money U.S. businesses lost to this black hole. Foreign governments refuse to comment on business intelligence they collect. The victims rarely publicize the espionage or report it to authorities for fear of exposing vulnerabilities to stockholders. But more than 30 companies and security experts Newsweek contacted claimed billions of dollars are lost annually from stolen trade secrets and technology. This week a House Judiciary subcommittee is holding hearings to assess the damage. IBM, which has been targeted by French and Japanese intelligence operations, estimates $1 billion lost from economic espionage and software piracy. IBM won't offer specifics but says that the espionage "runs the gamut from items missing off loading docks to people looking over other people's shoulders in airplanes."

Most brazen: France's intelligence service, the Direction Generale de la Securite Exterieure (DGSE), has been the most brazen about economic espionage, bugging seats of businessmen flying on airliners and ransacking their hotel rooms for documents, say intelligence sources. Three years ago the FBI delivered private protests to Paris after it discovered DGSE agents trying to infiltrate European branch offices of IBM and Texas Instruments to pass secrets to a French competitor. The complaint fell on deaf ears. The French intelligence budget was increased 9 percent this year, to enable the hiring of 1,000 new employees. A secret CIA report recently warned of French agents roaming the United States looking for business secrets. Intelligence sources say the French Embassy in Washington has helped French engineers spy on the stealth technology used by American warplane manufacturers. "American businessmen who stay in Paris hotels should still assume that the contents of their briefcases will be photocopied," says security consultant Paul Joyal. DGSE officials won't comment.

The French are hardly alone in business spying. NSA officials suspect British intelligence of monitoring the overseas phone calls of American firms. Investigators who just broke up a kidnap ring run by former Argentine intelligence and police officials suspect the ring planted some 500 wiretaps on foreign businesses in Buenos Aires and fed the information to local firms. The Ackerman Group Inc., a Miami consulting firm that tracks espionage, recently warned clients about Egyptian intelligence agents who break into the hotel rooms of visiting execs with "distressing frequency."

How do the spies do it? Bugs and bribes are popular tools. During a security review of a U.S. manufacturer in Hong Kong, consultant Richard Hefferman discovered that someone had tampered with the firm's phone-switching equipment in a closet. He suspects that agents posing as maintenance men sneaked into the closet and reprogrammed the computer routing phone calls so someone outside the building—Hefferman never determined who—could listen in simply by punching access codes into his phone. Another example: after being outbid at the last minute by a Japanese competitor, a Midwestern heavy manufacturer hired Parvus Co., a Maryland security firm made up mostly of former CIA and NSA operatives. Parvus investigators found that the Japanese firm had recruited one of the manufacturer's midlevel managers with a drug habit to pass along confidential bidding information.

Actually, many foreign intelligence operations are legal. "The science and technology in this country is theirs for the taking so they don't even have to steal it," says Michael Sekora of Technology Strategic Planning, Inc. Take company newsletters, which are a good source of quota data. With such information in hand, a top agent can piece together production rates. American universities are wide open, too: Japanese engineers posing as students feed back to their home offices information on school research projects. "Watch a Japanese tour team coming through a plant or convention," says Robert Burke with Monsanto Co. "They video everything and pick up every sheet of paper."

Computer power: In the old days a business spy visited a bar near a plant to find loose-lipped employees. Now all he needs is a computer, modem and phone. There are some 10,000 computer bulletin boards in the United States—informal electronic networks that hackers, engineers, scientists and government bureaucrats set up with their PCs to share business gossip, the latest research on aircraft engines, even private White House phone numbers.

An agent compiles a list of key words for the technology he wants, which trigger responses from bulletin boards. Then, posing as a student wanting information, he dials from his computer the bulletin boards in a city where the business is located and "finds a Ph.D. who wants to show off," says Thomas Sobczak of Application Configured Computers, Inc. Sobczak once discovered a European agent using a fake name who posed questions about submarine engines to a bulletin board near Groton, Conn. The same questions, asked under a different hacker's name, appeared on bulletin boards in Charleston, S.C., and Bremerton, Wash. Navy submarines are built or based at all three cities.

Using information from phone intercepts, the NSA occasionally tips off U.S. firms hit by foreign spying. In fact, Director Gates has promised he'll do more to protect firms from agents abroad by warning them of hostile penetrations. The FBI has expanded its economic counterintelligence program. The State Department also has begun a pilot program with 50 Fortune 500 companies to allow their execs traveling abroad to carry the same portable secure phones that U.S. officials use.

But U.S. agencies are still groping for a way to join the business spy war. The FBI doesn't want companies to have top-of-the-line encryption devices for fear the bureau won't be able to break their codes to tap phone calls in criminal investigations. And the CIA is moving cautiously because many of the foreign intelligence services "against whom you're going to need the most protection tend to be its closest friends," says former CIA official George Carver. Even American firms are leery of becoming too cozy with their government's agents. But with more foreign spies coming in for the cash, American companies must do more to protect their secrets.

HOW THE SPIES DO IT

MONEY TALKS

Corporate predators haven't exactly been shy about greasing a few palms. In some cases they glean information simply by bribing American employees. In others, they lure workers on the pretense of hiring them for an important job, only to spend the interview pumping them for information. If all else fails, the spies simply hire the employees away to get at their secrets, and chalk it all up to the cost of doing business.

STOP, LOOK, LISTEN

A wealth of intelligence is hidden in plain sight—right inside public records such as stockholder reports, newsletters, zoning applications and regulatory filings. Eavesdropping helps, too. Agents can listen to execs' airplane conversations from six seats away. Some sponsor conferences and invite engineers to present papers. Japanese businessmen are famous for vacuuming up handouts at conventions and snapping photos on plant tours.

BUGS

Electronic transmitters concealed inside ballpoint pens, pocket calculators and even wall paneling can broadcast conversations in sensitive meetings. Spies can have American firms' phone calls rerouted from the switching stations to agents listening in. Sometimes, they tap cables attached to fax machines.

HEARTBREAK HOTEL

Planning to leave your briefcase back at the hotel? The spooks will love you. One of their ploys is to sneak into an exec's room, copy documents and pilfer computer disks. Left your password sitting around? Now they have entry to your company's entire computer system.

[From Business and Society Review, Winter 1991]

INDUSTRIAL ESPIONAGE: WHAT YOU DON'T KNOW CAN HURT YOU

(By Michael J. Stedman)

It wasn't long ago that American industry set the standards for the world. Particularly envied was the nation's prolific research and development (R&D) in high technology. Today things are a bit different, but American technology is still a valuable target for foreign businesses and nations—and their spies.

There are, of course, a host of reasons why American competitiveness has weakened in the past twenty years, not the least of which is that its commercial challengers have gotten stronger. But business and government leaders—seriously concerned with America's deteriorating economic position—are reaching the conclusion that part of our competitors' gains can be attributed to the loss of exclusive trade secrets and technology to foreign espionage. Officials at the Central Intelligence Agency (CIA) and the National Security Agency (NSA), for example, think it is time for America to employ all its resources—including intelligence—to meet more effectively global competition and to bolster the U.S. economic base.

With the Cold War over, field officers around the world have begun to move from the intelligence services into private business. Indeed, the services themselves are moving their resources from military to economic and business arenas. Says Sen. David Boren (D–Okla.), who sits on the Senate Select Committee on Intelligence: "As the arms race is winding down, the spy race is heating up."

And when it comes to spying, the Soviets, with totalitarian single-mindedness, have always played writer/director. As Steven Bryen, former Director of the Defense Technology Security Administration, and now

president of Delta Tech, Inc., a consulting firm in Washington, D.C., says, "The Russians turned what was a cottage industry—people spying on each other's companies—into an international product." Bryen's view is supported by the evidence. In the past twenty years, the Soviets have diverted thousands of different high technology items; the hardware alone is worth billions of dollars.

America's warming relationship with Russia will not likely change the Soviet need for discounts on sensitive technological advancements or its approach to business research.

According to CIA Director William Webster, the changes introduced by Soviet President Mikhail Gorbachev make it more important for the Soviets to get intelligence on advanced technology. "We see signs that the Soviets are more aggressive, more robust; there are more pitches being made," Webster says. He adds that there is a greater Soviet effort to recruit agents both in the United States and in Europe. One recent Soviet defector disclosed that the KGB's Dept. T, which specializes in industrial espionage, illicitly gathered 25,000 technical documents and 4,000 pieces of machinery from 1984 to 1988.

CLOAK AND DAGGER

Industrial espionage has a global dimension. The intelligence services of several African nations, for example, cooperate with the KGB to attempt to steal U.S. secrets abroad. "Soviet intelligence is more aggressive than it has been at any time in the last decade," argues Oliver Revell, the Federal Bureau of Investigation's (FBI) associate deputy director in charge of investigations. And intelligence officials indicate that the Soviets are even now recruiting the best agents from the East bloc while those not selected seek espionage jobs in the West. Many end up working in western countries for Iraq, Yemen, and Libya.

According to one global specialist, Steven Dedijer, of Lund University's School of Economics and Management in Sweden, "Today, it has become a real threat to U.S. companies." on May 19, 1990, KGB Chief Vladamir Kryuchkov said his agents would help Soviet businesses acquire economic information from the West. Why? Stealing technologies is one of the quickest ways for them to make up lost ground. Says Dedijer: "The U.S.S.R. enterprises until now have not had competition. With the Gorbachev economic reforms . . . there are strong indications that thousands of KGB officers will be engaged by Soviet firms to help establish corporate intelligence."

This, of course, is news only in degree. The Soviets (as well as Americans) have always engaged in economic intelligence. A 1985 declassified CIA report revealed that "in spite of the several decades of massive investment in indigenous R&D, the prospects are small that the Soviets can reduce their dependence on a large variety of western products and technology in this decade and the next without allowing the technological gap to widen. Even if there were some major Soviet economic or managerial reforms, no real lessening of the Soviet dependence on western innovation is anticipated," the report warned. The impact of the dependence could be even more important in the 1990s than it is today," it added.

While the Soviet Union's espionage is regarded by the FBI and top U.S. military counterintelligence as the most sophisticated and threatening, there has been increased concern of late with Chinese spying and technology theft. U.S. customs officials in California rate the Chinese as the leading foreign power involved in stealing U.S. technology.

"The Russians and Chinese may be the most active spies, but they are certainly not the only ones rifling American technology and industrial secrets." An increasing share of the espionage directed against the United States comes from spying by foreign governments against private American companies aimed at stealing commercial secrets to gain a national economic advantage.

According to George A. Carver, Jr., a former career CIA official and now a fellow at the Center for Strategic and International Studies and president of C and S Associates, Inc., a consulting firm, economic competition is replacing military competition in most of the world—a shift that does not necessarily mean the world is about to become one big happy family. All of America's major foreign competitors [have] the full weight of their governments' diplomatic and intelligence resources thrown behind their nationals' companies or consortia, especially ones in heavy offshore competition," Carver says.

American companies face a formidable foe overseas since, points out Dwayne O. Andreas, head of Archer Daniels Midland, "Every one of our competitors is a democratic, socialist, mercantile managed economy. American companies are not competing with other companies but with the treasuries of other governments, and that is the problem."

An example of this problem surfaced this past summer when it was revealed that U.S. agents discovered that the French intelligence service, Direction Générale de la Securité Extérieure, recruited spies in the European branches of IBM, Texas Instruments, and other U.S. electronics companies. U.S. officials say the spy ring, which was passing on marketing and research secrets to Compagnie des Machines Bull, the troubled government-owned French computer company, was part of a major espionage program run against foreign business executives since the late 1960s by Service 7 of French intelligence.

Anyone skeptical of an impending threat to America's leadership in the technological and industrial sector need only look at a report, "Deterrence in Decay: the Final Report of the Defense Industrial Base Project," issued last year by a Defense Department-supported panel of industry spokespersons. Produced by the Center for Strategic and International Studies, the report states: "One of the most important national security aspects of industrial performance is import penetration into the domestic defense industry. Total import penetration grew between 1980 and 1986 in 104 of 122 defense sectors for which data are available. Certain critical components are available only from foreign suppliers whose reliability in time of emergency is questionable. . . . Foreign penetration of the U.S. defense industrial base may drain the U.S. technological lead."

"The United States is the most formidable country in the world once it sets its mind on doing something," says William T. Archey, a vice president for the U.S. Chamber of Commerce. "And what it needs to do right now is focus its attention on international competitiveness and the importance of trade to the country's economic well-being." But many experts involved in security and intelligence wonder if American business is up to the job.

OVERT AND COVERT

These experts essentially argue that American business has too long ignored the relationship between intelligence gathering and economic competitiveness. Carver emphasizes that intelligence collection and other operations cannot be neatly compartmentalized into "overt" and "covert" categories. Rather, they span a spectrum that ranges from using one's own eyes and ears while engaged in perfectly open, lawful activities (and encouraging others to do the same) to classical espionage operations conducted with the full panoply of clandestine tradecraft. Thus, many important intelligence tasks can only be performed by humans. And because the kind of talent needed to perform them effectively isn't readily available, a new industry—business intelligence (BI)—is emerging. Intelligence specialists, who bring with them their special expertise, are in the process of creating this totally new business discipline that some say will eventually prove to be as valuable to business as the development of strategic planning. It is important to understand the difference between business intelligence and corporate espionage: it is the difference between stealing secrets and analyzing, organizing, and distributing legally available information that can be useful to the unique policymaking needs of one particular enterprise.

Dedijer, speaking at a recent convention of business and competitive intelligence professionals in Paris, said, "BI today is the chief national weapon in the worldwide economic war." While he points to Japan as having the most sophisticated business intelligence, he also credits the U.S.S.R. with making it a science.

MILITARY EXPERIENCE

The evidence that intelligence is important to the success of business enterprises has had little impact on business schools in America. American management science, with very few exceptions, has preferred not to devote serious consideration to the intelligence and security competence of the enterprise, regarding it in many respects as an unethical realm of cloak-and-dagger escapades and worse. That may partially explain why until now most business intelligence professionals have been men with experience in various branches of military, police, and political intelligence. Didijer explains that "the emergent intelligent corporation will need" professionals with business school training in the theory and practice of business intelligence.

A consensus is beginning to form that American business needs to develop its understanding of how the rest of the world balances the relationship between industry and government with regard to intelligence. This is not an entirely new need, of course. Competition from friend and foe has been increasing for the past twenty to twenty-five years. But recent and impending forces—the collapse of communism and the enormous markets that that event opens, the unification of Europe in 1992, the increased financial pressure on Japan, and the frenzied search for innovation and new products—bring a startling urgency to the situation. The pressure on business to compete more effectively is destined to increase exponentially.

CIA Director Webster has noted that President Bush has identified competitiveness as a national goal. That effort is inextricably linked to America's commitment to develop its comprehension of how information and intelligence can be handled in a competitive environment. "It is the job of intelligence to provide information that will help our policymakers reach that goal . . . to examine

. . . the ways that actions taken abroad can affect our national security interest. Understanding the capabilities and intentions of competitors will assist our policymakers in deciding how our nation will play. It is very important for us to recognize that other countries may not be playing by the rules that we would necessarily advance," he adds.

In the arcane area of intelligence there can be problems that cannot be solved by individual companies or even entire industries. These problems are not only beyond reach of the corporate marketing or research departments, but reside in a shadowy region sheltered from our own laws and agreements.

STOLEN SECRETS

Bob Muir, director of the patent office at Caterpillar in Moline, Illinois, cited a frustrating example: "me-too" registrations. Because many of the chemicals used by the pharmaceutical and agro-chemical industries are toxic, some nations require that foreign companies register with the government a chemicals formulation and present evidence demonstrating how the substance can be safely used. Having done this (compiling the test results can sometimes take years), American companies often find that the chemical formulas they have developed and spent years testing turn up in the registrations filed by competitors within that country. Only the intervention of the U.S. government can correct this unjust enrichment at the expense of American companies. Muir says patent experts have been pressing for laws that would protect companies from this practice. The practice is now legal in a number of lesser-developed nations.

A similar scheme was hurting U.S. manufacturers in Italy until the laws were finally changed, according to Muir. "Italy had a large pharmaceutical industry which simply manufactured pharmaceuticals identical to those patented in this country," he says. Since it is the process of making a product that is usually patented, Italy's pharmaceuticals could be exported anywhere—and particularly to the United States, where importing a product made by an identical process overseas does not constitute a patent infringement.

Gerald Burke, chairman and CEO, Parvus Co., Silver Spring, Maryland, a private investigation firm, says that while American technology is the primary target of both espionage and intelligence efforts by foreign governments and companies, the activity is neither confined to American corporations, nor to technology. Burke's firm, like the intelligence agencies its operatives come from, specializes in counterespionage and security.

A very large international Swiss construction contractor retained Parvus because it was suspicious that an Italian competitor was stealing bidding information on contracts worth billions of dollars. The client, which should have won some of the contracts, was being consistently underbid. "We did find the bad guy, a former employee of our client who still had an in with the people in the controller's office of our client and literally bribed him for this bidding data," Burke says.

OPERATING OPERATIVES

Burke's firm illustrates the rising prominence of business intelligence and the type of expertise the field employs. Burke started his career as a naval officer before transferring into Naval Intelligence, where he worked closely with the National Security Agency as an expert in Soviet missiles. In 1969, after reaching the top levels of NSA as civilian chief of staff, he was appointed by President Richard Nixon as executive director of the President's Foreign Intelligence Advisory Board to evaluate worldwide spy operations.

Parvus' roster of officers and operatives reveals it to be a small, private version of the Central Intelligence Agency for hire. As an example, former CIA director Richard Helms is chairman of Parvus' advisory board. Virtually all of its operating employees came out of CIA, NSA, DEA, FBI, U.S. Foreign Service, State Department intelligence, INTERPOL, IRS, and intelligence branches of the various armed services. The range of expertise at the firm is broad; several on the staff, for example, have medical degrees.

The secrecy inherent in all this creates a Catch-22 situation: While the U.S. intelligence community wants to broaden public support for efforts to increase the exchange of economic and business information between government and industry, the secrecy necessary to shield intelligence activity from adversaries inhibits them from acting. After all, not even the victims of foreign espionage and business intelligence activities want to talk about it. And for the CIA, NSA, or one of the defense intelligence agencies to discuss it would mean unmasking methods and resources that are at the heart and soul of their work.

America's cultural reservations about big business and big government have further hindered any advance toward bridging the gap between business and government intelligence.

Former CIA director Richard Helms, now president of Safeer Company, Washington, D.C., agrees that while the American intelligence community has always been involved in economic intelligence, there is more of a need today for the government "to provide information to individual companies in an effort to keep America competitive. But I don't think anyone's worked out a solution to that problem." Helms pointed out that not a small part of the difficulty "is this country's cultural environment itself. Our culture in America is such that when companies do work for their government, they're always open to suspicion and vice versa." Perhaps that explains partly why "nearly all of this stuff [espionage against U.S. companies] will remain secret because there is a mutual defense pact here: the guy getting it doesn't want it to be known that he's doing it, the guy receiving it doesn't want it to be known that he's getting it, and the victim doesn't want anyone to know he's been had."

Burke illustrates the problem when discussing his own experiences. He is unable to divulge the identity of his clients or other specifics when describing examples of espionage at work against commercial enterprises.

"We recently had a case on retainer where we caught a Japanese computer company stealing or misappropriating, not hard trade secrets, but marketing analyses, cost and pricing data, etc., [which] can have immediate bottom-line implications for an American company." Burke's firm identified and caught the guilty parties but the client did not want to involve the authorities—the firm simply wanted the practice to end. "They weren't at all interested in calling in the FBI," says Burke. "If someone is victimized, they don't want anyone to know that they are vulnerable."

MULTINATIONAL SPIES

One of the best ways to make American companies more competitive is to open their eyes to competitive intelligence, Burke says. He points to the "grand old tradition in Europe" of using national intelligence services to help private companies. Echoing Ambassador Helms, he says "there is a kind of adversarial relationship between government and business" and laments that American companies are not nearly as sophisticated as Japanese, German, or French companies in terms of competitive intelligence.

As vice chairman of the National intelligence Council and special assistant to former Director of Central Intelligence William Casey, Herb E. Meyer managed the production of the U.S. national intelligence estimates, the top-secret projections that go to the President every day. Today Meyer is president of Real World Intelligence, Inc., Washington, DC. He is also a former editor of Fortune magazine and the author of the recently released book Real World Intelligence.

After leaving the CIA, Meyer says he became aware that non-American companies were making tremendous use of information analysis—as opposed to field operations or clandestine activity—in ways that American firms were not. "There is no such thing as a Japanese company that doesn't have a business analysis system, and European companies are beginning to do it, too. And I saw the emergence of a management tool that was being used against American companies of which we were not aware," he says.

Many major foreign multinational companies are increasingly using intelligence as a management tool as well. And, according to Meyer, they are doing so far more extensively and effectively than U.S. corporations. He says that the foreign multinationals are taking advantage of intelligence analyses provided by intelligence-consulting firms that have set up shop in the past few years in the world's financial and political capitals. Most of these firms, he explains, are owned and operated by former high-level government officials who, in effect, are repackaging and selling to corporate clients—often for large fees—the information and insights they acquired while in office.

Meyer believes business intelligence is destined to become the next major management science tool to take America by surprise. To illustrate how uninitiated he feels the American business and academic business school community remains, he likens what is happening today to two earlier instances of major management science break-throughs: strategic planning, which American ingenuity recognized, and quality control circles, which it didn't.

Meyer believes that, with a bit of encouragement, American corporations and business schools can shed their negative perception of business intelligence. Indeed, he thinks it may eventually be embraced enthusiastically. Meyer recalls the enthusiasm that greeted another new management method: strategic planning. Business, which saw how Pentagon "whiz kids" had used logistics to help Allied forces win WW II by providing for the smooth and uninterrupted flow of vital food and supplies to troops, recognized the potential of the new management method.

CORPORATE RADAR

Meyer also recalls W. Edward Deming, who developed innovative quality control manufacturing techniques—techniques that were ignored in the United States. After his rejection at home in the years after World War II, Deming took his ideas on the road to Japan. There, he became the second most celebrated person after the Emperor. Every year, the Deming award for quality is broadcast nationally on Japanese television. Says Meyer:

"[Deming] was a nobody [in the United States]. No one would buy him lunch. Now big American companies are flying him in on private jets with lines waiting to listen to him.

"There is a serious danger that the pattern will repeat itself. You cannot graduate from the top business school in France without taking a course in business intelligence. There are virtually no BI courses in American business schools," he adds.

Meyer's book has just been published in the United States; it's being launched in France, and will be printed in Japanese. "Business intelligence is corporate radar; it doesn't exist in the United States except that now we're beginning. You can go to any CEO and ask 'How do you plan strategically,' and he can tell you. But ask 'how do you harness information?' and he cannot answer your question. That's the equivalent of 'Hey, everybody keep your eyes peeled and if you see anything, let me know.' It's a non-system," he shrugs.

The line in Real World Intelligence Meyer says gets quoted most is that Mitsubishi has an intelligence analytic staff that takes up two floors of the Pan Am building in New York. "To serve their broad commercial interests, the Japanese trading companies—the sogo shosha—have created vast overseas data-collection networks," he smiles.

Another former government official, Michael Sekora, who headed the Defense Department's SOCRATES project which examined the availability of technology on a global basis, now operates a private consulting firm, Technology Strategic Planning, in Stuart, Florida. Sekora says that the United States has "to start playing the game the way everyone else does: Limit the flow of good technology out of your own country while going to other countries and getting theirs."

Charles Hunt, an associate of Meyer in Paris, says business must be played like war today—seriously—but without the dirty tricks and nastiness. "You have to know your objectives, your target, and once you know your target, you build your sensory apparatus: radar." Hunt uses the metaphor of a soldier in warfare tending radar for a harbor. "You're looking for the enemy," he says.

SEOUL GUITARS

Business intelligence requires setting up a sensory system that will channel information directly from sources to deciphering and analysis, where data is put into a form that can be acted on effectively and immediately. "That's the first part of the trick, to know where to look, to use your sensory equipment. Once you have your system to get the early signals and a way to go to the sources, you have almost 95 percent of the intelligence business," Hunt explains.

Hunt has also just published a book in France—Strategic Intelligence for Your Enterprise—that offers a compelling example of business intelligence. The huge Korean organization Samsung, Hunt writes, has a very articulated, informal, internal intelligence network. Samsung's headquarters in Seoul receives a daily intelligence report from all locations where the organization employs more than four people. The system was so effective that even the Iran-Iraq war and the Iranian revolution did not interfere with the flow of daily reports from Samsung subsidiaries and branches to Seoul. The reports contained information that allowed headquarters to plan effectively in advance for the needs of its far-flung empire. A gripping example of how intelligence can be used effectively and within legal and ethical parameters was illustrated by the American guitar caper. According to Hunt, an employee responsible for Samsung's Los Angeles office read in the local paper that one of the last American guitar factories was going to close. Guitars from East Asia were cheaper and a price war made it no longer profitable to make them at the American factory. The employee in Los Angeles sent the newspaper article to Seoul.

"So [headquarters] thought about it and decided that the guitar was a strong symbol of the free American spirit, of independence, the cowboy strumming along the cattle trail," said Hunt. Samsung anticipated that the American guitar industry "would go to Washington to canvass and Congress would put some sort of restraints on those kinds of string instruments," Hunt added.

The information, confirmed by other Samsung representatives, gave management all it needed to make a strategic decision that would prove extremely profitable. "They just stacked their warehouses in America with all the guitars they could find in Korea and sold all they could until Congress passed a ruling, which it did," said Hunt.

The need for more attention to intelligence as a management science in corporations as well as in business schools is driven home by Lester Thurow, the dean of MIT's business school. "We in America are very poorly organized to employ business intelligence to compete." He points to a reluctance to catch up with modern facts of business and economic life, if not sheer arrogrance, as a problem. "Because for a half-century we believed there was nothing important to learn in the rest of the world and therefore we don't have to have our vacuum cleaners out there vacuuming it up; it goes from the trivial to the sophisticated," Thurow says. He points out that one of the jobs at the Japanese Productivity Center in Washington simply is to translate every science and engineering article written in English into Japanese and send it to all the corporations in Japan that they think should read it. The United States doesn't do anything like that.

"It is interesting to note that there are virtually no courses in business intelligence at American business schools, including at MIT. It goes back to the same thing: no one thought it was necessary," Thurow says. He adds: "The U.S. government is going to have to jump in with both feet to help its corporations because other countries already do that."

Speaking to the morality of business intelligence, Fred Haynes, vice president for planning and analysis of LTV's Missile and Electronics Group, says, "It's not spying. It doesn't have to be done unethically. It's part of a normal process."

[From Time, May 28, 1990]

WHEN "FRIENDS" BECOME MOLES—AMERICAN COMPANIES WAKE UP TO A NEW SPY THREAT: U.S. ALLIES

(By Jay Peterzell)

The dangers of Soviet military espionage may be receding, but U.S. security officials are awakening to a spy threat from a different quarter: America's allies. According to U.S. officials, several foreign governments are employing their spy networks to purloin business secrets and give them to private industry. In a case brought to light last week in the French newsmagazine *L'Express*, U.S. agents found evidence late last year that the French intelligence service Direction Générale de la Sécurité Extérieure had recruited spies in the European branches of IBM, Texas Instruments and other U.S. electronics companies. American officials say DGSE was passing along secrets involving research and marketing to Compagnie des Machines Bull, the struggling computer maker largely owned by the French government.

A joint team of FBI and CIA officials journeyed to Paris to inform the French government that the scheme had been uncovered, and the Gallic moles were promptly fired from the U.S. companies. Bull, which is competing desperately with American rivals for market share in Europe, denies any relationship with DGSE. Last year the company made a legitimate acquisition of U.S. technology when it agreed to purchase Zenith's computer division for $496 million.

U.S. officials say the spy ring was part of a major espionage program run against foreign business executives since the late 1960s by Service 7 of French intelligence. Besides infiltrating American companies, the operation routinely intercepts electronic messages sent by foreign firms. "There's no question that they have been spying on IBM's transatlantic communications and handing the information to Bull for years," charges Robert Courtney, a former IBM security official who advises companies on counterespionage techniques.

Service 7 also conducts an estimated ten to 15 break-ins every day at large hotels in Paris to copy documents left in the rooms by visiting businessmen, journalists and diplomats. These "bag operations" first came to the attention of the U.S. Government in the mid-1980s. One U.S. executive told officials about a trip to Paris during which he had made handwritten notes in the margin of one of his memos. While negotiating a deal with a French businessman, he noticed that the Frenchman had a photocopy of the memo, handwritten notes and all. Asked how he got it, the Parisian sheepishly admitted that a French government official had given it to him. Because of such incidents, U.S. officials began a quite effort to warn American companies about the need to take special precautions when operating in France.

While France can be blatant, it is by no means unique. "A number of nations friendly to the U.S. have engaged in industrial espionage, collecting information with their intelligence services to support private industry," says Oliver Revell, the FBI's associate deputy director in charge of investigations. Those countries include Britain, West Germany, the Netherlands and Belgium, according to Courtney. The consultant has developed a few tricks for gauging whether foreign spies are eavesdropping on his corporate clients. In one scheme, he instructs his client to transmit a fake cable informing its European office of a price increase. If the client's competitor in that country boosts its price to the level mentioned in the cable, the jig is up. "You just spoof'em," Courtney says.

Most U.S. corporations could protect their sensitive communications simply by sending them in code. But many companies are reluctant to do this, even though the cost and inconvenience might be minor. One reason may be that the effects of spying are largely invisible. All the company sees is that it has failed to win a contract or two. Meanwhile, its competitor may have clandestinely learned all about its marketing plans, its negotiating strategies and its manufacturing secrets. "American businesses are not really up against some little competitor," observes Noel Machette, a former National Security Agency official who heads a private security

firm near Washington. "They're up against the whole intelligence apparatus of other countries. And they're getting their clocks cleaned."

As U.S. national-security planners increasingly focus on American competitiveness, many of them fear that U.S. corporations are operating at a severe disadvantage. America's tradition of keeping Government and business separate tends to minimize opportunities for the kind of intelligence sharing that often occurs in Europe. "I made a big effort to get the intelligence community to support U.S. businesses," recalls Admiral Stansfield Turner, who headed the CIA in the late 1970s. "I was told by CIA professionals that this was not national security." Moreover, it would be hard for the Government to provide information to one U.S. firm and not to another. Yet if sensitive intelligence is shared too widely, it cannot be protected.

One thing the U.S. Government can do is make sure business leaders understand the threat. When the late Walter Deeley was a deputy director at NSA in the early 1980s, he began a hush-hush program in which executives were given clearances and told when foreign intelligence agencies were stealing their secrets. "He considered it a real crusade," a former intelligence official says. "If American business leaders could see some of these intelligence reports, I think they would go bananas and put a lot more effort into protecting their communications."

"It may not be possible to level the playing field [with foreign companies] by sharing intelligence directly" with their U.S. rivals, observes deputy White House science adviser Michelle Van Cleave. "But it should be possible to button up our secrets." That argues for much more use of secret-keeping techniques and far less naiveté on the part of American business as it enters the spy-vs.-spy era of the 1990s.

Mr. COHEN. With that, Mr. President, I yield the floor at this time and seek any comment that the chairman might have.

Mr. HOLLINGS. Mr. President, right to the point, there is no use trying to extend technology with regional centers when the foreign intelligence penetrations are going on, and they are ahead of the extension, particularly with respect to our technology. As it shifts from DOD and DARPA over into Commerce's Advanced Technology Program, this has been a matter of concern. It is not a subject, of course, of this committee, but we are willing to try, in the light of what has been explained by the distinguished Senator from Maine, try to take it and see what the Members on the other end of the Capitol would like to do. We will do our best.

I have worked in this intelligence field; I will plead guilty on that. I started back in the fifties on the Hoover Commission. We investigated, at that time, the intelligence activities not only of the entire Defense Department—Army, Navy, Air Force, Department of Defense intelligence, the old Atomic Energy, Nuclear, the CID, CIA, FBI, National Security Agency, particularly the CIA, working at that time with Allen Dulles. We had a real tight and responsive organization. I have just completed 8 years with the distinguished Senator from Maine on the Intelligence Committee. We are sadly lacking in this area he highlighted, and this is definitely needed. There is no question. That is my opinion. If others are disposed otherwise, I would yield and let others address the particular subject, and then go along with his move to adopt.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment.

The amendment (No. 1479) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Maine is recognized.

AMENDMENT NO. 1489

(Purpose: To amend the National Security Act of 1947 to improve counterintelligence measures through enhanced security for classified information, and for other purposes)

Mr. COHEN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 1489.

Mr. COHEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. COHEN. Mr. President, in line with the last amendment I wanted to focus briefly, if I could, on the need for adequate counterintelligence.

When Boris Yeltsin gave his memorable speech to a joint session of Congress in 1991, he bluntly declared, "No more lies." Perhaps because of the thunderous applause that followed, many Americans seem to have misheard him to say "no more spies." We now know better.

The point, though, is what we should have known all along. If anyone got the impression that the end of the cold war meant there would be no one left to come in from the cold, they did not get that impression from Moscow. After the collapse of the Berlin Wall and the Warsaw Pact, Soviet and later Russian intelligence officials clearly stated that they were still hard at work and even were getting more aggressive at stealing business secrets.

The FBI and others warned that the end of the cold war would produce no decline in espionage against the United States and, indeed, might lead to an increase since some Americans might be more comfortable selling secrets to countries that no longer appear to threaten us.

The image of a cold war spy was of a Philby, Burgess or other high-level official driven by ideological zeal. But long before the cold war ended, these glamorous, derring-do agents of real life and fiction gave way to faceless bureaucrats whose zeal was not for the Red banner but the greenback.

During the 1980's, more spies were unmasked than during any other decade in our history. They were clerks, analysts, cryptanalysts, military personnel and other low- to mid-level employees with access to our most important secrets and a willingness to sell those secrets to the highest bidder. Only one-tenth of them were recruited. Nine out of ten were volunteers, initiating contact with a foreign intelligence service.

Five years ago, recognizing that countering this new breed of spies would require new methods, Senator BOREN and I, as chairman and vice chairman of the Senate Intelligence Committee, undertook a year-long review to identify ways to improve the Nation's counterintelligence system without sacrificing the personal liberties our national security apparatus is meant to protect.

To assist us in that effort, Senator BOREN and I convinced a panel of wise men with significant experience in government.

This distinguished panel included Eli Jacobs, a businessman who has served on many government advisory panels related to national security and intelligence; now-Secretary of State Warren Christopher; Lloyd Cutler, who served as counsel to President Carter and has just been named as President Clinton's counsel; Reagan White House counsel Arthur B. Culvahouse; and Ambassador Sol Linowitz.

The work of this panel, as well as testimony we received from the FBI, the CIA, the Justice Department, the ACLU, the American Foreign Service Association, and others greatly contributed to our effort. Based on our research and these contributions, we drafted legislation to deter U.S. citizens from spying, detect those who are not deterred and help prosecute those we detect.

Given the pecuniary motives of today's spies, we sought to improve the chance that warning lights would start flashing when Americans handling highly classified information lived beyond their means. Or, as I noted in a 1990 statement that is unexpectedly pertinent in light of the Ames case, if a guy goes from a Vega to a Jaguar in a year's time, something's wrong and should be detected.

We concluded that the FBI should be given greater access to financial and foreign travel records of persons who handle Top Secret information. Giving consent to such FBI access should be a condition of obtaining a Top Secret

clearance, and this consent should apply throughout the time a person has access to Top Secret information and for 5 years thereafter. Current law actually prohibits a person from giving consent for government access to financial records for more than 3 months.

While constituting a moderate loss of privacy for those handling highly classified information, this would create an important deterrent to those tempted to spy and a new tool to catch those who do. Being entrusted with the Nation's secrets is a privilege for which the Nation can and should ask reasonable sacrifice.

A second significant change we proposed was to establish uniform requirements for access to highly classified information, which today can vary widely from one agency to another. According to a recent report by a panel appointed by the CIA and the Pentagon, information on a certain technology was subject to discretionary controls by the Department of Energy but protected with deadly force by one of the military services. Similar, if less extreme, variations exist in agencies' requirements for obtaining security clearances.

Besides creating wasteful redundancies, this permits weak links in the chains of security guarding our secrets. It even opens the opportunity for a person to shop around for a security clearance. Jonathan J. Pollard, who pleaded guilty in 1986 of spying for Israel, was denied employment by the CIA in 1977 because of security concerns only to be hired 2 years later as a civilian Navy intelligence analyst.

Other measures we identified included improving protection of cryptographic information, which can be the magic key to read volumes of sensitive communications at all levels of classification; closing gaps in our espionage laws; better enabling the Government to confiscate spies' ill-gotten gains; establishing jurisdiction in U.S. courts for espionage acts committed abroad; and allowing monetary rewards for information leading to the arrest or conviction of spies or prevention of espionage.

Mr. President, I was very pleased last week when the Chairman of a special DOD–CIA appointed commission endorsed not only these types of measures but this very legislation, itself. In fact, in public testimony to the Senate Intelligence Committee, Jeff Smith called for the prompt passage of this legislation so that it can be enacted into law this year. Smith chaired the Joint Security Commission, a group of experienced and knowledgeable private citizens appointed by Secretary Aspin and Director Woolsey last May to review the defense and intelligence communities security procedures.

The endorsement by yet another distinguished panel verifies that this legislation remains urgently needed.

It is quite possible that Aldrich Ames would have been caught years ago had this legislation been adopted when we first introduced it in 1990. Now, however, it is more important to look to the future. Passage of this amendment will greatly increase the chances that unknown persons now spying or considering doing so could be caught or deterred before causing grievous and costly damage.

It would, of course, had been better to adopt this back in the 101st Congress, when we first introduced it, or in the 102d Congress, when we reintroduced it. Unfortunately, as the cold war thawed, the resulting flood of goodwill for our former enemies swept away support for improving counterintelligence. While thoroughly vetted by the special advisory panel, congressional hearings and Justice Department reviews, this legislation languished due to the widespread belief that it was a solution to a problem of another era.

At the time, we asked what would be needed to get Congress to act—another Felix Bloch? Would it take another security disaster before Congress would be spurred to action? As the Ames case regrettably reveals, the answer was yes.

Now that Mr. Ames has reminded us that spying for dollars will continue as long as we entrust secrets to fallible human beings, we should promptly adopt this legislation to improve our chances of catching those faceless bureaucrats who still spy and deter those who are considering getting in on the act.

If we do not act now, when will we—after the next Aldrich Ames?

At this point, Mr. President, I would like to briefly run through each section of the Counterintelligence Improvement Act, and I ask that at the conclusion of my remarks a more detailed section-by-section analysis be included in the RECORD.

Before doing so, I would note that the amendment we are offering is essentially identical to S. 3251 of the 101st Congress and S. 394 of the 102d Congress. The only nontechnical modification is the elimination of Section 12 from those earlier bills, related to FBI access to telephone subscriber information. A version of Section 12 was adopted by Congress last November as free-standing legislation and enacted as Public Law 103–142.

And the detailed section-by-section analysis I am submitting for the RECORD is essentially identical to that which appeared in the RECORD of October 26, 1990. The only modifications are technical corrections and the elimination of the discussion of section 12.

SUMMARY OF PROVISIONS

Section 1. Gives the bill the short title of the Counterintelligence Improvements Act of 1994.

Section 2. Adds a new title to the National Security Act of 1947 to establish uniform requirements for access to Top Secret information. To be granted access to such information, a person would be required to permit access by U.S. Government investigative agencies to financial records, consumer credit reports, and foreign travel records maintained by commercial entities in the United States.

Section 3. Adds a new title to the National Security Act of 1947 to provide special requirements for the protection of cryptographic information.

Section 4. Amends the Right to Financial Privacy Act of 1978 to permit a person being considered for access to Top Secret information to provide consent to U.S. Government investigative agencies to obtain access to his or her financial records. This would apply for the period of the person's access to such information and for 5 years thereafter. Currently, consent can be provided for only three months.

Section 5. Amends chapter 37 of title 18, U.S. Code, to create a new criminal offense for the possession of espionage devices where the intent to use such devices to violate the espionage statutes can be shown.

Section 6. Amends chapter 37 of title 18, U.S. Code, to create a new criminal offense for any person who knowingly sells or transfers for any valuable consideration to a person whom he knows or has reason to believe to be an agent or representative of a foreign government any document or material classified Top Secret.

Section 7. Provides that any officer or employee of the United States who knowingly removes documents or materials classified Top Secret without authority and retains them at an unauthorized location shall be fined not more than $1000 or imprisoned not more than 1 year, or both.

Section 8. Establishes jurisdiction in certain U.S. Federal courts to try cases involving violations of the espionage laws where the alleged misconduct takes place outside the United States.

Section 9. Amends title 18 of the U.S. Code to provide for expansion of the forfeiture provision to certain espionage offenses that are not enumerated in the existing law.

Section 10. Provides that a person may be denied annuity or retired pay by the U.S. if convicted in a foreign country of offenses for which such annuity or retired pay could have been denied had such offense occurred within the United States.

Section 11. Amends the Consumer Credit Protection Act to provide the FBI access to records sought in connection with an authorized foreign counterintelligence investigation when there are specific and articulable facts giving reason to believe the person to whom the records relate is an agent of a foreign power.

Section 12. Provides the Attorney General with discretionary authority

to pay rewards, up to $1 million, for information leading to the arrest or conviction of espionage against the United States or the prevention of such acts.

Section 13. Subjects physical searches in the United States to the same court order procedure that is required for electronic surveillance under the Foreign Intelligence Surveillance Act.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, they know the aberrations in the Ames polygraph, also, as we all know.

The "good old boy" system over there, the bureaucracy, the analysis section without relating the number, is tremendously overstaffed. There is a crowd of them in there, analysts being paid not only Senatorial pay, but they get overtime. You see it is overtime now for me. It is past 5 o'clock, but I am not getting any extra pay. But over at the Central Intelligence Agency they are. And they fall over each other. They cut the corners analyzing. They are around the edges so that General Schwarzkopf, when he got the reports from Desert Storm from the CIA said, "Mush." That is his word. And he had to depend on the field intelligence, as we well know.

But what got me is here we had the man Rick Ames who was in counterintelligence. Namely, he was working our spies over there in the Soviet Union. Under the golden rule, do unto others as we do unto you. If we are spying on them under the golden rule, not pickpocketing, you may say the Soviet was only responding to the golden rule.

I never could see this great hiatus about, oh, shock and surprise when it was the catching of our main man in charge of counterintelligence, namely, of spying on them. I think that the need here is very clear.

Unfortunately, it is not on our bill. It is not within the subject or purview, but we will see, as I have explained on the former amendment, over on the other side of the Capitol what we might do.

So I will then go along with the Senator for the adoption of the amendment.

Mr. BOREN. Mr. President, I am proud to join and cosponsor this amendment with Senator COHEN. The recent Ames case makes clear the need for reform. Our amendment would strengthen the tools available to the Federal Government to deter, catch and prosecute those guilty of spying against our country. It grows out of work performed by the Senate Select Committee on Intelligence when I served as chairman and Senator COHEN served as vice chairman in 1990.

The amendment is the product of work performed by a distinguished panel of outside experts. Public hearings on their proposal were held by the Senate Select Committee on Intelligence. The independent panel, which issued its report in 1990, was chaired by New York businessman Eli Jacobs, who had served on a number of national security advisory boards. Other members included Lloyd Cutler who has been recently named White House Counsel; Warren Christopher, now the Secretary of State; Jim Woolsey who has since been named CIA Director; Admiral Bobby Inman, former director of the National Security Agency and former deputy director of the CIA; former White House counsel A.B. Culvahouse; Sol Linowitz, former ambassador to the Organization of America States; Richard Helms, former director of the CIA; Seymour Weiss, a former ambassador and State Department official; and Columbia law professor, Harold Edgar who is a noted scholar on national security law.

The panel determined that most modern spies sell secrets for financial rather than philosophical motives and for that reason are not likely to be discouraged by the political changes that have swept through the Eastern bloc. Indeed, the largest part of the espionage problem is impervious to the political change in the former Soviet Union and Eastern Europe. It is the phenomenon of the U.S. citizen with access to highly classified information who volunteers his service to a foreign intelligence service for money. No foreign government is going to turn down an opportunity to acquire information in its own national interests.

The changes proposed by the panel in the legislation were presented at a rare open intelligence hearing on May 23, 1990. A second open session was held a month later.

The changes proposed in the legislation fall into three categories—improving the government's personnel security system, providing additional penalties for espionage activities, and enhancing counterintelligence investigative capabilities.

At the time the legislation was first introduced, the cold war was coming to an end and many people asked why we should continue to worry about espionage. Although ideologically inspired spying was decreasing, spying for financial gain was on the rise. Those tempted to spy now may not think they're putting their country in jeopardy as much as during the cold war. Senator COHEN and I had difficulty in focusing enough attention on our proposal at the time it was first unveiled. Hopefully, recent developments have made it clear that the winding down of the cold war does not necessarily mean that the espionage threat has been reduced. With a desire of more nations to collect information related to national economic interests, the threat may actually be increasing.

The Boren-Cohen amendment would establish uniform requirements binding on all branches of government for access to TOP SECRET information and require all persons considered for such access to make personal financial reports during that period and for 5 years after their access is terminated. It would make some Government employees subject to random polygraph test and establish a new criminal offense for possession of espionage devices where intent to spy can be proved. Further, it would establish criminal offenses for selling or transferring TOP SECRET materials or removing them without authorization, tighten laws barring profit from espionage and expand existing authority to deny retirement pay to those convicted of espionage in foreign courts.

The amendment would permit the FBI to obtain consumer reports on persons believed to be agents of foreign powers without those persons being notified. The FBI would be allowed to obtain subscriber information from telephone companies on persons with unlisted numbers who are called by foreign powers or their agents. It would authorize the Attorney General to pay rewards of up to $1 million for information leading to arrests or convictions for espionage or for the prevention of espionage. Finally, the legislation would subject physical searches in the United States to the same court order procedure that is required for electronic surveillance.

No one is under the illusion that these proposals will eliminate espionage. But they should give the Government an improved ability to deter U.S. citizens from spying, to detect those who are not deterred and to help prosecute those who trade our security for their enrichment. I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Maine.

The amendment (No. 1489) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I have some questions about this legislation, and I would like to ask my distinguished colleague, the Senator from Missouri, to see if I understand his bill correctly.

As I understand the bill—and I am open to correction on this—what it does is it provides that over the course of 2 years, that is fiscal year 1995, which starts on October 1, and fiscal year 1996, that the bill authorizes some $2.8 billion of additional spending.

Am I correct in that, I ask the Senator?

Mr. DANFORTH. Well, it authorizes $2.8 billion of spending. The spending

does exceed the appropriations levels for 1994.

Mr. CHAFEE. So, in other words, in 1994, for this series of programs, as I look at the summary sheet, $526 million was appropriated.

Mr. DANFORTH. That is correct.

Mr. CHAFEE. And the request in the President's budget was $964 million, nearly doubling, a little short of doubling, say some 70 percent increase, perhaps?

Mr. DANFORTH. That would be for 1995.

Mr. CHAFEE. Now, what this bill does, it authorizes not what the President requested—by the way, the last I heard it was a Democratic President—but it is not $964 million that is requested, but under this bill the authorization is $1.370 billion; am I correct?

Mr. DANFORTH. That is correct. This year, 1994, the appropriation for all these programs combined is $526 million. The President has requested for all of these programs $964 million. This is an authorization for 1995 for $1.370 billion.

Mr. CHAFEE. I know that there is a difference between authorization and appropriation. But clearly, the committee has not authorized this without hoping that it will be appropriated, that can be only my conclusion.

My second question is: is there a method of paying for this in the legislation?

In other words, I can only assume that probably the President, in his budget request, has found some way of paying for it or adding it to the deficit. How about the difference? In other words, the difference here is some $400 million. Is there a way of paying for that in here?

Mr. DANFORTH. Well, as I understand the argument in favor of the legislation, with the cutbacks in national defense and the cutbacks in spending for research in national defense, we have created a pocket of money which is now burning a hole in that pocket and that this is an opportunity to spend it by having the Government entangle itself in the private sector's research activities.

Mr. CHAFEE. I must say, I find this rather amusing, because just some 10 days ago on the floor of the Senate, we were debating the question of a constitutional amendment. I heard some stirring oratory on the other side of the aisle that, "What this Senate needs is some courage, the courage to stop this spending. We don't need a Constitutional amendment."

Let me quote from one distinguished Democratic Senator.

> It does not take a constitutional amendment to reduce the Federal deficit or balance the Federal budget. All it takes is enough courage by Congress and the administration to make the tough decisions we were elected to make.

Now, hard on the heels of that—and the constitutional amendment was defeated with overwhelming rejection on the other side of the aisle—now we come to an era when perhaps there are some tough decisions. And, as I understand it, there are programs, some money available in the defense budget, so the first thing, as I understand it, is to spend it, to spend it on a new program or enlargement of programs, some of which currently exist, and to not only increase them by some $800 million this year, and next year even more, am I correct; that next year the idea is to have even more than what they are proposing for this budget for the fiscal year 1995?

Mr. DANFORTH. That is correct. The authorization for 1995 is $1.370 million and in 1996, it is $1.478 billion; the grand total being $2.8 billion.

It is the contention of this Senator that that reflects a ballooning of the cost of these programs, and, of course, the creation of some new programs to boot.

Mr. CHAFEE. Well, yes.

I notice that there is the creation of some new programs. For example, in looking at this, first of all, we start off with an SBA Pilot Program. No money in the current year, no money requested in the budget by the administration. We start off with $50 million for the next year and $50 million beyond that.

Additional Activities, zero for the current year, zero requested by the President, $14 million, and then $19 million beyond that.

And then, Wind Energy and Environmental Construction, zero, zero, and then $6 million; National Technology Info Service, that is zero in the current year, requested by the President some $18 million, and up it goes to $20 million. New NFS Centers—I presume that is National Science Foundation—zero in the current year, zero requested by the President, $75 million in this bill.

Mr. DANFORTH. Seventy-five million dollars in each of the 2 years.

Mr. CHAFEE. Computer Applications, zero in the current year, zero requested by the President, $209 million in the next year and $150 million.

Is this evidence of that courage that we were urged to take by those sterling declarations in connection with defeating the constitutional amendment? Am I missing something here?

Mr. DANFORTH. Well, I do not want to miscast or in any way misrepresent what this is about.

The way the Senator has put the issue has to do with increased spending. I believe that the argument would be made that this is called investment and that because it is investment, maybe it is not spending.

Mr. CHAFEE. Well, let me just say to the Senator, I have served considerable time on the Environment and Public Works Committee. One of our former chairmen was a wonderful individual. He frequently used that—that this is not spending, this is an investment.

And I would like to see any program around here, whether it is Social Security, whether it is Head Start, whether it is school lunch programs, or whether its elementary and secondary education, that there is not one of them who cannot stand on the floor and say, "That is not spending, that is investment."

We believe every one of those programs are an investment. And, by the way, I think that applies to the EPA programs. For example, is Superfund a spending program or is it an investment to clean up the environment of this Nation? Clearly, it is an investment.

Now, I would further like to ask the Senator once again about the means of paying for this.

Again, as I understand it, it is going to come from some area. Now is that area designated where it is going to come from? I have not understood that it is so pointed out in the measure. In other words, if it is going to come from some places, where? Does it say in the legislation?

(Mr. HARKIN assumed the Chair.)

Mr. DANFORTH. No. The Senator is raising a good question. It comes out of thin air.

Mr. CHAFEE. Well, I am rather sensitive on this subject, because during the debate over the balanced budget amendment, the supporters of the amendment were sharply criticized for offering what was a placebo instead of the hard medicine needed to reduce the deficit. In other words, our desire to reduce the deficit through the constitutional amendment was labeled as a phony because the amendment did not state how the budget would be balanced. We did not detail that.

Now here we are, 10 days later on the floor with a bill, legislation, that is similarly phony. It authorizes $2.8 billion in new spending but does not tell us how it is to be paid for.

Suppose it did tell us how it was to be paid for: cuts, or savings in other programs. Is it immoral to take some savings that are there and put them toward the deficit? Instead of immediately grabbing them to spend in another program, this program for example? As I understand the budget deficit in the current fiscal year, it is anticipated to be $170 billion. Am I correct? That is the latest figure I have. The budget deficit for this current fiscal year ending in the end of September is $170 billion.

Mr. DANFORTH. I do not have the number in front of me but I accept that figure.

Mr. CHAFEE. That is the latest figure that they have.

Now, what does that mean, when we run a budget deficit like that? By the way, the deficit in the following year is in the billions, likewise. I am sure for 1995, when we are going to embark on this program with some $400 million

more than this requests in its authorization for the current year, that means we are going to send the bill to our children. It is all well and good to give sturdy speeches out here about doing something about the deficit, having courage. But here we start right off with a measure that spends $2.8 billion to take care of big business, to a considerable degree, and send the bill to our children.

Mr. President, I think that is wrong. Can nice arguments be made in favor of this spending? Of course they can be made. Just like there is not one of us who could not be here on the floor and dream up 100 programs that are not only good for our Nation but we can classify as investments; that key word, "investment." But in the final analysis we are sending the bill to our children. I think it is wrong. I hope this measure will be defeated.

Mr. DANFORTH. Let me just address one comment to the Senator from Rhode Island. One, new programs that would be created by this legislation would make the Federal Government into a venture capitalist. There is a program, which is a brand new program, that would create a fund of $50 million for 1995, and an additional $50 million for 1996, that would turn our Government into a venture capitalist operation. The legislation provides if we invest well, we might be able to make money.

So let us say that we decided in the venture capital operation to invest in, let us say, Bullfrog Gold Mines and we struck it rich and made a fortune. I suppose it is conceivable that, if the governmental venture capitalists do strike it rich, we will fix the problem of the budget deficit. So maybe there is good news in some of this. I will have to see it to believe it. I am not confident we will do a good job as venture capitalists, but it is in the legislation. It is believed that this is an appropriate role for the taxpayers' money to get into the venture capitalist business. If you are a venture capitalist, sometimes you win money and sometimes you lose money.

Mr. CHAFEE. Mr. President, I would like to ask the distinguished Senator from Missouri, who are the very, very wise people who are going to make these venture capital investments that we are fortunate enough to have in the employ of the U.S. Government? How is this going to work? I am curious. They must be very, very bright people who are going to do this.

By the way, how do they make their decisions, who gets the money?

Mr. DANFORTH. As I understand it there is a company that is set up that gets involved in venture capital. I would defer to the author of the bill for an answer to that question.

Mr. CHAFEE. I wonder if the distinguished Senator from South Carolina could give me a hand on that because I find this intriguing.

Mr. HOLLINGS. What I find intriguing in this Off-Broadway show. Evidently, we have a fundraiser or a special meal. I was not listening here to the last question because it was all out of whole cloth.

What does the Senator want to know about venture capitalists?

Mr. CHAFEE. How it works. I am not familiar that previous to this we have had the Federal Government investing money in startup ventures. Am I correct that is what happens? How does this work?

Mr. HOLLINGS. This works in a different way. For one, the main program, the Advanced Technology Program, is at the initiation of private industry. They have to come in and say here is our advanced technology research program. They have to come in with at least half of the money. Once that is done, they have to give it on a merit basis, peer review—we have the National Academy of Engineering. You do not have to wonder about it, we have a list of success stories all around the country. It has been going on for 2 years.

When the Senator yields the floor, I will get to the amounts of money and show how facetious this act has been. Because we are not spending the money the Senator from Missouri, answering questions, indicates.

We are not spending as much money as he voted for. The Senator asked him to answer the question. He never did tell you candidly. But, wait a minute, Senator from Rhode Island, when we reported this bill for $1.5 billion for 1 year or $3 billion, not 2.8 billion, in fact we are spending $143 million less than the Senator from Missouri voted for. He is not telling you that. He is talking about a pocketful of money and burning a hole in it and we are going to dish it all out.

And where does the money come from in this authorization? Have I ever seen where the money comes from in the authorization of, let us say, the defense budget? Or the environmental budget? Or any of these other authorizations? I have been around here a long time.

I will get into the courage in just a little while, too, with respect to paying the bills around this town.

So I appreciate the time taken. I guess something else important is going on because I am going to get to the truth when you folks are completed.

Mr. CHAFEE. I appreciate that. Perhaps while the Senator is up he can give me the truth in where I erred in the figures I have here. Am I in error in saying that the total appropriation for these activities were $526 million in the current fiscal year? Am I in error there?

Mr. HOLLINGS. It is way more than that. Current fiscal year, the Senator is using the $526 million. Where he is in error is he comes to the $2.8 billion there. A lot of these programs as he indicates, the financing SBA wants; the new National Science Foundation; the new information highway; the facilities and various other ones. I think what we ought to do, rather than confuse the Senator going step by step, is just look and see what it says there on that particular report, fiscal year 1995, S. 4 report. It reported $1.513 billion.

Does the Senator see that in the column down at the bottom? The second one. He cited the 526. Go to the next figure on totals.

Mr. CHAFEE. I have the next total, it shows what has been requested for these programs by the administration in the current year.

Mr. HOLLINGS. No. No. The Senator does not have the $1.513 figure for 1995?

Mr. CHAFEE. For 1995 I have $964 million was requested by the administration in the current year.

Mr. HOLLINGS. Yes, but I am trying to get to the one everybody is trying to avoid on that side of the aisle. The $1.513 billion is before you get over to the $964 million, because that is a cut from what we reported. You see, all the Republicans voted for this. I hate for you to just run them down and burning holes in the pockets, hot pockets, and all of these other things and encourage balanced budget amendments.

Let us get to where the unanimous Republicans as well as unanimous Democrats voted for this particular bill when we reported it. The administration, you are right, asked for less, $964 million is less than the $1.513 billion. In fact, they did cut it. But $1.513 billion. All of these things that they started out with—yes, this is a new program and it is an old program. It is an embellished program. It is intelligently embellished. If you will yield the floor, I will go into it and show you why.

Mr. CHAFEE. I would just like to make sure I understand the statistic. I guess what you are saying, and that apparently does not appear in my figures here, what you are saying is the authorization for 1994 was, you say—if I understand you correctly—was $1 billion something, and the appropriation was $526 million; is that correct?

Mr. HOLLINGS. No, that is not it. I said when we reported the bill that all voted for——

Mr. CHAFEE. This year or last year?

Mr. HOLLINGS. For the next year, 1995. All of it comes up from 1994. There is no question about that. But after judicious discussion and treatment, we went over the bill and we reported $1.5 billion, and when we started the bill, having gone to OMB and having brought it back within budget so it does not increase the deficit, it is within the freeze, it is down to $1.370 billion. That is exactly the floor modification for 1995 and for 1996, $1.478 billion.

Mr. CHAFEE. I am with you on those last two figures.

Mr. HOLLINGS. Yes.

Mr. CHAFEE. Your $1.5 billion, I am not sure whether that was the committee that sent that along.

Mr. HOLLINGS. Yes, that is right.

Mr. CHAFEE. Do not tarnish me with the committee. I am not on the committee.

Mr. HOLLINGS. Excuse me, you are asking the distinguished Senator from Missouri who is my ranking member. That is why I take it as a pretty good act off Broadway. Come on. He answered not with a figure, he answered with hot pockets, a pocket of money burning a hole.

Mr. CHAFEE. That appears to me to be the case here, and I would echo that sentiment because when all is said and done—if you have your way, we are going to spend a lot more money on this program. Next year you are going to spend more money and the year after you are going to spend more than that.

Mr. HOLLINGS. I hope, if you understand what is going on—I am going to just get the floor and explain this to you, all right?

Mr. CHAFEE. All right, that is fine. In the meantime, let me repeat that I think we have a lot of requirements in the United States Government. We are spending more than we take in; that when we have a chance to hold the line, we ought to hold the line. And people can label lovely things with terms like "investment" or "cows come home," but the truth is, we are sending the bill on to our children on this measure, and I think it is wrong and I hope S. 4 is defeated.

Mr. DANFORTH. Mr. President, before the Senator yields the floor, I think I am in a position now to shed light on the Senator's inquiry about the new $50 million a year venture capital program.

To appreciate this program, the Senator has to understand the philosophy behind the bill. In the committee report, we are told that we are in an era of strong international economic competition. Then we are told, DOC—that is the Department of Commerce—has a leadership role to play in this new era.

Now, pursuant to the new leadership role for our Department of Commerce, under this program, a committee consisting of the Department of Commerce and the Small Business Administration would license venture capital companies.

So let us say that you have a venture capital company. Why, you could come from, let us say, Rhode Island, to Washington and meet with the committee and apply for a license, and then if the Department of Commerce and the SBA were to license your venture capital company, you would be eligible to receive financial support under this program. And then you would be able to, in turn, lend the money that the Government is providing to your licensed venture capital company to high-tech ventures.

So that would be how it would work.

Mr. CHAFEE. This is a new program?

Mr. DANFORTH. Yes, this is brand new where the Department of Commerce and the Small Business Administration licenses venture capital firms who would then be eligible to apply for and receive Federal money so that they could use it to invest in venture capital projects.

Mr. CHAFEE. You know the best thing in the world, if you want to encourage venture capital, why do they not cut the capital gains rate?

Mr. DANFORTH. I think that is a very, very good question. I think that is a very good question, but the way we choose to do it in this legislation—I do not choose to do it—but the way they have chosen to do it in this legislation is to create a new program so that the Department of Commerce and the Small Business Administration can license venture capital companies.

This is the place to come, Washington. If you are in the venture capital business, Washington is the place to come to be licensed. I hope that some modicum of this money, just a little bit, just a few dollars of the $100 million for venture capital in this legislation can be provided to engrave the licenses.

If we have venture capital companies that are licensed by the Department of Commerce and the Small Business Administration, let us not have cheap licenses that look like they were cranked out on a Xerox machine. Let us have the real thing. Maybe the Bureau of Printing and Engraving can get on this case and we can have first-class licenses suitable for framing.

Mr. CHAFEE. Mr. President, I just want to say, I want to find the directions to this place because, obviously, I will send all the Rhode Islanders who want some money to start ladling out to come on down, the cookie jar is available to dole out to what this worthy group determines to be the type of venture capitalism they ought to get into.

I do not know how this country has survived without these programs. I thought once we were a great entrepreneurial country that was moving ahead and, indeed, was the most creative and inventive Nation in the world, and we have done all this without this Government-run venture capital. Now we are going to learn how to do it from these wise men and women in Washington. It is certainly an intriguing possibility. The only problem is, of course, our children will be paying it.

I want to thank the Chair.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, in spite of the statement just heard, the best of the best—the Advanced Technology Coalition, which comprises the American Electronics Association, the National Association of Manufacturers and going right on down all the responsible entities—have endorsed it.

Once again, so the distinguished Senator from Rhode Island understands—and incidentally, we did not just start in this business. I remember years back when you started talking about responsibility and budgets and what the children are going to pay. It so happens as a young Governor, I realized that nobody was going to invest in Podunk and certainly not a bankrupt State.

And so the first order of business was to cut spending and raise some revenues and get a AAA credit rating. The way I got that AAA credit rating advanced in balancing the budget was also put in an initiative. I went up to Standard & Poor's and Moody's and they say, "Well, so you got it balanced in 1 year. How can we count on it?"

I said I have a certificate by the comptroller to be given quarterly to the Governor that the expenditures are within the revenues. And they got cut straight across the board. They said, "You've got it." Both Standard & Poor's and Moody's gave us a AAA rating, and we did not lose it until last year. We had it from 1959 on. I used the technical training and skills to clean Rhode Island's and Missouri's clocks. You name the industry that left for South Carolina from Missouri and Rhode Island, and I will give you a list of them.

I worked hard on this when I came to the Congress. I was delighted to work at that particular time when President Lyndon Johnson said, "I am being accused of guns and butter. Cut the spending and get back in the black." And it was the final hours in December 1968, going into the 1968–1969 period there, where we called over and Marvin Watson said, "Yes, we can get permission, cut another $5 billion." The whole budget was only $178 billion at the time, and so we put the Government into the black.

Later on, trying through the years to get things done and cut some spending and raise some revenues both, we put in the freeze. I had the distinguished leader, majority leader, Senator Howard Baker, help me on it. We got tackled from behind, when you talk about courage and not giving the bill to the children.

I then took that South Carolina idea—it worked so well—and went with Senator GRAMM and Senator RUDMAN, and over on this side of the aisle, if you think it is easy to get votes on these kinds of things, 14 votes up and down. The majority of the Democrats voted for it over the opposition of the then-majority leader, the majority whip and the chairman of the Budget Committee.

I do not know the Senator's exact voting record, but I know my own. And

I raised the point of order when they went to repeal it in 1990, that particular summit conference. I raised it late at night and they voted to repeal Gramm-Rudman-Hollings.

They run around saying it did not work. They removed its applicability is exactly what happened.

So then I went to President Bush at the time and asked him, told him what we needed was some spending cuts, but we needed a value-added tax. I testified before the distinguished Senator's Finance Committee with Lawton Chiles, Dr. Van Cnossen, the expert on value-added taxes, saying to President Bush at the time—and I got a note from him; I can gladly confirm it. He thought it was a good idea, but not now. Darman, Dick Darman, we worked on it and everything else. And I said, "Mr. President, you are going to be in real trouble by 1992. If you don't go now, you will not need the Secret Service." So it did not go.

So I put in the bill the first of '92 before the election, and again now in the first of '93, for a value-added tax. I had to run on it. The Senator is talking about courage; try running on taxes someplace. We ran on taxes. We put in taxes for health care and the deficit and debt.

I have heard statements made by the Senator himself on the TV show that no one has proposed really how to pay for this, Republican and Democrat. I have heard the same statements made by our own leader over here.

I have proposed how to pay for it. We can put in a VAT. I believe in paying for it, and I do not believe in putting it off on the children. I voted for a Kerrey amendment, across-the-board spending cuts. I voted against the supercollider. I am chairman of space authorization—but I voted against the space station. I can go down a long list of those things I will spend and cut and tax, so do not come and ask this Senator about where is the courage, where in the bill, that little act.

I was really amused because I never heard this in my life. He says, "Now, where does the money come from?" And then the Senator from Missouri, "Well, that raises a good point. It does not say so in the bill?"

You show me in any of these authorization bills where the money comes from.

Then he says, "Well, it is a phony bill. It does not tell us where the money comes from."

We are grown individuals. We have been around here. We have worked together. But do not put on this kind of nonsense at this particular time because, bottom line, we are spending less than what the Senator and all the others voted for. I will give you the rollcall.

But they reported a bill in June of last year, unanimously, and they said spend $1.5 billion—not zero. Yes, zero here but so much there, and on down the line—$1.513 billion. And the amount for '95 now is down to $1.370 billion, which is $143 million less than what the Senator from Missouri supported. He did not tell that in responding to the question. And $1.478 billion out in 1996, which is still less, less—cutting—the amount of the Senator from Missouri and the other Senators on the committee.

So they can put on the act and talk about burning holes in the pocket, and slush funds, and everything else like that. But there is nothing more studied and structured.

The Republican Task Force on Defense Conversion, June 25, 1992. Here is what they asked. They said, "Please get into this program. We want to get in from defense over to the private sector." On that score, I will read word for word what 14 of our Republican Senators called for.

> The task force endorses two programs of the National Institute of Standards and Technology important to the efforts to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the manufacture and technology programs and the advanced technology programs.

Then all you have to do—not just us—go to the coalition itself that has been working in this particular field, the Competitiveness Policy Council. They put out their report and they said, for example, on spending "expand the advanced technology program in the Department of Commerce and"—a new place to go get your money—"venture capital."

Yes, that is what they said. They compared it to an annual program of $750 million. We have not gotten up to that in 1996. It is only 500-some million. We have not even gotten what they want. And then you call it $2.6 billion. You marry together 2 years. You do not say that. I wish we could get it to a $2 billion program.

What do they say? What do they say? All right, here it is. They said, "And the reductions in the defense systems development and testing budgets, the $4 billion to $8 billion, should be applied to civilian dual use R&D."

So they are trying to get it up to $4 billion to $8 billion, not 2.8 billion, whatever figure you are using, and it is not the $3 billion that the Senator wanted, if we are going to use 2-year figures.

So come on. It sounds pretty to put on these shows, but it is not factual, it is not truth. And it is very damaging to a well conceived measure that has gone through the scrutiny of all the committees on all sides, and really when it got to the money, to the OMB, yes, they cut it back. And that is why we put in the modification.

AMENDMENT NO. 1490

(Purpose: To provide incentives to eligible institutions to enable such institutions to devise and implement solutions to problems facing business development and expansion in lower income urban communities)

AMENDMENT NO. 1491

(Purpose: To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by authorizing a demonstration program that enables local governments and private, nonprofit organizations to use amounts available under certain Federal assistance programs in accordance with approved local flexibility plans)

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. I send two amendments to the desk and ask that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows.

The Senator from Oregon [Mr. HATFIELD] proposes amendments en bloc numbered 1490 and 1491.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 1490

At the appropriate place, insert the following section:

SEC. ___. URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.

(a) URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.—

(1) AUTHORIZATION.—The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to make grants to eligible institutions in accordance with this section.

(2) APPLICATION.—

(A) IN GENERAL.—An eligible institution seeking assistance under this section shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

(B) CONTENTS.—Except as provided in subparagraph (C), each application submitted pursuant to subparagraph (A) shall include—

(i) a description of the activities and services for which assistance is sought;

(ii) evidence of coordination with any small business development centers in existence in the community; and

(iii) documentation of the formation of a consortium that includes, in addition to eligible institutions, one or more of the following entities:

(I) A nonprofit organization.

(II) A business or other employer.

(C) WAIVER.—The Secretary may waive the requirements of subparagraph (B)(iii) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan that otherwise meets the requirements of this section.

(3) SELECTION PROCEDURES.—Not later than 120 days after the date of enactment of this section, the Secretary shall, by regulation,

develop a formal procedure for the submission of applications under this section and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this section.

(b) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds provided under this section shall be used to design and implement programs to assist businesses, especially those in lower income urban communities, to become more productive and able to compete in the global marketplace.

(2) SPECIFIC AUTHORIZED ACTIVITIES.—Activities conducted with funds made available under this section may include research on, or planning and implementation of technology transfer, technical training, the delivery of services, or technical assistance in—

(A) business development;

(B) business creation;

(C) business expansion; and

(D) human resource management.

(c) PEER REVIEW PANEL.—

(1) ESTABLISHMENT.—Not later than 90 days after the date on which the Secretary publishes the announcement in the Federal Register in accordance with subsection (a)(3), the Secretary shall appoint a peer review panel (hereafter in this section referred to as the "panel").

(2) MEMBERSHIP.—In appointing the panel under paragraph (1), the Secretary shall consult with officials of other Federal agencies and with non-Federal organizations in order to ensure that—

(A) the panel membership is geographically balanced; and

(B) the panel is composed of representatives from public and private institutions of higher education, labor, business, and nonprofit organizations having expertise in business development in lower income urban communities.

(3) DUTIES.—The panel shall—

(A) review applications submitted under this section; and

(B) make recommendations to the Secretary concerning the selection of grant recipients.

(d) DISBURSEMENT OF FUNDS.—

(1) LIMITATION ON AMOUNT.—The Secretary shall not provide assistance under this section to any recipient which exceeds $400,000 during any 1-year period.

(2) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this section in a manner that achieves equitable geographic distribution of such grants.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) LOWER INCOME URBAN COMMUNITY.—The term "lower income urban community" means an urban area in which the percent of residents living below the Federal poverty level is not less than 115 percent of the statewide average.

(2) URBAN AREA.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "urban area" means a primary metropolitan statistical area of the United States Department of Commerce, Bureau of the Census.

(B) EXCEPTION.—With respect to a State that does not contain an urban area, as defined in subparagraph (A), the Secretary shall designate 1 area in the State as an urban area for purposes of this section.

(3) ELIGIBLE INSTITUTION.—

(A) INSTITUTION OR CONSORTIUM.—The term "eligible institution" means a nonprofit institution of higher education that meets the requirements of subparagraph (B), or a consortium of such institutions, any 1 of which meets the requirements of subparagraph (B).

(B) REQUIREMENTS.—An institution meets the requirements of this subparagraph if the institution—

(i) is located in an urban area;

(ii) draws a substantial portion of its undergraduate students from the urban area in which such institution is located, or from contiguous areas;

(iii) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas;

(iv) has the present capacity to provide resources responsive to the needs and priorities of such urban area and contiguous areas;

(v) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources;

(vi) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and the people of such areas; and

(vii) has a school of business accredited by the American Assembly of Collegiate Schools of Business (or similar organization) with faculty experienced in conducting research on issues of immediate concern to small and emerging businesses.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $10,000,000, for fiscal year 1995; and

(2) such sums as may be necessary, for fiscal years 1996, 1997, 1998, and 1999.

AMENDMENT NO. 1491

Add at the end of the bill the following new title:

TITLE VIII—LOCAL EMPOWERMENT AND FLEXIBILITY

SEC. 801. SHORT TITLE.

This title may be cited as the "Local Empowerment and Flexibility Act of 1994".

SEC. 802. FINDINGS.

The Congress finds that—

(1) historically, Federal social service programs have addressed the Nation's social problems by providing categorical assistance with detailed requirements relating to the use of funds;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some program requirements may inadvertently impede the effective delivery of social services;

(3) the Nation's local governments and private, nonprofit organizations are dealing with increasingly complex social problems which require the delivery of many kinds of social services;

(4) the Nation's communities are diverse, and different social needs are present in different communities;

(5) it is more important than ever to provide programs that—

(A) promote local delivery of social services to meet the full range of needs of individuals and families;

(B) respond flexibly to the diverse needs of the Nation's communities;

(C) reduce the barriers between programs that impede local governments' ability to effectively deliver social services; and

(D) empower local governments and private, nonprofit organizations to be innovative in creating programs that meet the unique needs of the people in their communities while continuing to address national social service goals; and

(6) many communities have innovative planning and community involvement strategies for social services, but Federal, State, and local regulations often hamper full implementation of local plans.

SEC. 803. PURPOSES.

The purposes of this title are to—

(1) enable more efficient use of Federal, State, and local resources;

(2) place less emphasis in Federal social service programs on measuring resources and procedures and more emphasis on achieving Federal, State, and local social services goals;

(3) enable local governments and private, nonprofit organizations to adapt programs of Federal assistance to the particular needs of low income citizens and the operating practices of recipients, by—

(A) drawing upon appropriations available from more than one Federal program; and

(B) integrating programs and program funds across existing Federal assistance categories; and

(4) enable local governments and private, nonprofit organizations to work together and build stronger cooperative partnerships to address critical social service problems.

SEC. 804. DEFINITIONS.

For purposes of this Act—

(1) the term "approved local flexibility plan" means a local flexibility plan that combines funds from Federal, State, local government or private sources to address the social service needs of a community (or any part of such a plan) that is approved by the Community Enterprise Board under section 806;

(2) the term "community advisory committee" means such a committee established by a local government under section 808;

(3) the term "Community Enterprise Board" means the board established by the President that is composed of the—

(A) Vice President;

(B) Assistant to the President for Domestic Policy;

(C) Assistant to the President for Economic Policy;

(D) Secretary of the Treasury;

(E) Attorney General;

(F) Secretary of the Interior;

(G) Secretary of Agriculture;

(H) Secretary of Commerce;

(I) Secretary of Labor;

(J) Secretary of Health and Human Services;

(K) Secretary of Housing and Urban Development;

(L) Secretary of Transportation;

(M) Secretary of Education;

(N) Administrator of the Environmental Protection Agency;

(O) Director of National Drug Control Policy;

(P) Administrator of the Small Business Administration;

(Q) Director of the Office of Management and Budget; and

(R) Chair of the Council of Economic Advisers.

(4) the term "covered Federal assistance program" means an eligible Federal assistance program that is included in a local flexibility plan of a local government;

(5) the term "eligible Federal assistance program"—

(A) means a Federal program under which assistance is available, directly or indirectly, to a local government or a qualified organization to carry out a program for—

(i) economic development;

(ii) employment training;

(iii) health;

(iv) housing;

(v) nutrition;

(vi) other social services; or

(vii) rural development; and

(B) does not include a Federal program under which assistance is provided by the Federal Government directly to a beneficiary of that assistance or to a State as a direct payment to an individual;

(6) the term "eligible local government" means a local government that is eligible to receive assistance under 1 or more covered Federal programs;

(7) the term "local flexibility plan" means a comprehensive plan for the integration and administration by a local government of assistance provided by the Federal Government under 2 or more eligible Federal assistance programs;

(8) the term "local government" means a subdivision of a State that is a unit of general local government (as defined under section 6501 of title 31, United States Code);

(9) the term "low income" means having an income that is not greater than 200 percent of the Federal poverty income level;

(10) the term "priority funding" means giving higher priority (including by the assignment of extra points, if applicable) to applications for Federal assistance submitted by a local government having an approved local flexibility program, by—

(A) a person located in the jurisdiction of such a government; or

(B) a qualified organization eligible for assistance under a covered Federal assistance program included in such a plan;

(11) the term "qualified organization" means a private, nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986; and

(12) the term "State" means the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

SEC. 805. DEMONSTRATION PROGRAM.

The Community Enterprise Board shall—

(1) establish and administer a local flexibility demonstration program by approving local flexibility plans in accordance with the provisions of this title;

(2) no later than 180 days after the date of the enactment of this Act, select no more than 30 local governments from no more than 6 States to participate in such program, of which—

(A) 3 States shall each have a population of 3,500,000 or more as determined under the most recent decennial census; and

(B) 3 States shall each have a population of 3,500,000 or less as determined under the most recent decennial census.

SEC. 806. PROVISION OF FEDERAL ASSISTANCE IN ACCORDANCE WITH APPROVED LOCAL FLEXIBILITY PLAN.

(a) PAYMENTS TO LOCAL GOVERNMENTS.—Notwithstanding any other provision of law, amounts available to a local government or a qualified organization under a covered Federal assistance program included in an approved local flexibility plan shall be provided to and used by the local government or organization in accordance with the approved local flexibility plan.

(b) ELIGIBILITY FOR BENEFITS.—An individual or family that is eligible for benefits or services under a covered Federal assistance program included in an approved local flexibility plan may receive those benefits only in accordance with the approved local flexibility plan.

SEC. 807. APPLICATION FOR APPROVAL OF LOCAL FLEXIBILITY PLAN.

(a) IN GENERAL.—A local government may submit to the Community Enterprise Board in accordance with this section an application for approval of a local flexibility plan.

(b) CONTENTS OF APPLICATION.—An application submitted under this section shall include—

(1) a proposed local flexibility plan that complies with subsection (c);

(2) certification by the chief executive of the local government, and such additional assurances as may be required by the Community Enterprise Board, that—

(A) the local government has the ability and authority to implement the proposed plan, directly or through contractual or other arrangements, throughout the geographic area in which the proposed plan is intended to apply;

(B) amounts are available from non-Federal sources to pay the non-Federal share of all covered Federal assistance programs included in the proposed plan; and

(C) low income individuals and families that reside in that geographic area participated in the development of the proposed plan;

(3) any comments on the proposed plan submitted under subsection (d) by the Governor of the State in which the local government is located;

(4) public comments on the plan including the transcript of at least 1 public hearing and comments of the appropriate community advisory committee established under section 810; and

(5) other relevant information the Community Enterprise Board may require to approve the proposed plan.

(c) CONTENTS OF PLAN.—A local flexibility plan submitted by a local government under this section shall include—

(1) the geographic area to which the plan applies and the rationale for defining the area;

(2) the particular groups of individuals, by age, service needs, economic circumstances, or other defining factors, who shall receive services and benefits under the plan;

(3)(A) specific goals and measurable performance criteria, a description of how the plan is expected to attain those goals and criteria;

(B) a description of how performance shall be measured; and

(C) a system for the comprehensive evaluation of the impact of the plan on participants, the community, and program costs;

(4) the eligible Federal assistance programs to be included in the plan as covered Federal assistance programs and the specific benefits that shall be provided under the plan under such programs, including—

(A) criteria for determining eligibility for benefits under the plan;

(B) the services available;

(C) the amounts and form (such as cash, in-kind contributions, or financial instruments) of nonservice benefits; and

(D) any other descriptive information the Community Enterprise Board considers necessary to approve the plan;

(5) except for the requirements under section 809(b)(3), any Federal statutory or regulatory requirement applicable under a covered Federal assistance program included in the plan, the waiver of which is necessary to implement the plan;

(6) fiscal control and related accountability procedures applicable under the plan;

(7) a description of the sources of all non-Federal funds that are required to carry out covered Federal assistance programs included in the plan;

(8) written consent from each qualified organization for which consent is required under section 806(b)(2); and

(9) other relevant information the Community Enterprise Board may require to approve the plan.

(d) PROCEDURE FOR APPLYING.—(1) To apply for approval of a local flexibility plan, a local government shall submit an application in accordance with this section to the Governor of the State in which the local government is located.

(2) A Governor who receives an application from a local government under paragraph (1) may, by no later than 30 days after the date of that receipt—

(A) prepare comments on the proposed local flexibility plan included in the application;

(B) describe any State laws which are necessary to waive for successful implementation of a local plan; and

(C) submit the application and comments to the Community Enterprise Board.

(3) If a Governor fails to act within 30 days after receiving an application under paragraph (2), the applicable local government may submit the application to the Community Enterprise Board.

SEC. 808. REVIEW AND APPROVAL OF LOCAL FLEXIBILITY PLANS.

(a) REVIEW OF APPLICATIONS.—Upon receipt of an application for approval of a local flexibility plan under this title, the Community Enterprise Board shall—

(1) approve or disapprove all or part of the plan within 45 days after receipt of the application;

(2) notify the applicant in writing of that approval or disapproval by not later than 15 days after the date of that approval or disapproval; and

(3) in the case of any disapproval of a plan, include a written justification of the reasons for disapproval in the notice of disapproval sent to the applicant.

(b) APPROVAL.—(1) The Community Enterprise Board may approve a local flexibility plan for which an application is submitted under this title, or any part of such a plan, if a majority of members of the Board determines that—

(A) the plan or part shall improve the effectiveness and efficiency of providing benefits under covered Federal programs included in the plan by reducing administrative inflexibility, duplication, and unnecessary expenditures;

(B) the applicant local government has adequately considered, and the plan or part of the plan appropriately addresses, any effect that administration of each covered Federal program under the plan or part of the plan shall have on administration of the other covered Federal programs under that plan or part of the plan;

(C) the applicant local government has or is developing data bases, planning, and evaluation processes that are adequate for implementing the plan or part of the plan;

(D) the plan shall more effectively achieve Federal assistance goals at the local level and shall better meet the needs of local citizens;

(E) implementation of the plan or part of the plan shall adequately achieve the purposes of this title and of each covered Federal assistance program under the plan or part of the plan;

(F) the plan and the application for approval of the plan comply with the requirements of this title;

(G) the plan or part of the plan is adequate to ensure that individuals and families that receive benefits under covered Federal assistance programs included in the plan or part shall continue to receive benefits that

meet the needs intended to be met under the program;

(H) the qualitative level of those benefits shall not be reduced for any individual or family; and

(I) the local government has—

(i) waived the corresponding local laws necessary for implementation of the plan; and

(ii) sought any necessary waivers from the State.

(2) The Community Enterprise Board may not approve any part of a local flexibility plan if—

(A) implementation of that part would result in any increase in the total amount of obligations or outlays of discretionary appropriations or direct spending under covered Federal assistance programs included in that part, over the amounts of such obligations and outlays that would occur under those programs without implementation of the part; or

(B) in the case of a plan or part that applies to assistance to a qualified organization under an eligible Federal assistance program, the qualified organization does not consent in writing to the receipt of that assistance in accordance with the plan.

(3) The Community Enterprise Board shall disapprove a part of a local flexibility plan if a majority of the Board disapproves that part of the plan based on a failure of the part to comply with paragraph (1).

(4) In approving any part of a local flexibility plan, the Community Enterprise Board shall specify the period during which the part is effective. An approved local flexibility plan shall not be effective after the date of the termination of effectiveness of this title under section 813(a).

(5) Disapproval by the Community Enterprise Board of any part of a local flexibility plan submitted by a local government under this title shall not affect the eligibility of a local government, a qualified organization, or any individual for benefits under any Federal program.

(c) MEMORANDA OF UNDERSTANDING.—(1) The Community Enterprise Board may not approve a part of a local flexibility plan unless each local government and each qualified organization that would receive assistance under the plan enters into a memorandum of understanding under this subsection with the Community Enterprise Board.

(2) A memorandum of understanding under this subsection shall specify all understandings that have been reached by the Community Enterprise Board, the local government, and each qualified organization that is subject to a local flexibility plan, regarding the approval and implementation of all parts of a local flexibility plan that are the subject of the memorandum, including understandings with respect to—

(A) all requirements under covered Federal assistance programs that are to be waived by the Community Enterprise Board under section 809(b);

(B)(i) the total amount of Federal funds that shall be provided as benefits under or used to administer covered Federal assistance programs included in those parts; or

(ii) a mechanism for determining that amount, including specification of the total amount of Federal funds that shall be provided or used under each covered Federal assistance program included in those parts;

(C) the sources of all non-Federal funds that shall be provided as benefits under or used to administer those parts;

(D) measurable performance criteria that shall be used during the term of those parts to determine the extent to which the goals and performance levels of the parts are achieved; and

(E) the data to be collected to make that determination.

(d) LIMITATION ON CONFIDENTIALITY REQUIREMENTS.—The Community Enterprise Board may not, as a condition of approval of any part of a local flexibility plan or with respect to the implementation of any part of an approved local flexibility plan, establish any confidentiality requirement that would—

(1) impede the exchange of information needed for the design or provision of benefits under the parts; or

(2) conflict with law.

SEC. 809. IMPLEMENTATION OF APPROVED LOCAL FLEXIBILITY PLANS; WAIVER OF REQUIREMENTS.

(a) PAYMENTS AND ADMINISTRATION IN ACCORDANCE WITH PLAN.—Notwithstanding any other law, any benefit that is provided under a covered Federal assistance program included in an approved local flexibility plan shall be paid and administered in the manner specified in the approved local flexibility plan.

(b) WAIVER OF REQUIREMENTS.—(1) Notwithstanding any other law and subject to paragraphs (2) and (3), the Community Enterprise Board may waive any requirement applicable under Federal law to the administration of, or provision of benefits under, any covered Federal assistance program included in an approved local flexibility plan, if that waiver is—

(A) reasonably necessary for the implementation of the plan; and

(B) approved by a majority of members of the Community Enterprise Board.

(2) The Community Enterprise Board may not waive a requirement under this subsection unless the Board finds that waiver of the requirement shall not result in a qualitative reduction in services or benefits for any individual or family that is eligible for benefits under a covered Federal assistance program.

(3) The Community Enterprise Board may not waive any requirement under this subsection—

(A) that enforces any constitutional or statutory right of an individual, including any right under—

(i) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

(ii) section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(iii) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

(iv) the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); or

(v) the Americans with Disabilities Act of 1990;

(B) for payment of a non-Federal share of funding of an activity under a covered Federal assistance program; or

(C) for grants received on a maintenance of effort basis.

(c) SPECIAL ASSISTANCE.—To the extent permitted by law, the head of each Federal agency shall seek to provide special assistance to a local government or qualified organization to support implementation of an approved local flexibility plan, including expedited processing, priority funding, and technical assistance.

(d) EVALUATION AND TERMINATION.—(1) A local government, in accordance with regulations issued by the Community Enterprise Board, shall—

(A) submit such reports on and cooperate in such audits of the implementation of its approved local flexibility plan; and

(B) periodically evaluate the effect implementation of the plan has had on—

(i) individuals who receive benefits under the plan;

(ii) communities in which those individuals live; and

(iii) costs of administering covered Federal assistance programs included in the plan.

(2) No later than 90 days after the end of the 1-year period beginning on the date of the approval by the Community Enterprise Board of an approved local flexibility plan of a local government, and annually thereafter, the local government shall submit to the Community Enterprise Board a report on the principal activities and achievements under the plan during the period covered by the report, comparing those achievements to the goals and performance criteria included in the plan under section 807(c)(3).

(3)(A) If the Community Enterprise Board, after consultation with the head of each Federal agency responsible for administering a covered Federal assistance program included in an approved local flexibility plan of a local government, determines—

(i) that the goals and performance criteria included in the plan under section 807(c)(3) have not been met; and

(ii) after considering any experiences gained in implementation of the plan, that those goals and criteria are sound;

the Community Enterprise Board may terminate the effectiveness of the plan.

(B) In terminating the effectiveness of an approved local flexibility plan under this paragraph, the Community Enterprise Board shall allow a reasonable period of time for appropriate Federal, State, and local agencies and qualified organizations to resume administration of Federal programs that are covered Federal assistance programs included in the plan.

(e) FINAL REPORT; EXTENSION OF PLANS.—(1) No later than 45 days after the end of the effective period of an approved local flexibility plan of a local government, or at any time that the local government determines that the plan has demonstrated its worth, the local government shall submit to the Community Enterprise Board a final report on its implementation of the plan, including a full evaluation of the successes and shortcomings of the plan and the effects of that implementation on individuals who receive benefits under those programs.

(2) The Community Enterprise Board may extend the effective period of an approved local flexibility plan for such period as may be appropriate, based on the report of a local government under paragraph (1).

SEC. 810. COMMUNITY ADVISORY COMMITTEES.

(a) ESTABLISHMENT.—A local government that applies for approval of a local flexibility plan under this title shall establish a community advisory committee in accordance with this section.

(b) FUNCTIONS.—A community advisory committee shall advise a local government in the development and implementation of its local flexibility plan, including advice with respect to—

(1) conducting public hearings;

(2) representing the interest of low income individuals and families; and

(3) reviewing and commenting on all community policies, programs, and actions under the plan which affect low income individuals and families, with the purpose of ensuring maximum coordination and responsiveness of the plan in providing benefits under the plan to those individuals and families.

(c) MEMBERSHIP.—The membership of a community advisory committee shall—

(1) consist of—

(A) low income individuals, who shall—

(i) comprise at least one-third of the membership; and

(ii) include minority individuals who are participants or who qualify to participate in eligible Federal assistance programs;

(B) representatives of low income individuals and families;

(C) persons with leadership experience in the private and voluntary sectors;

(D) local elected officials;

(E) representatives of participating qualified organizations; and

(F) the general public; and

(2) include individuals and representatives of community organizations who shall help to enhance the leadership role of the local government in developing a local flexibility plan.

(d) OPPORTUNITY FOR REVIEW AND COMMENT BY COMMITTEE.—Before submitting an application for approval of a final proposed local flexibility plan, a local government shall submit the final proposed plan for review and comment by a community advisory committee established by the local government.

(e) COMMITTEE REVIEW OF REPORTS.—Before submitting annual or final reports on an approved assistance plan, a local government or private nonprofit organization shall submit the report for review and comment to the community advisory committee.

SEC. 811. TECHNICAL AND OTHER ASSISTANCE.

(a) TECHNICAL ASSISTANCE.—(1) The Community Enterprise Board may provide, or direct that the head of a Federal agency provide, technical assistance to a local government or qualified organization in developing information necessary for the design or implementation of a local flexibility plan.

(2) Assistance may be provided under this subsection if a local government makes a request that includes, in accordance with requirements established by the Community Enterprise Board—

(A) a description of the local flexibility plan the local government proposes to develop;

(B) a description of the groups of individuals to whom benefits shall be provided under covered Federal assistance programs included in the plan; and

(C) such assurances as the Community Enterprise Board may require that—

(i) in the development of the application to be submitted under this title for approval of the plan, the local government shall provide adequate opportunities to participate to—

(I) low income individuals and families that shall receive benefits under covered Federal assistance programs included in the plan; and

(II) governmental agencies that administer those programs; and

(ii) the plan shall be developed after considering fully—

(I) needs expressed by those individuals and families;

(II) community priorities; and

(III) available governmental resources in the geographic area to which the plan shall apply.

(b) DETAILS TO BOARD.—At the request of the Chairman of the Community Enterprise Board and with the approval of an agency head who is a member of the Board, agency staff may be detailed to the Community Enterprise Board on a nonreimbursable basis.

SEC. 812. COMMUNITY ENTERPRISE BOARD.

(a) FUNCTIONS.—The Community Enterprise Board shall—

(1) receive, review, and approve or disapprove local flexibility plans for which approval is sought under this title;

(2) upon request from an applicant for such approval, direct the head of an agency that administers a covered Federal assistance program under which substantial Federal assistance would be provided under the plan to provide technical assistance to the applicant;

(3) monitor the progress of development and implementation of local flexibility plans;

(4) perform such other functions as are assigned to the Community Enterprise Board by this title; and

(5) issue regulations to implement this title within 180 days after the date of its enactment.

(b) REPORTS.—No less than 18 months after the date of the enactment of this Act, and annually thereafter, the Community Enterprise Board shall submit a report on the 5 Federal regulations that are most frequently waived by the Community Enterprise Board for local governments with approved local flexibility plans to the President and the Congress. The President shall review the report and determine whether to amend or terminate such Federal regulations.

SEC. 813. TERMINATION AND REPEAL; REPORT.

(a) TERMINATION AND REPEAL.—This title is repealed on the date that is 5 years after the date of the enactment of this Act.

(b) REPORT.—No later than 4 years after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress, a report that—

(1) describes the extent to which local governments have established and implemented approved local flexibility plans;

(2) evaluates the effectiveness of covered Federal assistance programs included in approved local flexibility plans; and

(3) includes recommendations with respect to continuing local flexibility.

AMENDMENT NO. 1490

Mr. HATFIELD. Mr. President, I am pleased to offer an amendment to S. 4 which builds upon previous work of the Senate in granting greater flexibility to States and to local jurisdictions. In an age of increasingly limited Federal resources, my amendment is designed to help local government and nonprofits direct funds in the areas that help their communities the most.

My amendment creates a demonstration project under the Community Enterprise Board to allow up to 30 local governments in 6 States to allow much greater flexibility in the way they administer Federal economic development and social service funds. Broader local discretion will help our Nation's communities and local areas position themselves to be successful in our Nation's changing economic and social environment without any increase in Federal spending.

Currently, local governments are eligible for hundreds of separate categorical grants for social services and economic development. Federal programs have largely been created in response to a particular need or problem. Programs that provide similar services may be administered by completely different agencies. Many grant programs are narrow, and regulatory rigidity means Federal dollars end up mired in audits and recordkeeping rather than in services to people.

This demonstration refocuses attention from the administrative process to the services delivered to people and communities.

To participate in this demonstration project, local governments would prepare a local flexibility plan for the integration of Federal funds. The local plan must include citizen involvement, including involvement, of low-income citizens. In their planning process, local governments would identify the Federal resources they would use, the Federal, State, and local regulations which would need to be waived, the local resources to be used, and how changes in services will be experienced in the community.

There are many things a local government could not do. The local government could not waive civil rights protections, reduce payments made directly to a person, increase Federal spending, or draw on money passed through State government without permission of the State.

Local flexibility plans must also include clear accountability. The local government must establish clear and measurable goals, and then collect data about the effectiveness of their services. If goals are not met, then the Federal Government will rescind all flexibility and waivers that have been granted.

This is not merely about waiving cumbersome Federal regulations. The local government must also look at the State and local regulations that affect good service delivery. This is an opportunity for local governments to think about the key aspects of the services they deliver, and get out from under administrative procedures that slow or damage effective services.

Granting the new authority to local governments will not increase Federal spending. We are merely giving local jurisdictions more flexibility to use dollars they already receive. And because more dollars can be directed into services rather than administration, we are making limited Federal dollars go further.

Mr. President, the Senate is on record in support of freeing-up State and local government from unnecessary regulations as long as Federal goals continue to be met. Last month, the Senate voted 97–0 in favor of a demonstration project to allow six States to experiment with greater flexibility for education and schools.

A bill similar to my amendment has been introduced in the House of Representatives and has received a favorable response from the Clinton administration. The National Association of Counties and the National League of Cities also testified in favor of the House bill. The President's National Performance Review contained a recommendation similar to this amendment, and the administration supports the creation of comprehensive, commu-

nity-based plans to remove regulatory barriers to the effective use of limited Federal, State, and local funds. I have designed my amendment to tie into the President's Community Enterprise Board, and I believe those local areas selected as empowerment zones and enterprise communities will be among those most able to gain through this amendment.

Population and employment growth, shifts in the global economy, and technological changes are creating new challenges for communities which do not respect the traditional programs that are available to deal with social and economic problems. We need to give our local governments tools to help them find innovative solutions to economic development, job creation, job training, housing, health, and other social issues.

My amendment will help communities better position themselves to be competitive. Economic development and social services are key components of community health, and local governments in our Nation serve communities with a wide variety of social and economic needs. My amendment will help them do it better. I urge my colleagues to join me in passing this amendment.

AMENDMENT NO. 1491

Mr. HATFIELD. Mr. President, this amendment would utilize research facilities already existing in our urban universities to help enable businesses to grow successfully to the point where they can effectively use the technology we are promoting in this act. This amendment will not create a new bureaucracy. It is designed merely to promote business research and business assistance by those uniquely qualified to take on these tasks: namely, our business schools in conjunction with private or nonprofit organizations.

The focus here is not limited to technology, but is on the overall health of businesses in lower income urban communities. But, this amendment does not preclude this assistance from being applied in the rural areas. In fact, if a State does not contain an urban area as defined in the amendment, the Secretary may designate an area for this purpose.

We know one of the most basic problems that businesses face is overregulation. Small and emerging businesses in low income urban areas find development difficult because of the lack of access to investment capital and technical assistance. But, why do some of these businesses thrive and compete internationally while similar businesses fail?

As the committee report on S. 4 notes, only 6 out of 10 of our smaller manufacturers employ advanced technology, compared to 9 out of 10 of plants with more than 500 employees. The SBA's small business profile for 1992 showed a 44-percent increase in business failures nationally from 60,740 in 1990 to 87,266 in 1991. In Oregon these failures rose by 120 percent. While the recession was a major cause of this increase, reports offer little information on exactly why businesses fail or cease to expand in certain areas. When I tried to find research on the specific problems that businesses face in Oregon, one of the only current sources of information was a survey done by the National Federation of Independent Business. Surveys and government statistics cannot take the place of primary research conducted by our Nation's business schools.

Business schools—or consortia made up of schools, businesses, and nonprofit organizations—have an important role to play in sustaining business development. This role could be greatly enhanced without creating any new Federal bureaucracies by encouraging these entities to conduct the much needed research and apply it to businesses in their communities.

This proposal would allow the Department of Commerce to make grants to urban universities for research on, or for implementation of, technical assistance, technology transfer, or delivery of services in business creation, expansion, and human resource management.

The authorization for these demonstration grants is limited to $10 million. The grants would be disbursed geographically, and not exceed $400,000 per institution or consortium. This would make use of the talent and facilities that already exist to create the information and assistance that developing businesses need.

For example, a comprehensive data base on business births, deaths, expansions, or contractions is no longer maintained. One benefit of this proposal might be the creation of such a data base in conjunction with assistance efforts based upon this information. In this case, we would see nonprofit entities taking over functions that were previously under the direction of the SBA in order to enhance American competitiveness.

Other programs such as the Small Business Development Centers [SBDC's] do an admirable job of specializing in assisting small entrepreneurial enterprises. The Urban University Business Initiative is designed to offer the applied research and long-term, in-depth technical assistance to small and emerging businesses that SBDC's do not have the facilities to undertake.

I urge the adoption of this amendment and ask unanimous consent that supporting letters from the American Association of State Colleges and Universities, the National Association of State Universities and Land-Grant Colleges, the American Electronics Association of Oregon, and Portland State University be placed into the RECORD following my remarks.

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

MARCH 9, 1994.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: On behalf of the American Association of State Colleges and Universities (AASCU) and the National Association of State Universities and Land-Grant Colleges (NASULGC), we commend your efforts to match the resources of our urban colleges and universities to the needs of the urban business community through the proposed Urban University Business Initiative legislation.

The community resource and economic development mission of our urban colleges and universities inextricably links our institutions to the communities in which they reside. Moreover, the business community's need for technical assistance and solutions to problems, especially those in lower income urban areas, and the urban university's ability and interest in applying their energies and talents to human and community concerns, creates a climate for urban universities and urban businesses to collaborate.

As we approach the 21st century, the technological challenges threatening America's economy and international competitiveness will have to be addressed by the American people. Too often the potential of our colleges and universities, as participants in the problem solving process, is overlooked. Your legislation helps create the link between urban institutions of higher education and the communities in which they reside.

Once again, we appreciate your foresight and leadership on this issue and your outstanding and longstanding advocacy on behalf of urban and metropolitan colleges and universities.

Sincerely,

JAMES B. APPLEBERRY,
President, American Association of State Colleges and Universities.

C. PETER MAGRATH,
President, National Association of State Universities and Land-Grant Colleges.

AMERICAN ELECTRONICS ASSOCIATION,
Salem, OR, March 9, 1994.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: I am writing to let you know that we have seen your proposed amendment to S.4 regarding urban university business initiative grants and welcome your efforts.

As you well know, Oregon is a hotbed of small businesses, many of which are faced with the daunting task of trying to compete in a global marketplace. Although such programs as the SBDCs attempt to help small enterprises get started, your amendment addresses a different need: the applied research and long-term technical assistance that could be provided by our urban universities.

Your amendment addresses another gap in our current system—a much needed data base to track small business development and chart the reasons for success and failure.

A recent discussion we had with economic development leaders in the Portland area highlighted for us the urgent need for business development strategies designed specifically for lower income urban communities. We hope that your proposal, if successful, will help address those needs.

As always, we applaud your leadership in these issues. Good Luck.

Sincerely,

JIM CRAVEN,
Government Affairs Manager.

PORTLAND STATE UNIVERSITY,
Portland, OR, March 8, 1994.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: I'm writing to let you know I enthusiastically endorse your proposed legislation related to urban universities and technical assistance for small and emerging businesses. This legislation will make a difference not only to businesses in Oregon, but throughout the nation. Establishing direct linkages between urban universities and business assistance will help enhance the success rate of small and emerging businesses.

At a time when our nation's economic base is changing dramatically from industrial to small and mid-size business, legislative solutions like the Urban University Business Initiative Grants are especially crucial to long-term sustainability. In addition to providing technical assistance, your legislation specifically establishes a priority for a research agenda. Clearly, too little is now known about what works to support business development, strategies for promoting business expansion, and successful efforts to maintain profitability and sustainability.

The urban university is well positioned to provide business assistance. It is the mission of the urban university to work with the community to address community problems. A key problem for urban areas, especially lower-income neighborhoods, is business competitiveness. Jobs particularly family wage jobs, are essential to self-sufficiency, family stability, and community development. Your legislation creates a mechanism for urban university business schools to be an integral part of the solution.

Senator Hatfield, your leadership on this issue is greatly appreciated. I especially want to recognize the good work and commitment of your staff in making this legislative concept a reality. It is obvious that your passion for the urban university mission is shared by the people you employ.

Thank you again for embracing this important issue. Please call upon me if I can provide you with any information or assistance.

Best regards,

JUDITH A. RAMALEY,
President.

Mr. HATFIELD. Mr. President, these are two very brief amendments, and yet I think they are very poignant and important to the basic concept we are debating here tonight. They have been cleared on both sides of the aisle. Both the majority and the minority managers and staff have reviewed them as well.

Mr. President, we have been moving to try to develop flexibility in this maze of Government bureaucracy where well-intended programs oftentimes get focused on administrative process and categorical grants to the local governments get mired in the compliance role rather than in the results-oriented focus of that program.

This is an effort much like we added to the Goals 2000, an educational flexibility amendment. I am offering this similar pattern of providing 30 local government units within 6 States as demonstration projects to take the myriad of categorical grants and to try to see how they can be innovative, maintaining the goals of those grants but lifting much of the bureaucratic control and mechanisms that are now in place, and in turn that the State governments respond to the same call for this demonstration project.

I believe that is basically the essence of the amendment. I would be happy to answer any questions on it.

The other amendment is to again try to enhance involvement of local resources. Oftentimes in these programs that we create at the Federal level we are, in effect, often neglecting the opportunity to merge into the purpose of the bill our local existing resources. In this case, the purpose would be to facilitate grants, up to certain limitations, to urban university, business schools, and business research activities within those business schools, private and public.

We have had some interesting experience in the Portland metropolitan area where Portland State University is taking on more and more of a service role with the various purposes and the objectives of community enterprise. For instance, under minority enterprises that we are trying to stimulate in our city, they have helped provide those minority entrepreneurs the resource data in order to apply for grants and so forth.

So basically, this idea will utilize the urban universities, as a source of research, and data for small enterprise—indeed, all enterprise. That basically is the purpose of the second amendment.

Again, I would respond to any questions on these amendments. Otherwise, Mr. President, I believe they have been cleared on both sides.

I urge their adoption.

Mr. HOLLINGS. Mr. President, the staff has looked this amendment over. It is within the Commerce Committee jurisdiction. As I understand it, it is peer reviewed. There is no apparent controversy. It will help the small business development centers as outlined in that small business part of the program to more accurately direct themselves to the technological applications.

With that in mind, I yield, and join in urging the adoption of the amendment.

Mr. HATFIELD. I thank the manager and the chairman of the committee.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendments, en bloc. The amendments, en bloc (No. 1490 and No. 1491) were agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I would like to ask the chairman of the committee if it would be possible to take a minute to make a statement on an unrelated topic? I do not want to intrude into the consideration of the bill.

Mr. HOLLINGS. Mr. President, we have been waiting for the Senator from Colorado to bring his amendment. Can we do that when we are through with this? Is that all right?

Mr. BROWN. The chairman's decision would be fine with me.

Mr. HOLLINGS. Go ahead.

ORDER OF PROCEDURE

Mr. SARBANES. Mr. President, I ask unanimous consent to proceed for 90 seconds as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDATION OF RADIO STATION WTOP

Mr. SARBANES. Mr. President, I want to take just a moment of the Senate's time to recognize and commend WTOP Radio, Washington's only all-news radio station on the celebration actually to the day of its 25th anniversary of broadcasting in the all-news format.

Serving the Nation's capital with its tremendous demand for up-to-the-minute news and information on the fast-breaking events that dominate our activities here, WTOP has for a quarter of a century now been a principal news source that most of us in the Congress turn to repeatedly for up-to-the-minute information on developments in the national capital region, across the country, and around the world.

Those of us who represent States whose citizens are served directly by WTOP's staff of nearly 50 news anchors, reporters, editors, writers, know well that the station serves our constituents as an important minute-by-minute source of news and information on local developments as well as developments on Capitol Hill.

School closings, traffic reports, and developments in local government are covered clearly on WTOP, just as are events at the White House and in the Congress.

Finally, this opportunity should not pass without commending Dave McConnell, who since 1981 has reported and clarified congressional action in his unique daily program "Today on the Hill." Dave McConnell is a professional journalist in every sense of the word. He is a constant presence at hearings, press conferences, and in the press galleries covering floor action.

He covers the Congress thoroughly, and incisively with a skill and insight that brings the news clearly to WTOP's many listeners. While his beat is Capitol Hill, and his listeners are in Maryland, Virginia, and the District of Columbia, Dave McConnell sets a standard for reporters everywhere.

I am pleased to commend WTOP and its outstanding staff of professional newspeople on 25 years of dedicated and outstanding service.

I thank the chairman.

I thank the distinguished Senator from Colorado for his courtesy.

I yield the floor.

Mr. HOLLINGS. Mr. President, I want to join in the congratulations on the 25th anniversary of 1500 AM, WTOP. I started here in Washington with it. Dave McConnell is from South Carolina, and has been doing an outstanding job.

I welcome the opportunity as the chairman of the Committee on Commerce, Science, and Transportation with the Subcommittee of Communications. I have listened to WTOP for the past 25 years, and have watched that particular endeavor develop to the point of excellence. I agree with the distinguished Senator from Maryland.

I yield the floor.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 1492

(Purpose: To make it a felony for persons awarding contracts to solicit campaign contributions from persons receiving the contracts)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1492.

The amendment is as follows:

At the appropriate place in the amendment, insert the following section:

SEC. . PROHIBITION ON SOLICITATION OF CAMPAIGN CONTRIBUTIONS BY PERSONS AWARDING CONTRACTS.

(a) IN GENERAL.—Chapter 29 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 610. Solicitation of political contributions by persons awarding contracts

"Any person who awards any contract or grant under any provision of, or any amendment made by, the National Competitiveness Act of 1994 who, during the 5-year period beginning on the date the contract or grant is awarded, knowingly solicits a political contribution (within the meaning of section 7322(3) of title 5, United States Code) from any person who was awarded such contract or grant (or any owner, officer, employee, or agent thereof) shall be imprisoned for 1 year or fined not more than $10,000, or both."

(b) CONFORMING AMENDMENT.—The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end the following new items:

"610. Solicitation of political contributions by persons awarding contracts."

Mr. BROWN. Mr. President, I took the liberty of asking the clerk to read through the amendment because it is reasonably concise. I think it is fairly straightforward. I thought it might be of benefit for Members, since it involved a minimum amount of time, to at least have an opportunity as they listened to this debate to consider the full impact of the amendment.

Mr. President, the amendment is meant to address a potential problem. This bill involves breaking of new ground. It certainly involves a wide range of economic activity, including government involvement in the private sector.

Specifically, as I read through the Congressional Budget Office's description of the bill that is included in our committee report running from page 18 on, I find the following activities, economic activities, authorized.

First, purchase of debentures; second, guarantee of debentures; third, participation in the nonparticipating preferred securities, and that is securities issued by qualified investment companies; pooling of debentures; pooling of securities; guarantee of trust certificates; funding of research; permitting the establishment of investing companies; subsidize loan programs.

Suffice it to say, this measure before the Senate involves a wide range of financial activities. It is well within, I think, the scope of what the authors of the bill want to accomplish, and that is, to provide a broad range of financial activities that can be engaged in by the government to encourage industry and investments and so on.

I believe it is fair to say, then, that this measure involves a wide range of financial activities. It also invites a great deal of interest for participating parties. I believe it is also fair to say that, as we look at this measure, there is enormous discretion left with the Federal officials, whether they buy the debentures or not, whether they guarantee debentures, whether they purchase securities, whether they pool securities or pool debentures, whether they purchase guaranteed trust certificates. The wide range of activities is matched by a very wide range of discretion.

We have not in this measure attempted to pin down with great precision the guidelines and restrictions that will be used by the decisionmakers. I do not criticize the measure on that account. It may well be necessary to leave broad discretion in the hands of the people who enforce this act. But I am concerned about—particularly with such broad-ranging financial activities—not having clear and precise standards on all of them. That raises the potential for abuse.

Specifically, I am concerned about this potential scenario: A request for funds, whether sale of debentures, sale of securities, pooling arrangements, underwriting of research, or others, is made to the Federal Government. Without definitive standards, enormous discretion is in the hands of the people who dispense this money. The people who dispense this money give it out and then turn around and solicit political contributions from the recipients, from the corporations that receive the funding under this act, from the businesses that get it, from the agents of those businesses, partners, lobbying firms, and others.

If you hope to get, or you have received, money that is dispensed on a somewhat discretionary basis from a Government agency, are you really free to say no when they come asking for political contributions? I think it raises a tough question. I think it raises a difficult question. I believe, particularly with the discretion available under this bill, that we put the people who receive the money in a very difficult spot.

I think we also put the people who make the decision on how the money is handed out in a difficult spot. Let us assume that those who are dispensing the government funds under this act have strong beliefs in one party or the other. Mr. President, I know you know that the potential for corruption does not extend only to one political party; it extends to both political parties.

Let us assume these people are asked to help out their political party, and, more particularly, they are asked to solicit money from those with whom they have the closest connections, people they have given Government money to. Will they say no? Well, perhaps. Perhaps they will feel uncomfortable because of their previous contact with those individuals, companies, or those operations. But my guess is that some will say yes. Some will say yes because they want to abuse the power that they have, and some will say yes simply because they want to help out their friends, not for any interest in abusing the system.

But the reality is that some are going to be in a position of handing out Federal money, with minimal guidelines and few restrictions, and they may also be in the position of asking the people who got that money to donate to a political campaign or party.

Keep in mind that under some portions of this program, the moneys given out have to be matched, but others do not have a matching requirement. It is free money; it is money that does not require even a match, in some areas, from the people who get it. Will they be able to say no? Well, I hope so. But I am not sure of that. And

I suspect that every Member of this body will have some doubts about the discretion, the ability to say no as well.

The amendment attempts to deal with the problem before it happens. It simply says this: Look, if you are one of those who hands out the money, then you cannot engage in soliciting money from people who got the money. That is pretty straightforward. It has a penalty clause in it, and it is meant to be enough to get their attention to stop the activity.

I think this is a minimum penalty that we ought to insert into this bill. It is a minimum of what we ought to demand. We should pass laws that vest the discretion to hand out the public's money without some restriction to curtail abuse. There may well be other safeguards that are appropriate and needed. I suspect there are already some safeguards that exist in law now. But this is an added safeguard that I think can have a positive impact and improve the integrity of the administration of the program and, perhaps more importantly, protect the process of the use of this money from political abuse.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, if I read this correctly, what it says, is if I am a Cabinet member and I award the contract, I am barred by law from soliciting a political contribution from any person who was awarded such contract or grant, is that correct?

Mr. BROWN. That is correct, except it would not apply beyond 5 years after the grant has been awarded. There is a time limit.

Mr. HOLLINGS. Awarded such contract, or any owner, officer, employee or agent thereof—let us say the XYZ Corporation, a solicitation of anybody connected with XYZ. In other words, it does not have to be the owner or chairman of the board, or one of the employees? I am not trying to be picky. I like this amendment. How would it be the agent? How would that be?

Mr. BROWN. My specific concern there is over an agent whose activities might be related to this, but who is not technically an employee. For example, a lobbying firm in Washington that might have assisted the company in getting a grant could be hit up for a contribution.

Mr. HOLLINGS. The lawyer at the lobbying firm and consultant would all be included?

Mr. BROWN. Indeed, that is part of what would be covered by amendment's reference to the term agent.

Mr. HOLLINGS. Now you are getting with the program. This is the first experience I had when I came here. A Cabinet officer was running around giving an allocation, saying to the textile industry, "Your allocation is $350,000." I knew the industry, and it always kept in my mind because running there and operating, getting all of the awards and what have you and kudos from the industry itself, I had never gotten that amount of money myself out of my own State. Yet, this Cabinet member said, "This is your allocation," and this really brought out the Federal campaign election practices, the Campaign Reform Act of 1974. We debated this. I had not thought of it. It is probably a good precedent, not only here, because it would apply to the Secretary of Commerce, but it would apply to any and every Secretary, is that correct?

Mr. BROWN. My sense is a Secretary not affiliated with the awards of the grant would not come under it.

Mr. HOLLINGS. No, but anyone would affiliate with the awarding of the grant.

Mr. BROWN. The essence here is where you have a connection with the act of awarding the grant or research and the person who receives it.

Mr. HOLLINGS. And the SBA can.

Mr. BROWN. Indeed, if it is covered under this particular act under the National Competitiveness Act of 1994.

Mr. HOLLINGS. It would only have to be under the National Competitiveness Act that I award General Electric a contract to the Department of Defense. It does not apply to me.

Mr. BROWN. If it does not involve funds covered under the National Competitiveness Act, this would not apply.

Mr. HOLLINGS. Would the Senator consider expanding this to include all grants of the Federal Government, all departments and agencies?

Mr. BROWN. I would indeed be delighted. While it is not my purpose to burden the bill by causing problems in other places, that would be my preference.

Mr. HOLLINGS. Very good.

This is a good initiative, unless there is a part I have not thought of. People do not realize it sounds serious and it is serious to make it a felony.

It is still a felony, as I understand it. If I recommend you as a postmaster of a particular town in my State or you recommend me as a postmaster, you have committed felony.

We put that in the Postal Reform Act as they called it way back in the early seventies. So you can start making it felonies here. This virus can spread, and maybe we could just simmer down a lot of things going on and set a good precedent here.

This is the nearest thing to campaign finance reform I have seen in quite a while. I am willing to go along with this amendment.

Mr. BROWN. I thank the chairman for his comments, and I assure him I will not nominate him to be a postmaster.

Mr. HOLLINGS. Nor will I the Senator.

I urge adoption of the amendment.

Mr. BROWN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative 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.

Mr. FORD. Mr. President, I ask unanimous consent that at 8:15 p.m. we vote on the Brown amendment up or down.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The rollcall vote on the pending Brown amendment will occur at 8:15 p.m.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Without objection, it is so ordered.

Mr. BROWN. Madam President, I rise to send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is the Senator from Colorado seeking to set aside the pending amendment?

Mr. BROWN. Thank you, Madam President.

I ask also unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Madam President, reserving the right to object, I accommodated the Senator from Colorado. Now he wants another amendment. Will he be sure he will be through at 8:15 p.m. so we can proceed to his original amendment?

Mr. BROWN. Indeed, I will be happy to assure the distinguished Senator that this should be completed quite promptly, and I can assure him of that.

Mr. FORD. Madam President, will the Senator require a rollcall on this amendment?

Mr. BROWN. My hope is that it will be accepted. I will not ask for a rollcall if it goes through, and my guess is it will be acceptable.

Mr. FORD. The other amendment was acceptable and the Senator wanted a rollcall vote on that. I was not sure.

Mr. BROWN. It is not my intention.

Mr. FORD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1493

(Purpose: To institute a cost share requirement for single businesses applying for funding under the Advanced Technology Program of the National Institute of Standards and Technology)

Mr. BROWN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1493.

The legislative clerk proceeded to read the amendment.

Mr. BROWN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 49, strike line 19 to line 7 on page 50, and insert the following:

"(B) strike paragraph (1)(B)(ii) and replace with: participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the business agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

"(C) strike paragraph (2) and replace with: enter into contracts and cooperative agreements, and subject to the last sentence of this subsection, other transactions with United States businesses and independent research organizations, especially small businesses and independent research organizations, *Provided:* that the business or independent research organization agrees to pay at least half of the total costs of a project during the project period, which shall not extend beyond 5 years and *Provided further:* that the emphasis is placed on applying the Institute's research, research techniques, and expertise to those organizations' research programs;".

Mr. BROWN. Madam President, I asked for the reading at least of that portion of the amendment I think to make it clear.

My understanding is that we already have on the books provisions that call for cost sharing. The amendment deals with both single businesses as well as joint ventures in making it clear that cost sharing of at least 50 percent is required by both single businesses and joint ventures.

What is the purpose of it? The purpose of this is to make it clear whoever gets the Government money has to put some of their money into it as well.

We have already recognized the need for this by requiring matching funds for joint ventures. But I think it is particularly appropriate that we make absolutely clear that people who get venture money out of this bill will have to risk their own money as well.

Is 50 percent too low a minimum match to ask? I think it is. It is included in this bill, though, at least setting forth a minimum.

As one who in the private sector spent a portion of his time looking at proposals for joint ventures, proposals for new businesses, proposals for new operations and for development of new projects, one of the things I found, and I believe it applies here, is that people tend to be far more careful with what they ask for if they have some of their own money riding on the venture as well.

This, I believe, provides the best insurance that any proposal will have good or better management, because it makes sure that the people who get the money have some of their own at risk.

My hope is that Members will find this acceptable and find it a positive addition to the bill.

I believe this is the best insurance we can come up with. If we fund ventures without asking the people who take the money to put anything of theirs on the line, we invite corruption, we invite abuse, we invite waste.

On the other hand, if we do, as this amendment suggests, ask them to step forward and belly up to the bar, as well, I think we provide strong incentive to make sure the money is far better used.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. It is my understanding, I say to the Senator from Colorado—I am just getting an understanding of the amendment itself—that this refers to the advanced technology program which already has a 50–50 requirement sharing of the cost.

So then we go technically to "cost." What are the costs, is that what we have involved here in this amendment?

Mr. BROWN. I believe the Senator is correct in the way he has described it.

My understanding is cost sharing applies only to joint ventures. This would extend it both to joint ventures and single entities.

Mr. HOLLINGS. When the industry comes on an advanced technology program, the applicant must have at least 50 percent, put up 50 percent of the cost of the money of the particular loan. If they are requesting a grant or loan approval of the project under the advanced technology program, our experience has been the majority, because they have more than 50 percent, they study it out. And we are talking about the cost. As I heard the Senator from Colorado, it is going to be more burdensome than before.

We already have that requirement in there, and getting credit for the overhead, the building, and so forth of that kind to put down on the cost of actually conducting that research.

We had this measured out. We talked with the Department of Defense. We are wondering, for example, on sharing the administration of some of the programs that are still within the Department of Defense costs but administered by the Department of Commerce. As they transmit over that, you do not have two IG's coming. You have one understanding of at least 50 percent of the cost and that is the way.

Now is it the concern of the Senator from Colorado as to what constitutes cost?

Mr. BROWN. My concern is that making sure that the sharing provisions applies to single businesses as well as joint ventures.

Mr. HOLLINGS. It applies to all—single ventures, joint ventures, limited partnerships.

Mr. BROWN. I am reading under subparagraph (b), the reference, (1)(B)(ii). The summary stating, "by striking the 'provision of a minority share of the cost of such joint ventures for up to 5 years' and inserting in lieu thereof 'the option of providing either a minority share of the total cost of such joint ventures for up to 5 years, or only direct costs.'" And it goes on.

So it does apply the consent to the joint ventures. But at least my concern is that we are not fully covered on the portion that relates to direct costs which is listed as an option there.

Mr. HOLLINGS. I understand that section (B) reads:

Participation in such joint ventures by means of grants, cooperative agreements, [or contracts,] *contracts, and other transactions* if the Secretary, acting through the Director, determines participation to be appropriate, which may include (i) partial start-up funding, (ii) [provision of a minority share of the cost of such joint ventures for up to 5 years] *the option of providing either a minority share of the total cost of such joint ventures for up to 5 years, or only direct costs (and not indirect costs, profits, or management fees), for up to 5 years,* and (iii) making available equipment, facilities, and personnel.

Now your amendment would do what?

The PRESIDING OFFICER. The Chair would advise the Senator that the hour of 8:15 is upon us.

Mr. HOLLINGS. I will get with the Senator from Colorado later.

VOTE ON AMENDMENT NO. 1492

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. BROWN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Colorado [Mr. CAMPBELL], and the Senator from Connecticut [Mr. DODD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER], the Senator from North Carolina [Mr. HELMS], and the Senator from Kansas [Mrs. KASSEBAUM] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—94

Akaka	Ford	Mikulski
Baucus	Glenn	Mitchell
Bennett	Gorton	Moseley-Braun
Bingaman	Graham	Moynihan
Bond	Gramm	Murkowski
Boren	Grassley	Murray
Boxer	Gregg	Nickles
Bradley	Harkin	Nunn
Breaux	Hatch	Packwood
Brown	Hatfield	Pell
Bryan	Heflin	Pressler
Bumpers	Hollings	Pryor
Burns	Hutchison	Reid
Byrd	Inouye	Riegle
Chafee	Jeffords	Robb
Coats	Johnston	Rockefeller
Cochran	Kempthorne	Roth
Cohen	Kennedy	Sarbanes
Conrad	Kerrey	Sasser
Coverdell	Kerry	Shelby
Craig	Kohl	Simon
D'Amato	Lautenberg	Simpson
Danforth	Leahy	Smith
Daschle	Levin	Specter
DeConcini	Lieberman	Stevens
Dole	Lott	Thurmond
Domenici	Lugar	Wallop
Dorgan	Mack	Warner
Exon	Mathews	Wellstone
Faircloth	McCain	Wofford
Feingold	McConnell	
Feinstein	Metzenbaum	

NAYS—0

NOT VOTING—6

Biden	Dodd	Helms
Campbell	Durenberger	Kassebaum

So the amendment (No. 1492) was agreed to.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Madam President, the distinguished chairman has raised what I believe is a very valid concern about the accounting procedures that would apply to my amendment to ensure a minimum of a 50–50 cost-sharing arrangement. It is my understanding that the distinguished chairman has an interest in assuring that a 50–50 cost-sharing arrangement is part of the bill and that he has interest in making sure that it is done in such a way so that it does not cause undue burdens or unreasonable accounting expense for the entities involved.

My understanding is that the chairman's staff and my staff will be working on developing acceptable language.

Mr. HOLLINGS. Madam President, the Senator is correct. We both have the same interest on the 50–50 cost sharing and how you estimate those costs with the least burden to the small business. That is what we are working on with the staff. I am confident we can work it out because I was sort of nonplused when you called the amendment. I said that is what I am for; what am I amending?

Let the staffs work it out with the least amount of burden, but it will be a 50–50 sharing.

Mr. BROWN. I thank the distinguished chairman for his assistance and advice. My thought would be to bring it up during our deliberations tomorrow with a solution to it.

Mr. HOLLINGS. The amendment is withdrawn then?

Mr. BROWN. I would like to lay it over.

Mr. HOLLINGS. Either way.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Nevada.

CHANGE OF VOTE

Mr. BRYAN. Madam President, I ask unanimous consent to be allowed to change my vote on vote No. 53, from aye to nay. I have cleared this with both sides of the aisle, with the floor managers, and I represent to the Chamber it would not in any way affect the outcome of that vote.

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Madam President I move to reconsider the vote on the just-adopted Brown amendment.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Madam President, we are looking now—our colleagues, of course, are very anxious to learn, and so am I— right now we are looking for amendments. I have talked to the majority leader. We will continue on to try to dispose of the amendments, as many as we can today, because it seems tomorrow is going to be a full day also.

So I ask our distinguished ranking member to bring on these amendments so that we can dispose of them. We have been making pretty good progress so far.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado. Is the Senator seeking recognition?

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. 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 Senator from Colorado is recognized.

AMENDMENT NO. 1494

(Purpose: To reduce the amount of new spending authorized)

Mr. BROWN. Madam President, I rise to send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1494:

The amendment is as follows:

At the end of the committee substitute as modified, insert the following new section:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,500,000,000.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. I thank the Chair.

The purpose of this amendment is to reduce the authorized amount of spending in this measure to an amount that is comparable with the House bill. This would achieve a savings of a little in excess of $1.3 billion. It seems to me that this amendment would move us not only toward the House position but would also deal with much of the concern about the authorized spending in this bill.

I do not intend to prolong the debate on this item—I assume it may well generate some interest. But, I want to at least offer the amendment tonight so Members can consider it.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from South Carolina.

Mr. HOLLINGS. Madam President, we do not support this amendment. Apparently, the amendment is so drawn as to really cut in half the program, not necessarily the House amount. The House amount never included the $244 million for the information highway.

Now, over on the House side they have a special bill, a Boucher bill and the Boucher bill is contemplated to include that amount. We are including it here, and we do not want it excluded there and have it handled in a separate bill. That is the main difference when you take those two amounts together because the House bill started off at $950, we started off at $1.194 for 1995 in the committee report, and, of course, it has been cut back to 1984—it is cut back, of course, $1.086 billion for the year 1995, and $1.253 billion for 1996.

So what really occurs, Madam President, is that the amendment of the Senator from Colorado will eliminate totally, of course, the information highway moneys plus I can see here some construction moneys that were not in the House bill for those facilities, and there are increased amounts on the National Science Foundation. The House included $30 million for the National Science Foundation. We increased that to $75 million for the 2 years. That is another one of the increases just going over it.

With respect to the laboratory, the House had in there a $300 million amount; we have $320 million for 1995

and $350 million for 1996. So you can see that is pretty constant. But the way the wording of the amendment appears here is to cut it right in half, $1.5. Actually, the $1.5 is less than what our Republican colleagues supported in the report of this bill. When we unanimously reported this out of the Committee of Commerce, they reported an amount of $1.513 billion. He is cutting it below what they all voted for back in June of last year and, of course, we have these additional endeavors here.

Of the particular SBA program, I talked about the laboratories, I talked about the matter of the facilities, and then, of course, the information highway that is in a separate bill over on the House side.

So you get up casually and you really couple in your discussion and in your amendment 2 years and act like, well, it should not exceed the House and it is just a little amount.

Actually, if it was for only 1 year at $1.5, I think we could compromise on the $13 million difference. That is the way the committee reported. And if we had that difference we would go along, but that is not the case at all. He has coupled the 1995 authorization and the 1996 authorization, so he just eliminates a year, a year's authorization under this particular measure, and it is less than what we voted for for the 1 year in 1995 when we reported the bill unanimously from the committee.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I wanted to ask the chairman a question. I do not want to necessarily speak on this amendment, although I must say the amendment is starting to get closer to the target we are at least talking about the bill. We laid this bill down on Monday. As I recall, I was in the chair when the distinguished chairman laid this bill down. We have now over 4 days covered almost every subject that is being discussed here in Washington in the last year or two.

I am curious, I would ask the chairman of the Commerce Committee when the Commerce Committee dealt with S. 4, when that was voted out of the committee, was this a controversial bill? Was it a close vote? Could the chairman tell us what happened in the committee on this bill?

Mr. HOLLINGS. In the committee, Mr. President, what really happened is that, yes, after all the work we had done over a period of years, there was total unanimity. There was no controversy whatsoever. All the amounts now the subject matter of the amendment of the Senator from Colorado, all the different endeavors with respect to the small business loan, with respect to the national information highway, all of these coming right on down were all considered and we reported it out unanimously.

What has really occurred is OMB has cut us back so that we would be within budget, within the veritable budget freeze going in 1994 to 1995. I am on that Budget Committee. I am confident that Senator SASSER and the Budget Committee is going to report practically the President's budget, which will be a freeze. But they come with these facetious—where does the money come from? Putting on about we have a lot of pockets and burning holes in the pockets. Then all the peripheral amendments here that have no relation whatsoever. It is now boiling down to finally we are getting on target with some of the amendments. We will vote on this and we will keep moving.

And I understand conversation about cloture, we can have several cloture votes because I think the klieg light of public interest and attention if we can get passed some of the other headlines will just show how ludicrous the position has taken.

Here our colleagues on the other side of the aisle are taking an item they are vitally interested in, and I know it and you know it; we have worked with them. They are vitally interested in the amounts in this bill, in the fairness of the bill, the peer review in the bill. Everything about this bill has been worked out, passed the Senate unanimously in 1992, unanimously reported out of the Committee of Commerce in June of last year.

Then they come with the tongue and cheek descriptions about the amounts, and all of a sudden, it is like I thought up a bill by myself and brought it to the floor. Then you can go right on down the list of the coalition of technology, including all the large names, blue-chip corporations in the technology industry all over America, plus the universities, plus the National Association of Manufacturers.

I have not seen the entity that says that this is a dangerous bill or this is a plush bill or pork barrel bill or any of those things. No, sir. No contest in it. There are just other reasons unexplained. But they have to explain why they are opposing their own bill.

Let us go ahead, vote, and get the cloture votes and then more cloture votes. We can continue.

Mr. DORGAN. Madam President, if I understand the chairman of the committee correctly, this bill, S. 4, left the conference committee with a unanimous vote, with nobody voting against it, no dissent, comes to the floor on a Monday.

Mr. HOLLINGS. That is correct.

Mr. DORGAN. It is Thursday night, and we have no idea how many amendments are left.

I am curious what the strategy is. The chairman would probably have a better idea than I would. He has been here a long, long time. But it seems to me this is pretty classic policy discussion.

Does the chairman believe that this kind of approach is the right approach? Or does he believe this is picking winners and losers and skating close to an industrial policy, and is bad?

If you believe it is bad, you vote against it. If you believe it is good, you try to promote the right kind of investments, then you support this.

But it seems to me that we are in the process here in which a bill that had almost had no opposition gets to the floor, and 4 days later we are not able to get to the nub of the policy to vote yes or no on it because folks, at their own time, will offer amendments that may or may not be germane, may or may not relate to the subject, may or may not be involved with the industrial policy or economic growth.

So the question is, do we ever get to advance this issue? Do we ever get to vote on it? That is the question.

Mr. HOLLINGS. I do not know. It seems there should be some shame involved in this shenanigan. There ought to be embarrassment at this particular point. I think after numerous cloture votes that is what we are going to have, and any other bills that come up, we are going to have this unanimously approved bill put on somebody else's bill, and with amendments.

We can play this game too. So they will have to, at one time or the other, give us a vote up or down on the measure just to see exactly where we are.

Mr. DORGAN. I thank the chairman. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

MOWA BAND OF CHOCTAW INDIANS FEDERAL RECOGNITION ACT

Mr. FORD. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 318, S. 282, a bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama.

The PRESIDING OFFICER. Is there objection?

Mr. COCHRAN. I do object to the unanimous-consent request, Madam President. As I understand the request, this is asking unanimous consent that a bill be passed granting legislative recognition to the Mowa Band of Choctaw Indians of Alabama.

Mr. FORD. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Did the Senator object?

Mr. COCHRAN. I do not object—Madam President, my objection goes to the passage of the bill, not to the calling up of the bill. I have expressed my opposition to the bill.

The PRESIDING OFFICER. Thank you.

Mr. FORD. As I understood it, Madam President, the Senator reserved

the right to object to my unanimous consent, stated his purpose, and it is now up to the Chair to put the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection to the request?

Mr. COCHRAN. I object to the passage of the bill by unanimous consent.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the bill.

The clerk will report.

The bill clerk read as follows:

A bill (S. 282), to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabma.

The Senate proceeded to consider the bill.

OPPOSITION TO S. 282, THE MOWA BAND OF CHOCTAW INDIANS RECOGNITION ACT

Mr. COCHRAN. Madam President, I want to express my opposition because of the inconsistency and unfairness that this kind of action leads to for groups petitioning for recognition by the Federal Government as a legally established entity under current law, entitled to the same kind of benefits, health care services, education, and housing benefits that native American tribes are entitled to under the laws of the United States.

This petitioning group has filed an application of longstanding with the Department of the Interior, which has the responsibility for administering this recognition program. There are established criteria by statute which must be met in order for petitioners to be certified as eligible for Federal recognition. This group has not met the test of those established criteria.

The Mississippi Band of Choctaw Indians is led by Chief Phillip Martin, who testified before our Select Committee on Indian Affairs, very persuasively and eloquently as to why recognition should not be granted by Congress as requested by this bill.

Mr. COCHRAN. Madam President, I oppose S. 282, which would grant Federal recognition to the Mowa Band of Choctaw Indians of Alabama.

The matter of granting legislative recognition to nonrecognized groups of Indian people is clearly a controversial issue. In my opinion all who seek Federal recognition should go through the acknowledgment process administered by the Department of the Interior and meet the established criteria. Legislative recognition creates a dual system, one in which the Congress applies no criteria, and the other where the Interior Department applies a set of statutory, established criteria. Congress should not grant Federal recognition because it leads to inconsistency and unfairness for petitioning groups.

As a member of the Interior Appropriations Subcommittee, I have observed funding for Indian programs lags far behind equivalent Federal programs. Native Americans generally suffer the worst conditions of unemployment, the lowest life expectancy, and least adequate education of all national groups.

Our government has a responsibility to native Americans based on treaties, statutes, and Federal court rulings. Federal acknowledgment establishes a perpetual government-to-government relationship between the tribe and United States, which has major political, social, and economic implications for the petitioning tribe and Federal, State, and local governments.

Congress has created special programs for federally recognized tribes, including housing, educational assistance, social services, and medical benefits. To qualify for the protection, benefits, and services available to federally recognized tribes, a group must satisfy the requirements for recognition established by the Department of Interior. These qualifications are as follows: First, the Indian group is identifiable by historical evidence, written or oral, as being an American Indian tribe;

Second, its members must have existed as a distinct Indian community throughout history until the present;

Third, the Indian group must have maintained political influence over its members as an autonomous entity throughout history until the present;

Fourth, the membership of the group is composed principally of persons who are not members of any other Indian tribe; and

Fifth, the tribe has not been the subject of congressional legislation expressly terminating their relationship with the Federal Government.

While the 3,000 members of the Mowa group deserve every benefit and protection afforded by our constitutional system, I do not support S. 282 because it would entitle the Mowa to all federally funded services by circumventing the established administrative recognition process—a process developed in 1978 with the support of Indian tribal governments, Congress, and the administration to ensure objective and uniform evaluation.

According to a 1992 statement by the Congressional Budget Office, the cost of S. 282 to the American taxpayers is estimated at $10 million a year. This expenditure would have a profound effect on federally recognized tribes which have met the established requirements I previously listed.

I believe it is a bad precedent to depart from the existing requirements of law in controversial recognition cases. It creates an exception based on evidence that is in sharp dispute regarding the legitimacy of petitions. I hope the Senate will exercise restraint in the future when considering exceptions to the rule.

I am, however, not opposed to the Mowa tribe seeking Federal recognition. I merely believe that the tribe should follow the same recognition process as other groups petitioning the Federal Government. The Federal acknowledgment process does not seek to determine if an individual is or is not Indian, it merely establishes the authenticity of a sovereign legal entity.

Senator MCCAIN and I recently introduced S. 1844, the Indian Federal Recognition Administrative Procedures Act of 1994, to improve and strengthen the administrative recognition process. If the current administrative process needs reform, then we as Members of Congress should place a stronger emphasis on comprehensively correcting the process, not circumventing the current system.

I ask unanimous consent that a letter from Mr. Phillip Martin, chief of the Mississippi Band of Choctaw Indians, to the chairman of the Select Committee on Indian Affairs together with testimony submitted by the Mississippi Band of Choctaw Indians on this subject be printed in the RECORD.

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

MISSISSIPPI BAND OF CHOCTAW INDIANS,
Philadelphia, MS, July 12, 1991.

Hon. DANIEL K. INOUYE,
Chairman, Select Committee on Indian Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR INOUYE: We very much appreciate your giving us the time needed to comment on S. 362, the MOWA Band of Choctaw Indian Recognition Act. As you know, I had a prior commitment on the day of the Committee's hearing on S. 362; and I thank you for giving me the opportunity to provide the Committee my position in writing.

Attached is a study on the MOWA question which was carried out by an anthropologist on our staff. It demonstrates to me that without a doubt the members of the MOWA community had some Choctaw ancestors in the remote past. (Of the 30 first-generation Indian ancestors listed in the MOWA documentation, only 16 are identified as Choctaws, and of these, only one, Alexander Breashears, appeared on the Armstrong Roll of 1831, the listing of all Choctaw households east of the Mississippi compiled prior to the Removal to the Indian Territory.) But descendency to some fractional degree by some people does not make them an Indian tribe. There are areas of culture and political relationships that more closely define a tribe, areas reflected to some extent in the current Bureau of Indian Affairs federal acknowledgement process and in your, Senator McCain's, and Senator Cochran's effort to legislatively mandate such a process, S. 1315.

It has only been within the last ten to 20 years that the Mississippi Band of Choctaw Indians has been aware there were people in Washington and Mobile counties, Alabama, claiming Choctaw descent. Some members of that community have visited the reservation here in Mississippi to study tribal customs; and some tribal members here have been paid by the MOWAs to come over to teach that community Choctaw dances and the Choctaw language (although currently we know of no one there that does speak the language.) Our people could discern no Choctaw customs extant among the MOWA population at the time of our first contacts with them; and insofar as we are aware, the only traditional Choctaw customs now practiced in the MOWA community have resulted from

instruction by members of the Mississippi Band of Choctaw Indians. These activities were carried out by individual members of the Mississippi Band of Choctaw Indians, and did not constitution any form of recognition by the tribal government of the Mississippi Band of Choctaw Indians.

In their attempt to obtain legislative recognition, the members of the MOWA community make three arguments that are either factually incorrect or historically inaccurate, and which I would like to address. First, they repeatedly invoke the provisions of the Treaty of Dancing Rabbit Creek of 1830. The only parts of what is now Alabama affected by the Treaty of Dancing Rabbit Creek were portions of Sumter, Greene, Pickens, and Choctaw counties. Washington and Mobile counties, the home of the MOWA community, had been previously ceded under the Treaty of Hoe Buckintoopa (1803), and the treaty with the British of 1765.

Secondly, the MOWA community maintains that because it receives federal funding from the Administration for Native Americans, the Office of Indian Education Programs of the U.S. Department of Education, and HUD, the federal government already recognizes the community. The receipt of these funds because of the community's status as state-recognized has nothing to do with the question of the community's federal recognition, which is a totally separate issue.

Finally, the members of the MOWA community are arguing that a failure of the Congress to act positively on this bill would be an abandonment of the Congressional power to handle "commerce with the Indian tribes" as provided for in the United States Constitution. We believe, to the contrary, that the Constitution provides for a government to government relationship only with those Indian tribes that are federally recognized, and that such recognition (as with foreign nations and the State Department) should for the most part be a function of the executive branch, and not of the Congress.

The Congress saw fit in the 1930's to limit services (and thus tribal membership) to Mississippi Choctaws to persons of one-half or greater degree demonstrable Mississippi Choctaw blood quantum. For the Congress to approve legislation that would now offer these same services to Alabama "Choctaws" of conceivably minuscule blood quanta would seem to us patently unfair. While we have no argument with groups asserting their rights under the Federal Acknowledgement Process of the Bureau of Indian Affairs, when specific legislation is introduced, we as Choctaws do have the right to be concerned about the name "Choctaw" being misrepresented and the historical record being distorted.

It appears to me that if the Congress took the initiative to legislatively recognize tribes outside of land claims cases, it would open the door for many, many other groups in the Southeast to submit bills, based on tenuous historical claims—a precedent the Congress would not want to have to concern itself with on a regular basis which could result in making a mockery of the historic government to government relationship that the Congress has maintained with bona fide tribes throughout the country.

The Mississippi Band of Choctaw Indians respectfully urges the members of the Select Committee on Indian Affairs to table S. 362 and to encourage the MOWA community to pursue the established process for recognition through the Department of the Interior.

Sincerely,

PHILLIP MARTIN,
Chief.

COMMENTS ON THE MOWA BAND OF CHOCTAW

(By Kenneth H. Carleton, M.A., Choctaw Tribal Anthropologist/Ethnohistorian; Mississippi Band of Choctaw Indians

INTRODUCTION

The "MOWA" are a group of people who live in northern Mobile county and southern Washington county, Alabama, in an area roughly bounded by the towns of Citronelle, Mt. Vernon, McIntosh and Tibbie. They have been known as the Alabama "Cajans" since that name was applied to them in the 1880s. Although they have never liked this name, it is a useful term to distinguish them. These people are the descendants of many of the early settlers in this area and are a unique mixture of both genetic and cultural heritages.

Over the past century, an enormous amount of material has been written about the "Cajans" by numerous people. There have been several articles in scholarly journals and church publications and at least three Masters theses which discuss the social, cultural and genetic backgrounds of these people. From the late 1920s onward, there are published accounts of them about every ten to twenty years. Therefore, the documentary background available on their social and cultural practices in really rather good, which is unusual for a group like this.

HISTORICAL BACKGROUND OF THE AREA

The initial European settlement of the Mobile Bay area took place in 1702 when the French under Iberville founded Fort Louis de la Louisiane north of modern-day Mobile. At this time, or within a few years, several small Indian tribes were living along the Mobile and Tombigbee Rivers north of Mobile. These tribes included the Mobile, the Tohome, the Appalachee and the Teansa, among others.

THE MOBILE

The Mobile Indians were living on the Mobile River approximately five miles below the confluence of the Alabama and Tombigbee rivers at the time of initial contact with the French and Spanish. By ca. 1730, they had moved to the mouth of the Mobile River where they stayed until 1763 when they disappear from the documentary record.

THE TOHOME

The Tohome were also present in the Mobile area at initial contact. There were apparently two groups (village ?) of them which were known as the Big Tohomes and the Little Tohomes or Naniabas. They continued to live there at least until they too disappear from the documentary record in the early 1770s.

THE APPALACHEE

The Appalachee where initially contacted by De Soto in central Florida and were missionized by the Spanish in the early seventeenth century. They lived primarily around the mission of San Luis, which was located in present-day Tallahassee. During the winter of 1703/04, an English-led raid from Charlestown, South Carolina (modern Charleston), destroyed San Luis and killed or captured as slave over 1,000 of the Appalachee. The survivors of this disaster fled to the Pensacola area. By the end of 1705 they had come to Mobile, where the settled under the protection of the French. In 1763 with the end of the French and Indian War, France was forced out of North America and England was granted all of France's territories east of the Mississippi. At this time the Appalachee in Mobile were jointed by other groups of Appalachee. In 1764, the newly reunited Appalachee, the Taensa, and the Pakana bank of Creeks all removed themselves to the Red River in Louisiana, in order to avoid English dominion.

THE TAENAS

At initial contact with the French, the Taensa were living on the Mississippi River. However, at the encouragement of the French by ca. 1715 they had moved all of their people to the Mobile area. They remained there until 1764, when they went to the Red River with the Appalachee.

These groups where not the only Indian presence in the Mobile area. Throughout the eighteenth century, particularly during the French Period (1702-1763), there was a constant flow of Indians, including Choctaw, Chickasaw, and various Creek groups, who came to Mobile to trade, receive presents and discuss important matters with the Europeans there. However, by the last two decades of the eighteenth century, there were no organized groups of Indians living in the area around Mobile.

The English took control of Mobile and its environs after 1763. They controlled the area until the American Revolution. In 1765, the British held the Congress of Mobile with the Choctaw Nation. At this Congress the Choctaw agreed to cede all territory south of the 31° Parallel, between the Tombigbee River and the Mississippi River and the Natchez District to the British.

In 1780, the Spanish took advantage of the conflict between the British and their former colonists and systematically invaded every non-Spanish port along the Gulf of Mexico. In March of 1780, a force of Spanish soldiers, a large number of which were Negroes and mulattos from South America and probably the Caribbean, took Mobile. By the middle of 1781 the entire Gulf Coast, from Florida to Louisiana, was under Spanish dominion. In 1783, at the end of the American Revolution, the British ceded all their territory south of Canada to the United States with the southern boundary along the Gulf Coast being set at the 31° Parallel.

During the next decade, especially when operating under the Articles of Confederation, the United States were not in a position to enforce this southern boundary with the Spanish. The Spanish encroached beyond this line in several places including the Mobile area, where they had a fort at St. Stephens, almost forty miles north of the 31° Parallel. Finally in 1795, the now stronger United States was able to force the Treaty of San Lorenzo which held the Spanish to the 31° Parallel. In this same year, the Mississippi Territory was formed with the 31° Parallel as its southern border and Natchez as its capital. It is at this time that a number of significant treaties with the Choctaw pertinent to this area began to be signed.

TREATY OF HOE BUCKINTOOPA, 1803

On August 31, 1803, the Treaty of Hoe Buckintoopa was signed. This treaty ceded all Choctaw claims to the area bounded by the Chickasawhay River, on the west; Buckatunna Creek, Red Creek and Santa Bogue Creek on the north; and the Tombigbee River, on the east and the 31° Parallel on the south. This area covers the eastern extremes of present-day Wayne and Greene counties, Mississippi, and the northern extreme of present-day Mobile County and all except the extreme northern portion of present-day Washington County, Alabama.

TREATY OF MOUNT DEXTER, 1805

On November 16, 1805, the Treaty of Mount Dexter was signed. This treaty ceded Choctaw territory across the southern portion of

Mississippi and into Alabama, which included the southern portion of present-day Choctaw County, Alabama, and the remaining portion of present-day Washington County, to the Tombigbee River.

TREATY OF ST. STEPHENS, 1816

On October 24, 1816, the Treaty of St. Stephens was signed. This treaty ceded all Choctaw lands east of the Tombigbee River, from the Chickasaw/Choctaw boundary to the northern limit of the area ceded by the Treaty of Mt. Dexter.

In 1817 Mississippi was admitted to the Union as a state. Alabama followed in 1819, thus ending the Mississippi Territory. This set the stage for the coming of the ancestors of the group known as the Alabama "Cajans" to the area north of Mobile.

THE ALABAMA "CAJANS"

The very name "Cajan", which was first applied to them in the 1880s, demonstrates that from a very early period these people have been recognized as a distinct group. They are what anthropologists and sociologist call an "isolate". That is, a subcultural group which due to some form of isolation has developed its own society and culture independent of the mainstream society which surrounds it. Numerous examples of such isolates are known and include such groups as the Polynesians of Hawaii or Tahiti, isolated by thousands of miles of open ocean; or Appalachia in the mountains of Tennessee, Kentucky and several other states, where the eighteenth and nineteenth century settlers from primarily the British Isles became isolated by the rugged terrain which surrounded them and resulted in a society which more closely resembled that of early nineteenth century Britain than twentieth century North America with elements that are uniquely their own thrown in; on some of the barrier islands along the coast of Virginia, the language that is spoken is not that of modern American English but more closely resembles that of Elizabethan English which the original settlers of these island spoke.

The "Cajans" of Alabama were not isolated from the mainstream society by great physical barriers. There are no enormous mountains which surround them or miles of ocean which separate them from their neighbors. Their isolation was a social isolation. These people are the descendants of a mixed genetic and social heritage. Many of the ancestors of this group were white, but many were also "mulattos" of mixed black and white or Indian backgrounds and many were part Indian and part white. They were not accepted by the mainstream white society and they refused to participate in the black society.

The mixed nature of their cultural and genetic heritage is very diverse. They are the descendants of American Indians (they themselves claim Choctaw, Cherokee, Creek, Chickasaw, Houma and even Apache), French, English, Spanish, Mexican, German, Russian and African sources from the Southeast and the Caribbean. This has resulted in a blending of the genetic and cultural heritages from all of these sources. They are not black, white or Indian but an unique mix of all three.

SOCIAL ISOLATION

Because of the mixed heritages of this group and the relatively remote area in which they lived, the members of this community became isolated from the mainstream society at a very early time. They were already recognized as a separate community, with their own cultural and social structure by the 1880s. This implies that almost from the beginning, they kept to themselves and only minimally interacted with the outside world.

This isolation was probably caused by several factors. First was their mixed genetic heritage. Although many of them appeared to be white, as attested to by the censuses in which they are listed as such, many more of them could not. They did not appear to be black, but they definitely were not white, which resulted in them being shunned by most white society. They, on the other hand, refused to be considered black, since they considered that insulting. So, the only option which they had was to stay away from the white society which did not accept them as part of it and to remain apart from the black society in which they refused to interact.

FAMILY HISTORIES

The historical antecedents of the Alabama "Cajans" are numerous and varied. Some of their ancestors were French colonial settlers or the children of French settlers. These include Juzans and the Chestangs families, both of who were well established in the area north of Mobile by the 1770s.

Some of the ancestors of this group were newer immigrants. The best known of these, and one of the most prominent early ancestors of the Alabama "Cajans" is Daniel Reed. Reed is listed as a freed Negro in Toulmin's digest of Alabama Laws, and since Toulmin probably knew Reed, this should be accurate. According to family legend, Reed came from San Domingo and was a mulatto of mixed African and either French or Spanish parentage. It is not known exactly when Daniel Reed came to this area, but by 1818 he had established himself well enough to have purchased a mulatto slave named Rose—presumably from Young Gaines, Perry County, MS—whom he married. In 1818 Reed was able to get an Act of the Alabama Territorial Legislature to emancipate Rose. Two years later, Reed got a second Act from the legislature to emancipate two of his, and presumably Rose's children. In all of these acts, Daniel Reed is listed as a "free man of color" and Rose and the children are referred to as "mulatto". In 1828, Daniel Reed purchased his son George from Young Gaines. The names of all of Daniel and Rose Reed's children are recorded at his death in 1844. They are: Julia Ann, Eliza, George, Matilda Ann, William, Reuben, Lucretia and Emaline. All are attested to being free persons of color, being the children of free persons of color, by the local county court judge at the time of Daniel Reed's death.

Of this second generation, four of the Reeds' daughters all married the following white men: Peter Cole, Willis Daugherty (married Emeline), John Harris, and Nedham Bryant Married Matilda); Lucretia never married and the sons, George, William and Reuben, married Ellen, Lovinda, and Emeline Weaver, in that order. The Weavers are one of the other founding families of the Alabama "Cajans" and these daughters are purported to have been half Cherokee from their father. Based on the 1870 Census data in Green, 1941, these marriages took place in the late 1840s and early 1850s.

It should be noted here that Rose Reed is claimed by her descendants to have been half Choctaw. However, there is no documentary evidence to prove this statement while there is a great deal of evidence to prove that she was a Negro slave. In one major court case (Barbara Young, et al, vs Board of School Commissioners of Mobile County, Alabama, 1930) the judge, while sounding sympathetic to their case, because of the evidence presented and the laws of Alabama was forced to rule that Rose was indeed Negro and that there was nothing but hearsay evidence to support the claim of Choctaw heritage.

It is unnecessary here to go into a detailed discussion of the histories of all of the other families which were the founders of the Alabama "Cajans"; although inadequately documented, they are presented in detail in Matte, et al, n. d., However it is necessary to make several observations. The three most common surnames among this group are Reed, Weaver and Byrd. The Reed line has already been discussed. The Weaver line purportedly trace its origins back to Dave Weaver, who was a Cherokee and listed as living at Sharp Mt., Georgia, on the 1835 Cherokee Roll. The Byrd line traces its beginnings to Lemuel Byrd, purported to be a mixed-blood Cherokee, also from Georgia, who moved into the Mobile area after service in the War of 1812.

All of these families, and many others, intermarried extensively beginning in the 1820's and 1830. Among them were probably many half- or part-blood Choctaw, Chickasaw, Creek, and Cherokee. However, the documentary evidence for these blood lines is ambiguous or non-existent. The majority of their claims are based solely on family reminiscences. The fact of the matter is that most families in Mississippi and Alabama which came to these areas as early as those of the Alabama "Cajans" probably do have at least some Indian blood. However, there is a great deal more to being an Indian than simply having the genetic heritage. There are cultural and social aspects of "Indianness" which more than anything else make Indians what they are.

SOCIAL AND CULTURAL ASPECTS OF ALABAMA "CAJANS"

Because so much was written about them in the 1930s we have a good sample of the social aspects and culture of the "Cajans" at a period before there was extensive influence on them from the outside. It should be pointed out that at the time the various authors were listing the "Cajans" in the '30s, these people led a life of abject poverty. There were virtually no roads in the areas in which they lived and travel was primarily by foot or horseback; virtually no electricity was available and there was no running water. The houses they lived in were shacks which are described by many of the authors as being even more decrepit and dilapidated than the local blacks' houses. There was little furniture or other household goods in many of the homes. Some of them had access to kerosene lamps but the majority of households were still using fat-pine torches as their main source of illumination after dark. At this time only a few houses had radios or phonographs and the majority of people had never even been to Mobile, just a few minutes automobile ride away. The overwhelming majority of them were illiterate. They were not only isolated from the society of their neighbors, they were cut off from virtually all influence from the outside world.

This situation began to change in the 1930s as several church mission efforts began by establishing schools and churches in the area. The young people began to be educated. After World War II, the outside world began to have more influence within the local area and with the passage of the Civil Rights Act and the abolition of segregation the situation has radically changed.

Therefore, at the time that some of the earliest information about these people is available, they had changed very little from their forebears in the nineteenth century.

This gives us an opportunity to see what the social and cultural situation of these people was before it had been extensively influence or disrupted by the popular American culture of the time.

The picture which we get of this group is one of nineteenth-century, southern, lower-economic, white culture. It resembles the culture of the Appalachian areas on more than a superficial level. The primary social organization is based on extended-family kinship groups. And in a society as closed and intermarried as this one, everyone was related to everyone else in some way. The basic unit of socio-political power among these people is the "settlement" which is a community of people living together around institutions such as churches and schools and a general store, if the community was large enough. Settlements can be further subdivided into "neighborhoods" which represent different extended-family lines (clans) within the settlement. The residency pattern is patrilocal; when a couple from different settlements gets married they live in the settlement of the husband's family. Each neighborhood has a head who is selected informally and the selection is primarily based on his qualifications as a religious leader. It is also primarily an achieved status (rather than inherited) with the person who is best qualified to act as leader getting the position, although the leadership also tends to run in families. The leaders of each neighborhood informally select one of their number to act as the head of the settlement. This position is usually held by the man having the most seniority. Generally speaking, any man from any family can be the leader of a settlement. However, in Mobile County members of the Reed family have been excluded in the past because of their commonly known descent from a Negro slave. The settlement and neighborhood heads are the authorities in each community. They arbitrate disputes, give advice, resolve problems with the schools and churches and lead the religious life of the neighborhoods.

FAMILY LIFE

The father was the absolute ruler of his household. His wife and children, until of legal age, were expected to obey him without question. Most women were expected to ask their husbands permission before doing something as simple as visiting a neighbor. The girls were expected to learn household duties at an early age and usually began helping their mothers with daily tasks by age six or so. The girls were strictly disciplined and were expected to obey all instruction given by not only their mothers and fathers but their elder brothers as well. On the other hand, boys were not very strictly disciplined and were given great liberty. Few parents would force a young boy to eat foods he disliked or to attend school and, while they might have been told not to, it was common for boys of eight or ten to smoke, drink and gamble with adults. Most girls were married by the time they were fifteen or sixteen and had had several children by the time they were twenty. Boys usually did not marry until they were twenty-one.

One interesting custom peculiar to this group was that of naming patterns. Although the habit initially sounds extremely unusual, when it is considered that there are only a few surnames among these people the pattern makes sense. When a child was born he/she was given a proper name. The child was then called by their first name and by one of their parents or grandparents names. Thus, Joseph whose father was named Edward, would be called "Joe Ed". The same pattern occurred at marriage when the wife took on her husband's name. Martha who married Bob would be called "Martha Bob".

BURIAL CUSTOMS

Upon the event of a death, all mirrors in the room in which the body was to be laid out were covered and all clocks were stopped at the time of death. The head of the corpse was bound with a cloth, tied on top of the head or beneath the chin and pennies were placed on the eyes. The body was placed on a "cooling board" and the water in which the body was washed was often placed under the board in the belief that it would aid in preservation. All doors in the room in which the body was laid out were left open to allow the spirit of the body to depart unimpeded. A "wake" was held the day after the person's death. People began gathering at the home where the body was laid out early in the morning. The children would play in the yard and the adults would gather inside or on the porch of the house. Food and hot coffee were served throughout the day by the female relatives of the deceased. Throughout the day more people would come and about sunset hymns would be sung. Around midnight the crowd would begin to depart and representatives of the family would sit with the body throughout the night. The next day the burial service would take place at the church and the person would be buried in the graveyard. At the end of the service, each person present would pass by the open grave and throw a handful of dirt on top of the coffin.

Initially, the idea of a wake for the dead did sound like the Choctaw custom of having a wake. However, when all of the activities involved in the preparation of the body and the wake were examined, not a single element of this event was found to be Choctaw. The wake of the Alabama "Cajans" is probably the result of the many Irish and other Europeans which settled in the area in the early nineteenth-century.

Many superstitions and cures were encountered among the Alabama "Cajans". Virtually all of them are either common in the Southeast today, or are of European origins.

SUMMARY AND CONCLUSIONS

Despite the fairly substantial body of written material available about the Alabama "Cajans" and their society and culture and despite the evidence that there are indeed numerous Indian ancestors of this group, their culture in the twentieth century is almost completely derived from that of Europeans. There are only a couple of things mentioned that sound even remotely Indian or Indian-derived and most of these when examined closely are probably not Indian.

A couple of the superstitions and folk cures might be derived from the general belief systems of the Southeastern Indians. However, they are so far removed from any actual superstitions practiced by Southeastern Indians that it is impossible at this point to say how they evolved. There is some evidence that some herbal medicine may have survived into the present. However, there are only a couple of slight references to these practices in any of the available material and the evidence is not sufficient to form an opinion.

In conclusion, the "MOWA" are a portion of the group known for the past century as the Alabama "Cajans". This group is a tri-racial isolate who are the descendants of American Indians, including Cherokee, Choctaw, Creek and Apache; African slaves and freemen; and Europeans, including French, English, Spanish, Germans and Russians. Due to their mixed genetic and cultural heritage they were isolated at an early time by pressures from without and within from the surrounding cultures. They have developed a unique and extremely interesting society and culture which blends many of the elements from all of their diverse background. However, they are not an Indian tribe; the are not the remnant of an Indian tribe; they are not Choctaw.

COMMENTS ON SOME OF THE TESTIMONY PRESENTED BY THE "MOWA" TO SUPPORT THEIR CLAIMS AS CHOCTAW

In the "MOWA's" testimony to the Senate Select Committee on Indian Affairs and in their Application for Recognition presented to the Bureau of Indian Affairs there have been numerous historical errors and misstatements. Most of these have been minor and have been pointed out by other sources. However, several gross errors were presented in the testimony presented before the Senate Select Committee on Indian Affairs on June 26, 1991, which can not be ignored or go uncorrected. One of the errors which needs to be corrected involves the location of the Six-Towns District (the Okla Hannali) of the Choctaw Nation and that of Yowani village. Another of the errors is the presumption that the area in which the "MOWA" live was covered under the Treaty of Dancing Rabbit Creek. Lastly is the assumption that all documents relative to the Choctaw automatically apply to the "MOWA".

First, numerous times in the testimony of June 26, the statement is made that Yowani village and the Six Towns District were in Alabama (Tab 4, part 3, page 1; Tab 5, part 1, page 1; Tab 5, part 2, pages 5-6; Tab 7, page 1; as well as many other references to the Six Towns and Yowani which imply but do not say they were in Alabama). This is totally inaccurate. The Six Towns—Yellow Canes, Bouctoulouctsi, Tala, Nachououenya, Senacha and Toussana—where located along Souinlovey Creek and Tarlow Creek, both on the west side of the Chunky River, in northern Jasper and southern Newton counties, Mississippi. Yowani Village, which was not part of the Six Towns, was located on the Chikasawhay River, in the extreme northern portion of Wayne County, Mississippi.

Second are the repeated references to the Treaty of Dancing Rabbit Creek and its provisions for private reservations or land grants to Choctaw who did not wish to be removed west. The area in which the "MOWA" now live and in which their ancestors have lived for close to the last two hundred years was not covered by Dancing Rabbit Creek. That area was ceded by the Choctaw to the United States under the Treaty of Hoe Buckintoopa in 1803, 27 years before Dancing Rabbit Creek. The area covered under Dancing Rabbit Creek is over 40 miles from the most northern portion of the area occupied by the "MOWA", yet they seem to be attempting to make some argument that they are owed something under this treaty.

Lastly, throughout all of the testimony and statements made there is a basic underlying assumption that these people are Chocktaw and that this matter does not need to be proven. And therefore, all documents and records which deal with the Choctaw automatically apply to the "MOWA". As has been shown in the foregoing discussion, the Alabama "Cajans" are not a Chocktaw band or even a remnant thereof. Therefore, none of the documents cited which deal with the Choctaw are relevant.

The PRESIDING OFFICER. The bill is before the Senate and open to

amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 282

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Mowa Band of Choctaw Indians Recognition Act."

FEDERAL RECOGNITION

SEC. 2. Federal recognition is hereby extended to the Mowa Band of Choctaw Indians of Alabama. All Federal laws of general application to Indians and Indian tribes shall apply with respect to the Mowa Band of Choctaw Indians of Alabama.

RESTORATION OF RIGHTS

SEC. 3. (a) All rights and privileges of the Mowa Band of Choctaw Indians which may have been abrogated or diminished before the date of enactment of this Act by reason of any provision of Federal law that terminated Federal recognition of the Mowa Band of Choctaw Indians of Alabama are hereby restored and such Federal law shall no longer apply with respect to the Band or the members of the Band.

(b) Under the treaties entered into by the ancestors of the Mowa Band of Choctaws, all historical tribal lands were ceded to the United States. Congress does hereby approve and ratify such cession effective as of the date of the said cession and said cession shall be regarded as an extinguishment of all interest of the Mowa Band of Choctaws, if any, in said lands as of the date of the cession. By virtue of the approval and ratification of the cession of said lands, all claims against the United States, any State or subdivision thereof, or any other person or entity, by the Mowa Band of Choctaws, including but not limited to, claims for trespass damages or claims for use and occupancy, arising subsequent to the cession and that are based upon any interest in or right involving such land, shall be regarded as extinguished as of the date of the cession.

(c) The Mowa Band of Choctaws has no historical land claim and cannot, and shall not utilize its Federal recognition as provided by this Act to assert any historical land claim. As used herein, "historical land claim" means a claim to land based upon a contention that the Mowa Band of Choctaws, or its ancestors, were the native inhabitants of such land or based upon the Mowa Band of Choctaws' status as native Americans or based upon the Mowa Band of Choctaws' Federal recognition as provided by this Act.

(d) Except as otherwise specifically provided in section 4 or any other provision of this Act, nothing in this Act may be construed as altering or affecting—

(1) any rights or obligations with respect to property,

(2) any rights or obligations under any contract, or

(3) any obligation to pay a tax levied before the date of enactment of this Act.

LANDS

SEC. 4. (a) All legal rights, title, and interests in lands that are held by the Mowa Band of Choctaw Indians of Alabama on the date of enactment of this Act are hereby transferred to the United States in trust for the use and benefit of the Mowa Band of Choctaw Indians of Alabama.

(b)(1) Notwithstanding any other provision of law, the Mowa Band of Choctaw Indians of Alabama shall transfer to the Secretary of the Interior, and the Secretary of the Interior shall accept on behalf of the United States, any interest in lands acquired by such Band after the date of enactment of this Act. Such lands shall be held by the United States in trust for the Mowa Band of Choctaw Indians of Alabama.

(2) Notwithstanding any other provision of law, the Attorney General of the United States shall approve any deed or other instrument used to make a conveyance under paragraph (1).

(c) Any lands held in trust by the United States for the benefit of the Mowa Band of Choctaw Indians of Alabama by reason of this section shall constitute the reservation of such Band.

(d) The Congress finds that the provisions of this section are enacted at the request of the Mowa Band of Choctaw Indians of Alabama and are in the best interests of such Band.

SERVICES

SEC. 5. The Mowa Band of Choctaw Indians of Alabama, and the members of such Band, shall be eligible for all services and benefits that are provided by the Federal Government to Indians because of their status as federally recognized Indians and, notwithstanding any other provision of law, such services and benefits shall be provided after the date of enactment of this Act to the Band, and to the members of the Band, without regard to the existence of a reservation for the Band or the location of the residence of any member of the Band on or near any Indian reservation.

CONSTITUTION AND BYLAWS

SEC. 6. (a) The Mowa Band of Choctaw Indians of Alabama may organize for its common welfare and adopt a constitution and bylaws in accordance with regulations prescribed by the Secretary of the Interior. The Secretary of the Interior shall offer to assist the Band in drafting a constitution and bylaws for the Band.

(b) Any constitution, bylaws, or amendments to the constitution or bylaws that are adopted by the Mowa Band of Choctaw Indians of Alabama shall take effect only after such constitution, bylaws, or amendments are filed with the Secretary of the Interior.

MEMBERSHIP

SEC. 7. (a) Until a constitution for the Mowa Band of Choctaw Indians of Alabama is adopted, the membership of the Band shall consist of every individual who—

(1) is named in the tribal membership roll that is in effect on the date of enactment of this Act, or

(2) is a descendant of any individual described in paragraph (1).

(b) After the adoption of a constitution by the Mowa Band of Choctaw Indians of Alabama, the membership of the Band shall be determined in accordance with the terms of such constitution or any bylaws adopted under such constitution.

REGULATIONS

SEC. 8. The Secretary of the Interior shall prescribe such regulations as may be necessary to carry out the purposes of this Act.

Mr. FORD. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I ask unanimous consent that in the Cohen amendment numbered 1489, the words "This Act" in section 1 be changed to "This Title" and, in sections 2 through 12, the words "of this Act" be changed to "of the Counterintelligence Improvements Act of 1994."

The PRESIDING OFFICER (Mr. DASCHLE). Without objection, it is so ordered.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, prior to this transaction, I listened to the colloquy between the Senator from North Dakota and the Senator from South Carolina. It is true that the bill came out of commerce on a unanimous vote. On the other hand, we do understand where we are, and we have to accept that.

I would like to make a plea for, in a sense, kind of cool heads on this because I really do not think that the country wanted to see us fighting in this way over this bill, which was designed to create precisely the kinds of jobs that we need in this country. What occurs to me, as I listened to these arguments, and have over the past couple of days, is that both sides of the aisle have participated in developing these policies. These are, in fact, very bipartisan policies.

This is understandable in the course of events. I really do believe we can pass this bill, and I really do know that we must pass this bill, because this is very good for my people in West Virginia and for the people from urban and rural States. In many ways, it is the promise of America. The next generation of what we have to be doing in America. So I hope that we will understand that we are basically in partnership on both sides of the aisle on the concepts embodied in S. 4. At NIH, NASA, Department of Energy, DARPA, and the Department of Defense Conversion, we are dealing with concepts that embodied in this bill.

I hope that debate will continue, and if there will need to be cloture votes, that will happen. But cool heads and thoughtful heads will reflect that this is really a bipartisan matter we are discussing.

I yield the floor.

Mr. HOLLINGS. Mr. President, does anybody wish further discussion on the amendment of the Senator from Colorado?

Mr. DANFORTH. Mr. President, first, I do believe that some explanation is in order for what happened in the Commerce Committee, because repeatedly it has been said that this was a unanimous vote in the Commerce Committee that it was approved in the Commerce Committee.

The fact of the matter is that it was agreed to by voice vote. There was not a recorded vote in the committee. It is true that any Senator on the Commerce Committee could have asked for a recorded vote. None was asked for. I want to explain why that was the case. It was the case not because everybody on our side of the aisle thought that this was just a terrific bill; they did not. We had people on our side who did not like this bill at all. But it was voice voted, very frankly, because it was the chairman's bill. It was the bill that the chairman has worked on over a long period of time, and I appreciate that. I know he has labored very, very hard to bring this bill to the floor of the Senate. He believes in it. A number of key ingredients in it are his. The so-called Hollings Centers are centers that are named after the very distinguished chairman of our committee. And I would really say that it was a matter of comity, plus the fact that it was $2.8 billion in an authorization bill, and people, frankly, let it slide.

Maybe we should not have. In retrospect, we should not have. I should have asked for a vote and opposed it in committee. I did not do it because I have other business to transact in that committee, and it was the chairman's bill. I viewed this bill as something of a minor problem in the quantity of it. I thought that it was a serious matter with respect to the underlying philosophy. I do believe that it is industrial policy. I do believe that it is an over-involvement by Government in the private sector. But it was not a matter that was really high on my level of priorities. It was way down my level of priorities until last winter. What happened last winter—I think last December—was that our Government changed its existing policy with respect to the subsidies code that was being negotiated in Geneva in the GATT negotiations.

I am sure I can be faulted, and I have been repeatedly on the floor of the Senate over the last 4 days, for letting this matter slide. But I want to explain what it was that elevated this from a minor issue that I was willing to let go by the committee to one that has become a major issue.

What happened was that when our Government changed its position in Geneva on the subsidies code, it decided to green light—that is, to permit—certain subsidies to be in existence around the world, which would no longer be countervailable. In other words, subsidies for research and development up to a very high level of percentage would now be permissible without the discipline of countervailing duties. Subsidies for research, which is now defined as any combination of basic research and applied research, would not be countervailable up to 75 percent of the cost of that subsidy. And subsidies for development up to 50 percent would now be permissible without being countervailable.

When that happened, it caught my attention, because I now thought something very serious is in the works. What is very serious is a breakdown of our international trading system and a breakdown of disciplines that existed with respect to subsidies. I believed that this was something that the administration was pursuing, and I do believe that. The change in the subsidies code was not something that was thrust upon our administration. It was something that this administration pressed for in the trade talks. This administration asked for this change and got this change. So suddenly, instead of seeing this as something that was not desirable, but was reasonably innocuous, and was, after all, the chairman's bill, it dovetailed, in my mind, with what was done with respect to the subsidies code. And therein is my problem.

It is the view of this Senator that we have a very, very serious problem facing us, and the problem relates to subsidies for research and development. I believe that if we get into a global contest with the rest of the world on how much we are going to be subsidizing research and development, that product after product after product is going to look very much like Airbus; and we are going to be in a position in our country of either keeping up with the rest of the world and subsidizing or, in the words of a Commerce Department memorandum that came to my attention well after this bill was out of our committee, being a leader in the world of subsidies, or we are going to lose major industries.

My interest in this bill is very closely tied with the trade question. I have been speaking repeatedly with people at USTR, including Ambassador Kantor and Ambassador Yerxa about this issue. I do not think it is going to be easily solved. But it is my hope that with respect to the enabling legislation, and with respect to perhaps side agreements that could be reached with the Europeans and the Japanese and the Canadians, perhaps we can somewhat mitigate what I consider to be a very, very serious situation.

So now we have this administration in Geneva pressing for major changes with respect to what governments can do for subsidies for research and development, and also we have this very, very major spurt forward in amounts of money to be spent for our own Government subsidies for research and development in the private sector.

Senator BROWN in the amendment that he has offered is absolutely correct. Senator BROWN has pointed out the dollar amounts, and it is a huge increase in dollar amounts.

Senator HOLLINGS says in 1992 we passed this. The 1992 bill was $208 million. That is what the Senate passed. This is $2.8 billion. This is 10 times as much as what we passed in 1992. This year for these programs we have appropriated $526 million. This grows from $526 million to $1.37 billion in a single year.

I may be slow of wit. I am not here to brag about my own genius. I should have seen this in the committee. I should have raised the issue. I apologize if I blind-sided my chairman by not pointing it out earlier.

But I will say, I think we have a serious policy matter before this country, and I think that it deserves to be debated. I do not think that it is correct to refer to it as Senator HOLLINGS has as monkeyshines and all this business. It is not monkeyshines. It is industrial policy. It is the spending of the taxpayers' dollar or the borrowed dollar in our Treasury. It is a major leap forward in the entanglement of the Federal Government in the private sector and it is, I believe, related to a trade policy which has now been adopted by our Government, which is basically the sky-is-the-limit policy with respect to research and development spending.

So, Mr. President, I think this is a serious issue, and I do not think this is an issue which should be just dispatched in 1 day or 2 days on the floor of the Senate. I truly believe that we are going to be living to regret what we are doing for a long time to come, not because of S. 4 alone, not because of $2.8 billion, even though it is a ballooned dollar amount over 2 years, but an authorization bill. Let us face it, for $2.8 billion in itself is not exactly a world-shaking event in this country. It is the whole idea that we are debating. It is the whole idea. It is S. 4 plus what was done in Geneva. It is S. 4 plus the changes in the subsidies code asked for by this administration.

I would just like to read to the Senate a column that was written that appeared in the Washington Post in, I think it was January 1, 1993, and I missed this. I frankly did not read this column, and if I had, maybe I would have been more alert to the problem of S. 4, but I am just going to read it. It does not take all that long. It is by Michael Schrage, and it appeared in the Washington Post. It is entitled "Medical & Biological Technology."

As both a new year and a new administration approach, one question dominates the 1993 innovation agenda: Should Washington become the nation's next capital of innovation, and will it?

Once upon a time, Pittsburgh, Detroit and Wilmington, Del., were the nation's innovation capitals: Their smokestacks symbolized American industry. In the decade past, Cali-

fornia's Silicon Valley, Boston's Route 128 and Wall Street shared the postindustrial innovation honors: People began to recognize that intellectual capital mattered every bit as much as financial capital.

Of course, some folks would argue that Washington, with its $70 billion-plus annual research and development budget and an armada of alphabet agencies—NOAA, NASA, NIST, DARPA, etc.—already is a capital of innovation.

Not true. Yes, there have always been champions of innovation in the federal bureaucracy, but this is the first postwar administration to have made it a central tenet of its economic proposals.

With a new president promising "change," "investment" and "reinventing government," the map of American innovation will inevitably be redrawn. Will Washington be at its center? Off to one side? Or will the new administration attempt to become the nation's innovation cartographer?

An administration that champions industrial competitiveness, technological prowess and a new government-industry "partnership" can't help but transform the culture and business of American innovation. Should we invest in new machinery now, or should we wait to see if that investment tax credit materializes? Should we launch that new research initiative, or should we first see if that new industry consortium materializes?

If Ron Brown's Commerce Department helps organize and fund a materials-research consortium of leading chemical companies, who sets the research priorities? The government technocrats, the Fortune 500 "corpocrats" or the entrepreneurs? What determines its ongoing success? the marketplace? Or an appropriations subcommittee worried about the reaction back home? When defense contractors in California and Massachusetts struggle to adapt to military spending cuts, who helps oversee their retraining efforts? The state? Or Robert B. Reich's Labor Department and Les Aspin's Pentagon?

These questions should not be construed as some morbid fear of central government or concern over pseudo-socialistic "industrial policies." The problem is actually much simpler and more dangerous. When the nation's capital promises bold and activist leadership, people understandably start to look as much to Washington as they do to themselves. A corrupting "psychology of the center" emerges.

Even the boldest entrepreneurs start viewing opportunities through the prism of policy. The capital of innovation becomes the capital of innovation politics. That's how leadership can devolve into pork-barrel codependence. Consequently, it becomes just as important to manage expectations as to manage programs.

Should Washington want to be seen as an arbiter of postindustrial innovation? Or should Washington's role be to enable dozens of innovation capitals to emerge? Does leadership in innovation mean federal decentralization or recentralization? Should government standards be used to stimulate technical innovation? Under what circumstances is federal intervention never appropriate?

This is what policy is all about. This is why rhetoric can matter as much as implementation. You can't "reinvent government" without first redefining it.

Clearly, there is a world of difference between innovation policies designed to stimulate regional economic development and those that recentralize power and influence. Clearly, innovation policies designed to stimulate small-business growth are fundamentally different from those intended to encourage mature industries to adopt new technologies.

But, just as clearly, any administration that asserts that these worthy goals can be pursued simultaneously understands neither innovation nor priorities. The obvious risk is that the promises of partnership quickly turn into a New Paternalism: a belief that the federal government is primarily responsible for setting technical standards, funding new technologies, promoting technology transfer and encouraging innovation.

Instead of necessity being the mother of invention, it becomes the excuse that justifies government intervention. The less obvious risk is that, if Washington becomes an innovation capital, we lose the benefits of creative tension and rivalry between industry and government. Open hostility is clearly counterproductive, but so is coziness and complacency. Look at the dramatic rise of fuel-efficient cars and the emergence of the semiconductor industry as examples in which the absence of public-private partnerships was essential to marketplace success.

Transforming Washington into a capital of innovation hasn't happened since Franklin D. Roosevelt and Vannevar Bush in World War II. Their success was astonishing and undeniable. But they had a world war and the most concisely articulated set of philosophies, policies and programs since the Federalist Papers. The new administration has little more than sharp people and great expectations. That's probably not enough.

Mr. President, that column really states the question. It is the position of this Senator that that is not a minor issue for America. It is a major issue. This S. 4 is a little window onto a major issue, but it is nonetheless a major issue.

I would like to repeat to the Senate the two paragraphs—and I am just going to read two paragraphs from the memo that was faxed either from or to the USTR at Geneva, maybe from the Commerce Department, but it clearly is a memo that was prepared by somebody in the Commerce Department, so says the administration. This was faxed on November 27, 1993, with respect to the trade talks. Here it is. And it is about the so-called green category; that is, the newly permissible forms of governmental subsidies for R&D.

If the green category of the Dunkel draft Subsidies Code is expanded to include development subsidies, the [U.S. Government] will ostensibly choose between matching or exceeding foreign subsidies or accepting the reduced competitiveness of U.S. manufacturers. If the first choice is made, budget resources will have to be made available or the choice is illusory, and the reduction of subsidies discipline would create a net loss to the U.S. economy, as others could subsidize and we would not.

The overall effect on the economy can be positive only as long as we remain willing and able to exceed foreign subsidies, and to be selective in the particular areas subsidized. * * * Thus, a decision to reduce subsidies disciplines requires a commitment to be subsidy leaders, both in choosing beneficiary sectors and amounts given, if we are to ensure positive economic effects for the United States. Because the Code will be in effect for many years, the commitment must also be long-term.

Now I want to repeat that, Mr. President, because this is a memorandum that was circulating contemporaneously with the time the administration changed our position on the subsidies code. It says that if we are to now green light subsidies for research and development, that "requires a commitment to be subsidy leaders, both in choosing beneficiary sectors and amounts given."

"Subsidy leaders." That is what is required. That policy is what has brought all of this debate about. That policy with respect to the Government's involvement in research and development has been what has brought all of this about.

I do not agree with this policy. But the one thing I do not want us to do is to blunder into a new policy by the bum's rush.

That is why I have been participating in this debate. It has not been some political contrivance. It has not been some bad-faith maneuver on the part of the Senator from Missouri. It has not been an intentional effort to somehow blindside my chairman. It has simply been that a small matter has been blown into a big matter by a change in trade policy. And I admit I should have seen it earlier.

Mr. President, I suggest the absence of a quorum.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Does the Senator withhold the quorum call?

Mr. DANFORTH. No, I do not.

The PRESIDING OFFICER. The clerk will call the roll

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further call of the quorum be dispensed with.

Mr. DANFORTH. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATHEWS). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be 17 more minutes for debate on the pending Brown amendment allocated as follows: 5 minutes to Senator ROCKEFELLER, 2 minutes to Senator BROWN, and 10 minutes to Senator HOLLINGS; that upon the completion or yielding back of that time, the Senate proceed to vote on or in relation to the pending Brown amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. MITCHELL. Mr. President, I ask unanimous consent that the time to be

used in the obtaining of the following agreement not be charged against the time on the pending Brown amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—HOUSE MESSAGE ACCOMPANYING H.R. 3345

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 9 a.m. on Friday, March 11, the Senate proceed to the House message to accompany H.R. 3345, the so-called buyout bill; that once the clerk has reported the message by title, Senator GRAMM, of Texas, be recognized to offer an amendment to reinstate the creation of the Violent Crime Reduction Trust Fund; that there be 1 hour for debate, to be equally divided in the usual form.

I further ask unanimous consent that following the conclusion or yielding back of time, the Senate proceed to vote without any intervening action or debate on the Gramm amendment.

I further ask unanimous consent that following the conclusion of that vote, regardless of the outcome, it be in order for the majority leader, or his designee, to move that the Senate disagree to the House amendment, or concur in the House amendment, as amended, by the Gramm amendment, as the case may be, and request a conference with the House on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees, all without intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, therefore, Senators should be aware that a vote will occur in approximately 17 minutes, or at 10:07 p.m. this evening. I hope that during the period between now and the time that vote occurs, the Republican leader and I and the managers will be able to work out further agreements regarding the further handling of the pending bill.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I listened, as usual, with great respect to the argument of the Senator from Missouri about this matter. I respect the Senator from Missouri very much on trade issues and I usually agree with him.

I serve on the Finance Committee with the distinguished Senator from Missouri I listened to him at great length as he very clearly expressed concerns about the GATT subsidies agreement. I do not necessarily share his views on that, and in fact the very Airbus program that he referred to in his argument would be actionable under the new GATT agreement.

The point is that we have to separate the wheat from the chaff. We are not debating the GATT bill. The place to do that is in the Senate Finance Committee. If we are to resolve that issue, then let it be in the implementation legislation.

I say to my colleagues on the other side of the aisle, and those who might be listening, the Senate Finance Committee is preparing the proper implementing legislation so that the GATT round can pass. It cannot be law unless it passes the Senate Finance Committee. So the Senator will have ample chance to do something at that time.

But the punishment that he inflicts on S. 4, which is about creating jobs for Americans, is not fair. It is not fair to the rest of us. It is not fair to his own colleagues who have participated over the last few years going back to President Bush and developed this whole concept. We are not talking about an explosion of money, and we are also not, I might say, not talking about anything bad budgetarily. Any money that is increased for the purposes of S. 4 are handled by reductions in other programs in other parts of the budget.

This is a disciplined increase which just happens to reflect one of the five major priorities that the President of the United States wants to see happen to this country—namely job creation. It is called technology and where appropriate the Government and industry cooperating on technology.

Time after time, I have tried to point out, and more importantly the chairman of our full committee has tried to point out, these decisions are not made by Government. The decisions are made by industry. In the venture capital fund, which we debated last night, the decisions are not made by Government. The decisions are made by private industry.

I do not think the Senator could argue that McDonnell Douglas or the aerospace industry could have advanced without some help from Government. I do not think the Senator could argue that agriculture or the semiconductor industry could have advanced or be competitive without some help from Government.

We are not talking about a Government takeover. In fact, we are not talking about industrial policy. We really are not. And I know those words are very controversial. But I beg Members from the other side of the aisle to understand that the Senator from Missouri does have a very clear and definite problem with the GATT subsidies aspects and that he has made this clearly known in the Finance Committee. We will clearly have to deal with the Senator's concerns in that Committee. But this bill is about American jobs, American jobs created by technology, and it is a very, very good bill.

I accept the Senator's explanation that he did not choose to call for a rollcall vote in the Commerce Committee, but, on the other hand, there was not a single Republican who was seated while we had this vote who said "no." Therefore, I feel that there are Republicans who are sympathetic to this, and I would plead for our colleagues to understand this is the Senator's problem. Do not punish S. 4 just to satisfy the GATT subsidies concerns of the Senator from Missouri.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Who yields time? Who yields time?

Mr. BROWN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, this amendment is very straightforward. It deals with the cost of the bill. The comparable bill in the House, I am told, is H.R. 820. The authorization in that bill is $1.5 billion. This amendment changes the authorization to $1.5 billion. In other words, it is $1.350 billion in new spending that this changes it to and it is comparable to the figure in the House. It is a realistic amendment, I believe. It not only matches the House but it represents still a significant increase in spending here.

In advanced technology, the bill that is before us is 139 percent above the current '94 funding level. In manufacturers' extension partnerships, the fiscal year 1995 authorization is 133 percent above the fiscal year 1994 level. In NIST laboratories, this measure authorizes 42 percent above the fiscal year 1994 level.

Mr. President, there are areas we can save. This is an overall limit. It does not go into the individual categories. It would leave to the conference committee their ability to adjust the numbers or the appropriations committee to adjust the numbers.

Mr. President, if we are going to do this, let us do it right. Let us do it with a reasonable number. This is a modest amendment. I believe it gives this body an opportunity to go on record for the purpose of this bill but without getting carried away with regard to its cost.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. The amendment of the Senator from Colorado is not modest. The House bill came over in May of

last year so it was for '94-'95. Our bill is for '95-'96 and includes, as I said, these things with respect to construction, with respect to information superhighway of $244 million, and I could go right on down the list of the amounts.

Bottom line, it is still, Mr. President, less than what we voted out June of last year, $1.513 billion in June of last year, which is less now where we have got $1.370 billion. And when he talks about 1.5, he is coupling the entire bill then of 2 years, which would be 2.8. At the 1.5 level, it would have been 3, if we followed out what we reported out in June of last year.

So we would have to move to table that. But before making that motion to table, let me clarify the record. I think the distinguished Senator from West Virginia has remarked properly with respect—I do have the transcript of both the 1992 vote and the 1993 vote before the Committee of Commerce. I just resent right quickly the characterization that somehow, wait a minute, this was just a bill for the chairman and it had something in there about Hollings centers and we wanted to go along.

Not so. Absolutely. There is no Hollings centers named. I understand they have been calling them that. But this is not anything of pride to help the poor old fellow along, whatever.

I worked with Senator BINGAMAN on this bill at length, the various measures in there. At one time, Senator JOHNSTON of Louisiana had a misgiving about it with respect to the Energy Committee. We cleared that.

We had Senator BUMPERS with the Small Business Committee, and we cleared it with him, and again with Senator PRESSLER on our committee. Senator PRESSLER is one of the top ranking members on our committee and would be it next year apparently. We worked with him on the bill. We worked with Senator BURNS. Senator BURNS had an intern program. That was included in here.

Of course, the leadership was given by Senator ROCKEFELLER, the chairman of the subcommittee. Senator KERRY, Senator DORGAN. This thing was really worked over and it was not any courtesy amendment because of the chairman. On the contrary, it was worked over in a bipartisan fashion and you do not find any chairman in all that. In fact, all the letters—and many of them I have read—have been to Senator DOLE and other Members on the other side of the aisle. But to come with that oozing along now that I just sort of misunderstood is absolutely false.

The distinguished Senator from Missouri came to me earlier this year, and he said, "I have been with you on this bill but I am going to have to do something about this subsidy thing. I am going to change on the subsidy and oppose it to try to highlight the matter on the subsidy to see if I can do that with respect to having amended GATT."

Here was a Senator who led the fight for fast track to ban amendments to GATT, and he was coming for an amendment on a bill that we had unanimously passed out of the committee one year and unanimously out of the committee the next year. I said, "Well, I hope you will not do that." The indication was, "Well, I am going to try to highlight it so we can get the administration's attention."

But there is no question over a year ago with respect to this bill that it represented a new venture or a new policy. February 24, of last year, the Senator's own bill, S. 419, said Federal financial assistance to the semiconductor industry consortium known as SEMATECH has been successful in improving the competitiveness of the U.S. semiconductor industry.

He was one of the leaders for that. The $10 billion was in there, and here is his statement at that time. I quote the Senator from Missouri:

> And then the second piece of legislation which you pointed out, Mr. Chairman, is the aerotech bill. It has a number of cosponsors, both Democrats and Republicans, and the idea of that legislation is to provide for private sector input into the spending of about $10 billion which the Federal Government now does each year in the research and development area in aerospace, and also to use as a model for aerospace what Sematech was for the semiconductor industry to make it possible for a consortium of U.S. aerospace industries with the support of the Government to join together in the development of new technologies for that industry.

So we know that he was taking the actual technology and marrying it in on the Sematech model to the tune of $10 billion. You can see exactly as he says in this bill:

> Such Government industry consortium should focus its efforts on research, development, and commercialization of new aeronautical technologies and related manufacturing technologies as well as the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications of large civil aircraft.

That was his proposal. There has been no objection by the Senator from Missouri with respect to these subsidies moving to this one single industry so important to his State: $6 billion in sales to Saudi Arabia, financed by $6.2 billion in export financing. Yet now he comes along and says, "Wait a minute." This is a new departure in his bill. Likewise, in his bill, he says, "such sums as necessary." Where does the money come from? It is not in his bill. It is not in ours. It is not in most authorization bills where the money comes from. It is an authorized amount to be appropriated at a later time. That is why I call these objections monkeyshine. They know differently. They know of the unanimous vote for S. 4, and to come now and say, "Well, it sort of slipped by, and I did not look at the figure, and it really was not unanimous." It was.

What they are doing now is trying to gut the bill one other time with this particular amendment where the Senator from Missouri, and he looked at it and he knows the figures, not only the year before last but last year the figure in excess of what we have now before S. 4 before the U.S. Senate— $1.513 billion. We never asked about the amounts. He talks about burning holes in the pockets, and grabbing the money, and they are going to make a big, big assault here, pork barrel and everything else. But he now comes in a very sly way of saying, "Wait a minute. I did not really pay attention to it. I knew it was the chairman's bill, and I sort of went along." That is not the case whatsoever.

It is highly questionable to watch this particular procedure, and after 4 days and nights to come up here and try to say no, it was not unanimous. They could have raised objection to the amounts. There were eight Republicans there at one time. There were nine Republicans at another time. They know how to raise objections to the bill. They know how to vote no. And we have had divided reports in the past.

For example, on the product liability bill, I worked on that much longer than this. But they voted me down 16 to 4. So we live in the real world. If we oppose a bill, we vote no, even if it means disagreeing with the chairman. Do not distort the amount and come now with this kind of description, "Well, it was just you know HOLLINGS, and the centers, and I did not pay attention, and I think I ought to confess." The confession was to me last month when he came, and said, "I don't like what happened in December with GATT and it brings out a new issue regarding subsidies. And I am going to have to oppose it," when actually he has been leading the way for subsidies in the aircraft industry. This is a subsidy bill. Yes; let us call it subsidies. It is for all America's technologies, not just one single industry in the distinguished Senator's backyard.

I think it ought to be brought into focus as to really what is going on, and not mislead the colleagues, "Well, I do not know. It just passed by, and we just wanted to honor the gentleman and let it by because he was the chairman." That is not the case whatsoever.

I yield the remainder of my time, and I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SIMON). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum for the majority leader at his request.

Mr. CHAFEE. Mr. President, could I make a couple of comments before we go to the rollcall vote?

I want to say, Mr. President——

The PRESIDING OFFICER. The request is for a quorum call.

Mr. HOLLINGS. I continue to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following amendments be the only first degree floor amendments remaining in order to S. 4, the National Competitiveness Act, and that they be subject to second-degree amendments which are relative to the first-degree amendment to which it is offered, and that no motion to recommit be in order during the pendency of this agreement.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. Mr. President, I reserve the right to object. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the majority leader yield for that purpose? The majority leader has the floor. Does the majority leader yield for the purpose of questioning the presence of a quorum?

Mr. MITCHELL. Yes; I do. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I renew my request.

The PRESIDING OFFICER. Is there objection to the request?

Mr. CHAFEE. Mr. President, I ask that, in connection with that request, I might have a minute to speak before we vote on that tabling motion.

Mr. HOLLINGS. Mr. President, I make the same request.

The PRESIDING OFFICER. Does the majority leader yield for that purpose?

Mr. MITCHELL. Mr. President, if I could ask my colleagues, then, if they would let me get the agreement, and I will propound a separate request that Senator CHAFEE be recognized for 1 minute and then Senator HOLLINGS be recognized for 1 minute, and then we vote on the tabling motion.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, the list of amendments to which I referred in the agreement is contained in a document that has been sent to the desk. So the list of amendments will be printed. Each one of the two sides prepared their list, and we combined them.

I ask unanimous consent that Senator CHAFEE be recognized for 1 minute and, upon the completion of his remarks, Senator HOLLINGS be recognized for 1 minute, and upon the completion of Senator HOLLINGS' remarks, the Senate vote on Senator HOLLINGS' motion to table the pending amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I listened to the presentation of the Senator from South Carolina just a few minutes ago, which was in effect a total attack on the Senator from Missouri. He did not address the amendment or the concerns of the Senator from Missouri. He indulged in a group of character labeling, referring to the "sly way" in which the Senator from Missouri proceeded.

We all know the Senator from Missouri very well in this body, and I think it is inappropriate that the Senator from South Carolina used the language he did. I think that it is not fitting. It is certainly not fitting in a description of the Senator from Missouri we know. I just wanted the body to know how strongly I felt about the approach of the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the RECORD will be printed there, and I constrained myself, I can tell you that right now. I referred to the facts, and he does not like being corrected by way of facts. The reason one uses the word "monkeyshines," it is a polite expression maybe for hypocrisy, for the simple reason that you cannot come moving in Sematech for the semiconductor industry, moving if you please for the private aircraft industry, going along with the sales and everything else, and come on this bill and say, with technology, now that this is a whole new venture. We know it is not a new venture.

The language of the Senator from Missouri used in presenting his own bill—I did not see any descriptive way other than to say exactly what happened. I know how it is presented, but I stand by everything I said. I know the rules of the Senate, and I am sorry you resent it. I resent your resentment.

Look to the language the Senator from Missouri used in presenting his own bill—I did not see any descriptive way other than to say exactly what happened. I know how it is presented, but I stand by everything I said. I know the rules of the Senate, and I am sorry you resent it. I resent your resentment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Colorado [Mr. CAMPBELL], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Idaho [Mr. CRAIG], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from North Carolina [Mr. HELMS], are necessarily absent.

The result was announced—yeas 49, nays 43, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—49

Akaka	Graham	Moseley-Braun
Baucus	Harkin	Moynihan
Bingaman	Heflin	Murray
Boren	Hollings	Nunn
Boxer	Jeffords	Pell
Breaux	Johnston	Reid
Bryan	Kennedy	Riegle
Bumpers	Kerrey	Robb
Burns	Kerry	Rockefeller
Byrd	Lautenberg	Sarbanes
Daschle	Leahy	Sasser
DeConcini	Levin	Shelby
Dorgan	Lieberman	Simon
Exon	Mathews	Wellstone
Feinstein	Metzenbaum	Wofford
Ford	Mikulski	
Glenn	Mitchell	

NAYS—43

Bennett	Feingold	McConnell
Bond	Gorton	Murkowski
Bradley	Gramm	Nickles
Brown	Grassley	Packwood
Chafee	Gregg	Pressler
Coats	Hatch	Roth
Cochran	Hatfield	Simpson
Cohen	Hutchison	Smith
Conrad	Kassebaum	Specter
Coverdell	Kempthorne	Stevens
D'Amato	Kohl	Thurmond
Danforth	Lott	Wallop
Dole	Lugar	Warner
Domenici	Mack	
Faircloth	McCain	

NOT VOTING—8

Biden	Dodd	Inouye
Campbell	Durenberger	Pryor
Craig	Helms	

So the motion to table the amendment (No. 1494) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. CAMPBELL. Mr. President, I rise today to express support for S. 4, the National Competitiveness Act.

S. 4 is a "jobs bill' for the future. It is the first building block of the information superhighway. To remain competitive as a nation, we must recognize that the jobs of the future are going to be in technology. We have the opportunity to lay that groundwork with this bill. We will be cheating ourselves and the future of our children if we allow this opportunity to pass us by.

S. 4 emphasizes research and development and encourages public/private partnerships. This effort to revitalize our economic base will ensure American competitiveness in the global economy. Strengthening Federal support for civilian technology and manufacturing will promote economic growth, U.S. competitiveness, and create jobs.

The programs in S. 4 are specifically targeted to small- and mid-sized manufacturers who create the new, high-wage jobs our country needs.

This bill is sound policy. It is a wise investment in America's economic future. It should be noted, Mr. President that S. 4 will not add one penny to the Federal deficit because all spending will be funded within the hard freeze on discretionary spending. Most of the funding comes from the reallocation of our post-cold-war R&D budget.

In closing, Mr. President, I want to remind my colleagues that the National Competitiveness Act presents us with the opportunity to do something very exciting for the future of this country. We have the chance to plant the seeds of a technological policy today that will grow and develop into a strong and competitive economy tomorrow.

THE NATIONAL COMPETITIVENESS ACT

Mr. COATS. Mr. President, I rise today to express my opposition to S. 4, the National Competitiveness Act. Every Member of this body unquestionably supports the goals of S. 4—to make the United States a more competitive nation worldwide. Many of us differ, however, on how to achieve this goal.

S. 4 promises bigger, more intrusive Government at a time when we should be reducing Government and removing the handcuffs that restrict small business. This bill doubles the size of the Commerce Department. It triples the size of one of its agencies, the National Institute of Standards and Technology. S. 4 creates or expands at least six programs within the Commerce Department and establishes three new advisory boards.

The underlying assumption of S. 4 is that the Federal Government, rather than the free market, is better suited to determine winners and losers in high-technology industries. This logic is fundamentally flawed and will do little to enhance U.S. competitiveness. In fact, the only increased competition we will see, if S. 4 is enacted, will be between Members of Congress and special interest groups fighting for pork-barrel projects. And mark my words, precious taxpayers dollars will flow to projects, not based on merit but on the skill of the special interests and politicians. If anyone doubts me, I've got a courthouse in Brooklyn to show them.

The Government can play an important role in promoting U.S. competitiveness. But that role is not to hand-pick new industries to subsidize. The key to improving the ability to U.S. businesses to compete globally is to unshackle them: reduce taxes which punish businesses for being successful, cut Federal spending to reduce the deficit, eliminate regulatory burdens, and provide legal reform.

First, we must categorically reject higher taxes, and call for specific tax reductions. The old arguments against tax increases are as valid as they've always been. High taxes bleed an economy of its productive power. They strip individuals of incentive and devalue their work.

We should not only reject tax hikes, but we should also move to reduce tax rates on labor income and capital formation. Payroll, income tax, and other tax cuts would reduce the cost of hiring workers and introducing new equipment. Cutting these taxes would also stimulate savings, investment, and productivity. And unlike targeted subsidies, tax relief would allow private funds to flow to their most productive uses.

Second, we must balance the Federal budget. The Congress must be prevented from buying special interest support with cash funded from debt. Our Nation is faced with what Thomas Jefferson called "the stark choice between economy and liberty, or profusion and servitude."

Last week, the Senate let an historic opportunity pass by in failing to pass a constitutional amendment to balance the budget. We do not have to raise taxes or gut spending programs to balance the Federal budget, as the naysayers would have us believe.

I have a plan called "Families First" which would balance the books in 8 years by capping the growth of Federal spending at 2 percent annually. At the same time, it provides and pays for several incentives for families to save and businesses to invest. Our debt is an unfair burden placed on our future. It is a failure of political will. It is a betrayal of moral commitments. We must end this legacy of excess.

Third, we must enact regulatory reform. Unnecessary regulations impede the ability of our Nation's businesses to compete with foreign producers, create jobs, and invest in ways that will increase productivity.

The President and Congress should establish a Federal regulatory budget and estimate the employment impact of regulations before they take effect. A regulatory budget means that the Government would place a limit on the total estimated cost imposed on the economy each year by all Federal regulations.

Vice President GORE's report on reinventing Government cites a 1993 study which concluded that the cost to the private sector of complying with regulations is "at least $430 billion annually—9 percent of our gross domestic product." It is essential that the Government take steps to unleash the competitive potential of business by removing the reams of Federal redtape that binds it.

Fourth, we must enact strong liability reform. Each year, Americans spend more on lawyers than our top 200 corporations earn in profits. This propensity to litigate takes it toll on U.S. businesses, as the costs associated with exposure to lawsuits drive some firms out of business or into bankruptcy.

One survey comparing liability costs of U.S. businesses with those of our foreign competitors found that America spends five times as much as its major industrial competitors on personal injury wrangling as a share of its economy, and that the gap is widening rather than narrowing. American liability costs are 15 times greater than in Japan and 20 times greater than in Europe. This added cost makes U.S. products more expensive and diverts funds from jobs and research and development.

By driving up prices and hindering product innovation, our current tort system impedes American competitiveness. Congress should pass product liability reform and other tort reform legislation to limit punitive damages and streamline court procedures to encourage settlement. We must ease the burden of liability that closes factory doors.

With the cold war at a close, we face a new international reality. Success will not be measured primarily by a military balance or control of strategic geography. It will be counted and accumulated in the currency of commercial competitiveness. In this new international situation, high taxes and unreasonable regulation are forms of unilateral disarmament. They handicap our efforts to compete in open markets. They slow our ability to respond to change. They surrender our advantages even before we start.

I am committed to working with my colleagues to create an environment in which high-technology industries can thrive. New businesses will not grow when they are overtaxed or burdened by excess litigation and regulation. Correcting these problems will do more to enhance U.S. competitiveness than any Big Government outreach program.

MURKOWSKI AMENDMENT OF RISK- AND COST-BENEFIT ANALYSIS

Mr. BAUCUS. Mr. President, I rise to speak in opposition to the Murkowski amendment on risk- and cost-benefit analysis of regulatory actions.

While many of us believe that the protection of human health and the environment is important, we also recognize that the cost of this protection must be considered in the development of environmental policy.

However, risk is a complex and relatively new tool and we must proceed

cautiously. As we set priorities, we must be more mindful of the costs and burdens to States, municipalities, industry, and private citizens. We also must have a commitment to the American people to maintain the environmental progress we have achieved during the last 20 years.

Also, let me remind all of my colleagues that Executive Order 12286, written under the Clinton administration, already requires a full cost and benefit assessment of every major Federal regulation.

Let me quote from the order:

> Each agency shall assess the costs and the benefits of the intended regulation and, recognizing that some costs and benefits are difficult to quantify, propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs.

Let's remember, risk analysis has a simple purpose. That is to protect our environment. It must never become—as I suspect some hope it will become—a way to gut environmental laws and regulations. Just the opposite—it is a way to set priorities and protect the environment more effectively.

In my committee, we are currently addressing the use of risk analysis in the Safe Drinking Water Act, and I would ask the Members consider our approach to risk analysis and hold off on consideration of this issue until the Safe Drinking Water Act is up for consideration.

I urge my colleagues to vote against this amendment.

AMENDMENT NO. 1485

Mr. BURNS. Mr. President, I am a strong supporter of the Economic and Employment Impact Act amendment, so I am pleased to be a cosponsor.

I think Members of Congress should be fully informed of the impact of proposed bills. Whether the impact is good or bad in employment terms, it should be reliable information that is readily available.

Often, Congress acts without gauging the negative impact of legislation on businesses and on State and local governments. Coming from county government as I do, I know how frustrating it is to deal with the expensive requirements thrust on local government.

Requiring Federal agencies to provide an impact statement for regulatory actions is also an important step.

I urge my colleagues to support this amendment. I yield the floor.

Mr. LEAHY. Mr. President, the National Competitiveness Act is a road map for continued U.S. leadership in the international economy. As an original cosponsor of this legislation, I want to commend Chairman HOLLINGS for his unrelenting efforts to provide a blueprint for government-industry cooperation. He has set objectives that will ensure the United States maintains healthy manufacturing and technology sectors in the face of stiffer international competition.

Actually, Mr. President, these two sectors are rapidly becoming seamless. The long-term health of the U.S. economy depends not only on how our country promotes technology but how we apply and disseminate that technology.

American manufacturing has recently gone through a painful restructuring as firms cut to the bone during a recession which seemed endless. These cuts were on top of the steady decline in U.S. manufacturing that has taken place over the past two decades as international competition improved.

Thankfully, the economy is now on the road to recovery. But the long-term cost of the restructuring that took place is still not yet clear.

The National Competitiveness Act could not have come at a more opportune time. Jobs in research and development were frequently the first cut by manufacturing companies. While these workers do not contribute to the monthly bottom line, their work directly benefits how firms will maintain their competitiveness in the future.

Mr. President, the United States has been woefully behind the curve on providing assistance to small- and medium-size manufacturers. One reason German and Japanese companies have narrowed our technology edge is outright government support for their own manufacturing sectors. Both countries invest approximately $500 million annually on manufacturing assistance—much in the form of networks for small firms that disseminate information on new technologies and manufacturing processes.

As our economy rebounds from the recession, the Federal Government now more than ever should be a partner with industry in developing new technologies. The National Competitiveness Act creates this partnership.

This bill implements the President's technology initiatives by creating comprehensive technology development and outreach programs to achieve U.S. preeminence in advanced manufacturing technology within 10 years. These programs include:

The 21st Century Manufacturing Infrastructure program, made up of two core components: a new Advanced Manufacturing Technology Development Program and a Manufacturing Extension Partnership.

The new Advanced Manufacturing Technology Development Program would support industry-led efforts to develop, refine and test advanced computer-controlled manufacturing systems. This program will greatly expand the National Institute of Standards and Technology [NIST] Advanced Technology Program, which awards matching funds to companies and joint ventures for research in developing technologies. These matching funds are critical for many small firms that cannot afford all the research costs needed to develop these technologies.

The Manufacturing Extension Partnership would create a nationwide manufacturing extension system linking the successful NIST Manufacturing Technology Centers with new NIST Manufacturing Outreach Centers and a greatly expanded NIST State Technology Extension Program [STEP]. This partnership will provide funds and technology expertise to assist States and the private sector in planning and coordinating technology extension activities. These technology extension activities will be of particular benefit to small, rural States like Vermont that have limited State resources.

The Office of Technology Monitoring and Competitive Assessment, which will provide better information on the technological capabilities of our major trading partners. This office will help us learn from our foreign competitors so we can improve our own technological capabilities. To help us compete, we should learn about what our competitors do best.

The Critical Technologies Financing Pilot Program, which will license and regulate private venture capital companies called Civilian Technology Investment Companies. These companies will stimulate the flow of investment capital to technology firms by providing equity financing and loans. This program will help high-tech firms clear their highest hurdle on the way to growth—getting capital to expand.

The Information Technology Applications Research Program, which will ensure that Federal agencies work together with industry and consumers to develop advanced computing and networking applications. This new program will coordinate the activities of various Government agencies with the private sector to identify and promote these computer applications in such areas as education, manufacturing and health care.

This legislation creates these new technology initiatives without adding a cent to the Federal budget deficit. The funds needed to create these various programs are offset by spending cuts and are well within the strict discretionary spending caps that Congress imposed under the 1993 Budget Reconciliation Act.

The National Competitiveness Act is a wise investment in America's future. The bill strengthens the Federal Government and the private sector's ability to form partnerships to improve our technological capabilities, manufacturing performance, and information Infrastructure. These technology transfer initiatives will translate into more high-paying jobs for Americans—an investment that will keep paying dividends to all of us for the rest of this decade and into the next century.

Mr. KERREY. Mr. President, I rise in support of S. 4, the National Competi-

tiveness Act of 1994. I am proud to be a co-sponsor of this vitally important bill, which will renew our manufacturing base, promote American competitiveness in the global marketplace, and create jobs.

I also want to commend the distinguished Senator from South Carolina, Commerce Committee Chairman HOLLINGS, as well as his staff, who have worked tirelessly in bringing this critical bill to the floor.

Mr. President, in 1991 I was a cosponsor of the High Performance Computing Act, which authorized the National High-Performance Computing Program, an innovative, Federal interagency R&D initiative.

Title VI of S. 4 expands the scope of the HPCCI, by creating the Information Technology Applications Research Program. This initiative will furnish large economic and social benefits to Americans. Precommerical research conducted under title VI will complement private sector efforts to generate new information technology applications in education, health care, access to Government information, and electronic libraries. This type of collaboration will translate into a better quality of life for Americans, who will benefit from new job opportunities, as well as access to a wide range of new products and services.

Mr. President, section 611 of title VI would authorize the establishment of State-based electronic libraries. This provision is based on a bill which I authored in the first session of the 103d Congress, S. 626, the Electronic Library Act of 1993.

Section 611 authorizes the National Science Foundation, in consultation with other Federal agencies, to initiate a competitive, merit-based program to support State-based electronic—or digital—libraries.

Mr. President, the State-based electronic libraries which this legislation envisions would provide Americans access to a vast array of interactive, multimedia educational programs, research and informational data sources, and networking opportunities. They would deliver and provide access to a variety of data bases, statistics and reports developed by Federal, State, and local governments, as well as other information and informational services.

These State-based electronic libraries would be available to Americans—in their homes, schools and communities—through public libraries, electronic data bases, and telecommunications systems such as the Internet or other publicly available networks. They also would provide computer program support services—including education and training to assist people in comprehending and utilizing computer technology and locating electronic information sources.

Mr. President, properly designed, State-based electronic libraries can promote job creation by helping businesses find new customers and assisting in the development of a new class of information entrepreneurs.

Properly designed, they can help people become better informed citizens. The information held by governments at all levels should become more accessible and usable.

Properly designed, they can be a resource for parents and teachers who want to use technology to improve their instruction skills.

Properly designed, they will be a place where young people want to go to learn to read, write, and explore.

This last point deserves special emphasis and attention.

Telecommunications and advanced computing technologies are viewed by many of us as a mixed educational blessing. We regard it as a curse when entertainment is the only use. It has shortened attention spans, dulled the capacity of our senses to imagine and create, pulled our communities off the street into the vortex of 100 million cathode ray tubes, and pushed down our verbal and writing ability.

Public libraries—which made a relatively new technology, the book, available to all regardless of income—are a uniquely American institution. No other country has demonstrated such a commitment to universal education and learning.

America's experiment with the public library was a decision by private and public philanthropy to endow every American with the opportunity to read and study. Libraries are responsible for producing millions of informed and prepared citizens.

The late 21st century public library, however, has been eclipsed by video stores, cable television, and the ever-expanding world of entertainment. This year more Americans will check out video tapes at video stores than will check out books at public libraries.

While we have been busy entertaining ourselves, the world has become more complicated and difficult. Today's American citizen—if he or she expects to make informed decisions—must know more, not less, than was needed only a generation ago.

While we have been entertaining ourselves, the American workplace has changed. Never before has the correlation between the ability to learn and income been so strong. Never before has the need for more than just a strong back been such a prerequisite for economic success.

To earn your way into the middle class today, a worker must be able to do far more than a generation ago. As workers become thinkers as well as doers, verbal skills become much more important.

Mr. President, for the sake of our culture, our democracy, and our economy, we urgently need to turn this around. I believe that communication and computing technology—properly applied by adults who care about reading and writing—can help. I believe that State-based electronic libraries could be the resource needed by communities grappling with this challenge.

Unique collaborative partnerships are possible, and the only limit is our imagination. Imagine, for example, a team of geography, language, history, or science teachers at a State-based electronic library forming a partnership with NASA in order to use full motion digitized graphics of the surface of the earth in the classroom. Imagine a similar partnership with the National Center for Atmosphere Research or one of the Department of Energy laboratories to teach science in the home for the school.

Even where there is such imagination in our community, problems still exist. Most schools do not have adequate computers and other hardware. Educational software development is moving ahead, but it currently is difficult to keep up with changes in the market in order to make decisions about the utility of the growing variety of programs.

Networking is hindered both by lack of connectivity and by prohibitive costs of line usage. Few schools have dedicated telephone lines or cable television connections into their individual classrooms—although recently several regional Bell operating companies [RBOC's] and cable multisystem operators [MSO's] have announced that they will provide free school links to computer networks like the Internet.

In recognition of this latter problem, the distinguished Senator from South Carolina also has introduced S. 1822, the Communications Act of 1994, legislation which I also am proud to cosponsor. I hope to continue work with Chairman HOLLINGS and Federal Communications Commission [FCC] Chairman Reed Hundt toward furnishing classrooms dedicated access—wired or wireless—to the national information infrastructure [NII] as soon as possible.

Mr. President, the State-based electronic library provision in S. 4 will provide a valuable resource for schools, businesses, and households.

It would allow for prototype projects which would pull together the hardware, software, and networking capabilities which do exist, publicize and demonstrate the possibilities, and also demonstrate current production capabilities.

State electronic libraries will give communities the catalyst they need to get and keep things moving. Acting as a storer of information, producer of useful software, as well as a trainer of people. State electronic libraries will permit the community to accomplish a critical goal: Making certain the technology serves people and not the other way around.

Mr. President, I cannot urge too strongly that the most important element of this entire program is to make certain that human values determine use. Human beings were meant to be more than efficient shoppers and informed selectors of the latest game or entertainment choice.

In sum, Mr. President, S. 4 and title VI in particular recognize that high-performance computing and high-speed networking can revolutionize many areas of American life—especially in education—ultimately creating jobs, improving industrial productivity and promoting American competitiveness as we move toward the 21st century.

I commend Chairman HOLLINGS for his leadership in championing S. 4, and I urge my colleagues to vote for its passage.

Thank you, Mr. President.

S. 4: THE NATIONAL COMPETITIVENESS ACT

Mr. KENNEDY. Mr. President, it is a privilege to take this opportunity to express my strong support for this legislation. The National Competitiveness Act will encourage growth in one of the Nation's most important economic sectors, our manufacturing base. Our goal is to increase productivity and promote better jobs and better wages for American workers.

The need is obvious, and we have an administration that is working with Congress to meet it. Real wages have stagnated since the mid-1970s, and so have family incomes. As a result, families can no longer count on steady improvements in their standard of living. It used to be part of the American dream that each generation did better than the preceding one, and that children could expect to do better than their parents; now they can barely hope to do as well, and often even that standard is difficult or impossible to achieve. S. 4 is designed to help reverse this distressing trend by encouraging investment in new technologies and ensuring that industry and workers have access to the latest advances in manufacturing.

By expanding the successful Advanced Technology Program of the Commerce Department, which offers competitive grants for industry-led proposals, this measure will help achieve increased investment in the development of new technology.

In Massachusetts, ATP is already helping to fund a range of innovative projects. One company is developing technology to produce affordable night-vision devices for law enforcement officials and those who suffer from night blindness. Another firm is developing improved techniques for speech recognition by computers. Without ATP funding, these companies could not afford to undertake these projects, and our economy would lose the benefit of these new technologies.

To ensure that such technologies actually succeed, we must help more manufacturers take advantage of the latest advances. Small and medium-sized businesses have difficulty in finding enough resources to stay abreast of new developments. The Department of Commerce has begun to address this problem by developing manufacturing extension services, similar to those historically provided by the Department of Agriculture to enable farmers to take advantage of new agricultural technology. These services disseminate information about new manufacturing techniques and practices, and help businesses implement them in the workplace.

S. 4 will strengthen these services by establishing a Manufacturing Extension Partnership that includes regional Manufacturing Technology Centers, the State Technology Extension Program, and new Manufacturing Outreach Centers.

S. 4 also includes important provisions for improving the National Information Infrastructure and developing new applications of technology for education, health care, and other areas, in addition to manufacturing. I particularly commend Senator HOLLINGS and the Commerce Committee and its staff for their willingness to work with the Labor Committee to ensure that the Department of Education is included among the Federal agencies involved in this important effort, so that the information superhighway does not bypass the Nation's schools.

In addition to these technology programs that will be run through the Commerce Department, the Defense Department has established an extremely successful program with a comparable goal. It's called the Technology Reinvestment Project, and it's designed to help small and medium-sized defense firms make the transition to commercial markets. Companies in Massachusetts have taken advantage of the project, and many have benefited as grant winners. In addition, other firms have gained through the partnerships they have formed to compete in the TRP, even if they did not ultimately win grants.

The Commerce Department and Defense Department programs are major steps in the right direction, but additional steps are also needed. To achieve our economic goals, we also must ensure that workers are well-trained to use new technology in the workplace. Otherwise, there is a danger that the very real benefits of modernizing the economy will not be shared by America's workers.

Many economists, for example, have expressed concern that the sharp recent increases in productivity—at annual rates of 4 percent in the third quarter of 1993 and 6 percent in the fourth quarter—resulted in gratifying gains in profits, but not in wages. If we build better machines, but neglect worker skills, then we will have missed one of the most important goals of our overall technology policy—the development of a high-skilled workforce.

This legislation puts us on the right track. I commend Senator HOLLINGS and his colleagues on the Commerce Committee for their leadership in developing this legislation, and I urge my colleagues to support its passage.

Mr. WARNER. Mr. President, 2 years ago, I cosponsored with Senator BOB KERREY an important amendment to the intelligence authorization bill for fiscal year 1993, directing the administration to update its policy for the domestic and overseas sales of satellite imagery and systems. The policy at that time allowed only for the sale of very low resolution imagery by the commercial sector. Due to reductions in our industrial base, the emergence of a global commercial imagery market, and the growth of foreign satellite imagery competition, this policy was sadly out-of-date.

Today I am pleased to announce that the administration has announced a new policy. It will now allow U.S. aerospace companies to sell medium resolution imagery in the commercial marketplace. It will also allow firms to sell high resolution imagery in the future. This approach ensures that U.S. companies are able to compete on an equal footing with foreign competitors in the international marketplace.

At the same time, the policy allows the Secretary of Commerce, at the request of the Secretary of State or Defense, to limit the sale of imagery when National security interests may be seriously compromised. Disagreements between cabinet secretaries may be appealed to the President for final resolution. This approach seems to strike the proper balance between economic and national security. It guarantees a stable supplier relationship between U.S. Satellite companies and its customers, so necessary to win the market—and it protects U.S. National security interests.

Mr. President, according to experts in the Department of Commerce, the market for satellite imagery is expected to grow within the next 10 years to nearly $15 billion annually. This new policy positions U.S. companies, the best satellite and imagery makers in the world, to not just compete, but to dominate this vast market.

I am pleased that Senators KERREY, DECONCINI, and I were at the forefront in leading the fight to update this policy—and not just with the amendment 2 years ago, but with hearings, letters, and constant meetings under the auspices of the Select Committee on Intelligence. We followed up, keep the pressure on when the bureaucracy was grinding to a halt, and made this policy change happen.

Let me say a few things about the impact of this new policy. First, I have been watching the drawdown in defense

for some years. It affects the industrial base, and, at some point, you can not maintain the critical skills necessary to build high quality systems as budget cuts continue. If we want to fly high quality imaging systems that work and are reasonable in cost to meet our National security needs, we had better not let the base shrink to the point where we lose the skilled labor force. One way to do that is to allow our satellite companies to compete in the global marketplace for new business. This new policy helps our defense and intelligence communities maintain quality systems.

Let me also stress that other countries are moving into the imagery business. The Russians are offering imagery at 2 meter resolution, and several reports suggest the French may be able to offer imagery at 1–3 meter resolution in the near future. Nevertheless, the satellite imagery business is a business in which we retain a competitive advantage. But if we do not move to dominate the market, we will lose it. This means we will lose high quality, high paying jobs, the type we want our citizens to have. This new policy will make it more likely that this will not happen.

Finally, let me note that if we dominate the market, we can set the agenda. Better that we build, operate, and, if necessary, export under close supervision, these systems than that others do so. To not follow such a policy is to create the conditions for the uncontrolled proliferation and use of these systems by others—and that is not in our national interest.

Mr. President, this new policy is a positive step forward. It allows us to compete in a potential $15 billion annual market, while at the same time protecting the critical flow of technology or information. Everyone wins, and I'm proud to have been part of this win-win effort.

Mrs. BOXER. Mr. President, I rise to express my strong support for S. 4, the National Competitiveness Act of 1994.

We won the cold war because there was a national commitment to win it. We dedicated the resources to the research and development and to the manufacturing that were required to win. That dedication produced the best military in the world, and much of it was produced by Californians.

Now, in the post-cold-war period, we are engaged in another great competition, for economic prosperity. In order to successfully compete without rivals around the world, we must once again have a national commitment to dedicate the resources we need to fight and win. And once again, California is ready to accept the challenge to do the research and development of the new technologies that will lead to the new industries that produce the best products in the world.

The bill before the Senate today contains a number of provisions which I believe will spark our Nation's manufacturing sector and improve our national competitiveness.

This legislation officially establishes the manufacturing extension partnership to link and strengthen existing manufacturing extension centers. The partnership aims to help small- and medium-size business learn about modern manufacturing programs. The partnership will also operate an information network and clearinghouse designed to provide information support. I believe that this kind of information dissemination is vital to future economic growth.

This is not Soviet-style centrally planned economics, as opponents have charged. On the contrary, it is exactly the kind of economic policy in which we should be engaged. The private sector develops the technology and the public sectors assist in spreading the word.

This is similar to an initiative I sponsored last year to create an economic conversion information clearinghouse within the Department of Commerce. Now, by dialing one telephone number, individuals and communities can learn all about defense conversion programs. Why not allow small businesses to learn about advanced manufacturing procedures by the same process?

This legislation addresses the link between high-performance computing, high-speed networking, and American industrial competitiveness though the Information Technology Applications Program. This critical technology—a lane on the much-talked about information superhighway—has the potential: To improve education—by providing students nationwide with access to educational resources anywhere in the country; to improve the health care system—by furnishing better and more timely information to health care providers; and to increase workers productivity—especially in the manufacturing sector.

Mr. President, my home State of California is a leader in high-technology and high-technology manufacturing. And I hope that my colleagues know that California has fallen on hard times lately. This is precisely the kind of legislation that can help California out of this recession and help put it back on top.

We won the cold war and we can win again, if we have the courage to dedicate the resources required. S. 4 is a significant step in that direction and for that reason, I urge my colleagues to support its passage.

CLOTURE MOTION

Mr. MITCHELL. Mr. President, and Members of the Senate, the Senate has now been considering this bill for 4 days. I was advised early this evening that it would be necessary to file a cloture motion to bring this bill to a conclusion. Stated in simple English: Our Republican colleagues have indicated that they will use their rights under the rules to filibuster this bill and prevent a vote from occurring on it. I regret that, but it is, of course, a decision which is available to any Senator or group of Senators.

Having been so advised, I now have no alternative but to file a cloture motion in accordance with the provisions of rule XXII of the Senate.

Accordingly, Mr. President, I send a cloture motion to the desk and ask that it be stated.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Modified Committee Substitute to S. 4, the National Competitiveness Act of 1993.

Fritz Hollings, Jay Rockefeller, Tom Harkin, Wendell Ford, George Mitchell, Dan Inouye, Richard H. Bryan, Don Riegle, Paul Wellstone, Paul Simon, Barbara Boxer, Tom Daschle, Harry Reid, J.J. Exon, Paul Sarbanes, Russell D. Feingold, Pat Leahy.

Mr. MITCHELL. Mr. President, as I said, I regret very much the necessity of filing this cloture motion. I believe that this is a good and important bill, intended to encourage economic growth and job creation in our society. A similar bill, although smaller in scope, passed the Senate unanimously with little debate and no dissent 2 years ago. I regret that a filibuster is being brought against a bill of this type.

I have filed the cloture motion as soon as possible after learning of the filibuster. Under the rules of the Senate, unless an agreement is reached to the contrary, this motion to end the filibuster will ripen for a vote on Saturday morning. It had not been my intention to have a Saturday session of the Senate, and I still hope that will not be necessary.

Therefore, I do now request, and will request of my Republican colleagues, that an agreement be reached to permit a vote to occur on this cloture motion tomorrow; that is, instead of requiring Senators to return on Saturday for the purpose of voting on this motion to end the filibuster, that an agreement be reached which would permit that vote to occur tomorrow, Friday.

That is especially appropriate since we will, by a prior agreement, be in session tomorrow. A vote on the so-called buyout bill is expected to occur at or about 10 o'clock a.m. tomorrow.

It is my expectation and my understanding with the Republican leader that there will be other amendments to

this bill offered and votes held on those amendments tomorrow. So Senators can and should expect a full day of debate and votes tomorrow. It would be far less inconvenient for Senators to be able to vote on the motion to end the filibuster tomorrow while in session and voting on other matters, without having to come back and vote on cloture on Saturday.

Had I known that our Republican colleagues intended to filibuster this bill yesterday, I would then have filed a cloture motion yesterday and we could have, under the rules and in the normal course of events, had a cloture vote tomorrow. But I was not so informed until this evening and, therefore, of course, had no reason to file a cloture motion prior to this time.

I think that it is a deeply regrettable state of events when a bill that is intended to promote economic growth and create jobs in America is the subject of a Senate filibuster. But I suppose that is the subject for another time and another discussion.

I thank my colleagues, especially the distinguished manager of the bill, the chairman of the committee, for his persistence in pushing this bill. It is my intention and determination that we are going to continue on this bill until we get it passed.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished majority leader and all Senators for their cooperation.

There is no question, when you see an occasion of this kind, specifically 4 days and 4 nights with only two amendments really pertinent to the subject matter of the bill, and both aimed at gutting it, one said authorize and never appropriate, this one said just cut it in half.

Other than those two amendments, dozens of other amendments, and all of the debate, 4 days and 4 nights, had to do with everything else except S. 4 and technology for a very good reason—because we reasoned this bill out, we worked it out on both sides.

We unanimously report this bill out of the committee back in 1992 and again unanimously in 1993. We were waiting our turn, until there was a change of mind. However that change of mind will be described, I do not want to waste the time of the Senate.

But it is a very, very disconcerting thing to work on matters of this kind, get unanimity, get bipartisanship, and we have dozens and dozens of letters from the various business, industry, technological groups, the universities, research consultants, and otherwise.

No one has come in here of any group and said, "We oppose this bill." So the real opposition is some political exercise on the other side of the aisle, which is very unfortunate. But when you see it that way, and you have to work it, and they will not even talk to the merit of the bill or anything else, I think that is a very good term, "monkeyshines." That is about as polite as you can get under serious conversation here, when you see some of the activity that has been going on.

So I thank the distinguished majority leader and our staffs, who have been working hard on both sides of the aisle, very, very much.

The PRESIDING OFFICER. The Senator from Kentucky.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent there be a period for morning business with Senators allowed to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the federal debt stood at $4,542,638,243,462.87 as of the close of business on Wednesday, March 9. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $17,424.04.

TRIBUTE TO JUDGES LATCHUM AND BIFFERATO

Mr. BIDEN. Mr. President, I recently had the great pleasure of attending the Delaware State Bar Association's 70th anniversary celebration. The event was also a tribute to two of my State's most distinguished jurists, both of whom mark in 1994 25 years of service on the bench.

The dual commemoration of their personal tenures and the Bar Association's anniversary could not have been more appropriate, in my view, because U.S. District Court Judge James L. Latchum and Delaware Superior Court Judge Vincent A. Bifferato, Sr., have had a truly defining influence on their respective courts and on the Delaware legal community.

There are not many States, I would guess, where two such long-serving and respected judges would be known as Jimmy and Biff, but that is our way in Delaware, where not only size but spirit favors familiarity. So the Bar Association event was not just a tribute to great guardians of the law, to valued and admired mentors; it was also a tribute to good colleagues and good neighbors.

Judge Jimmy Latchum has what you might call, in understatement, a very impressive resume. He earned his undergraduate degree from Princeton, and went on to law school at the University of Virginia—which is known both in Judge Latchum's courtroom and in his living room as "The University"—interrupting his education for several years of distinguished military service during World War II.

He began legal practice as an associate in a prestigious Delaware law firm from 1946 to 1951, when he was named a partner. Judge Latchum also served as an attorney for the State Highway Department, as an assistant U.S. attorney for Delaware, and as an attorney for the State's Interstate Highway Division and the Delaware River and Bay Association.

Then in 1968, President Lyndon Johnson nominated Jimmy Latchum to be a judge on the U.S. District Court for Delaware, where he served on active status until 1983. Judge Latchum was Chief Judge of the District Court from 1973 to 1983, when he took the senior status he now maintains.

That's the resume. Now let me see if I can say something about the man.

Jimmy Latchum—product of a high-falutin' Princeton-UVA education, a legal practitioner of the highest order, and a long-serving Federal judge—this same Jimmy Latchum is a notorious practical joker. In fact, the President of our State Bar Association, Dick Kirk, suggested in his remarks about Judge Latchum that some objects of his practical jokes had done legal research into whether such conduct violated the good behavior standard of his lifetime appointment to the federal bench.

Jimmy Latchum is a native of Kent County, DE, a place famed for breeding good folks. And Jimmy Latchum is, in the most meaningful and fundamental sense, good folks. That, as much as any other reason, is why he inspires such affection and regard among his law clerks that they gather every 5 years for a reunion, and that 23 of his 35 former clerks attended a 25th reunion with Judge Latchum just last fall.

In the tradition of Kent County, Jimmy Latchum is a remarkable storyteller, with a down-home manner and common-sense wit that instructs even as it entertains. He is a very proud father and grandfather, not to mention proud husband to the former Elizabeth Murray McArthur—and I will just add that the true pleasure of the bar association dinner was that I got to sit next to Betty Latchum.

Good folks. The same can be said of Delaware Superior Court Judge Vincent A. Bifferato, Sr.

Judge "Biff" is the product of a Villanova University education, both undergraduate and for law school. His unwavering devotion to Villanova certainly rivals Judge Latchum's affection for Virginia, and underscores an important quality the two men have in common—a deep and sincere appreciation for opportunity, and a deep and sincere value of loyalty.

Vince Bifferato became a judge young, at age 31, just 5 years after

being admitted to the Delaware Bar. He had served a term in the state legislature and just recently joined the Public Defender's staff when in 1968 Governor Charles Terry, a Democrat, nominated him to be a Superior Court Judge.

He was subsequently reappointed by Governor Pete du Pont, a Republican, and appointed as Superior Court's Resident Judge for New Castle County in 1992 by then-Governor Mike Castle, another Republican. The bipartisan character of Judge Biff's appointments reflects, in part, the character of Delaware's legal community, but it is also a meaningful tribute to a jurist who has upheld the truest trust of the judicial branch.

Judge Bifferato's continuous service on the same court also speaks to the value of loyalty I mentioned earlier. The Superior Court is, to a great extent, Biff's court. He is, as Dick Kirk accurately described him, the Court's rock solid anchor; he is the hard-working, career Superior Court Judge who makes sure things run as they should as efficiently as they can without compromising the high standards of justice and service upon which he insists—and, I might add, when Biff insists on something, he does so with a certain undeniable authority.

Judge Bifferato is active on several committees concerned with court administration; he heads Superior Court's Trial Forum, a continuing legal education and mentoring program that he helped initiate; and he is the judicial representative on the Executive Committee of the Delaware State Bar Association. In addition, Biff is a frequent speaker at forums throughout and beyond Delaware—from civic association meetings, to students groups from high school to law school, to police-training classes.

With all that genuine love of the law, and all that genuine commitment to community and to promoting excellence in his own court and through educational and training programs, it is in talking about family that the light really shines in Biff's eye—and with good reason. His wife, the former Marie Connor, now Marie Bifferato, Esquire, is subject enough herself for an address to the Senate, and rightly shares Biff's immeasurable pride in three children and, of course, those two perfect granddaughters.

Good folks, Mr. President, These judges, Bifferato and Latchum, with 50 years of combined service on the bench. Active in the legal and broader communities; dedicated and loyal in their work as in all aspects of their lives; intelligent, able, and honest. Good judges, good family men, good neighbors. We're lucky to have them in Delaware.

FASB NEEDS TO RECONSIDER OPTIONS PLAN

Mr. KERRY. Mr. President, the Financial Accounting Standards Board, which establishes the accounting principles for the private sector in this country, is currently in the midst of a major controversy. FASB has proposed a rule that will require companies to amortize the value of stock options and deduct them off of their earnings statements, with the values derived not from current market prices, but from estimates of future prices derived by computer models. FASB hearings on the subject will begin this week.

Many of us have been reluctant to wade into this controversy, because of our fear of politicizing a process that must aspire to absolute clarity and fairness. After all, the day Congress begins devising the Generally-Accepted Accounting Principles is the day t ey become Generally Unaccepted Accounting Principles.

Moreover, FASB's stock option proposal—and the considerable support it has received from our colleague from Michigan, Senator LEVIN—were catalyzed by a phenomenon that many of us decried throughout the 1980s, the relentless and often-spectacular increases in executive compensation and bonuses awarded by companies that were otherwise losing money, laying-off workers, and dragging down shareholders.

Yet, however well-motivated FASB might have been at the start, I am now convinced that its effort has run off the rails. FASB's mandate to set standards devolves from the Securities and Exchange Commission.

The SEC has been rather quick to wag a finger at us in Congress, warning us against interference in the FASB process.

Mr. President, I think the time has come for the SEC to start wagging its finger in the other direction, and to compel FASB to take another approach to stock options.

I have come to this conclusion for two general reasons: the rule's purported benefit to the investing public, and its apparent impact on companies. Strictly speaking, FASB's mission is to worry only about the first—the benefit of the rule to investors. Those of us in elected office must be worried about both.

I am not an accountant, but I can do figures. I simply cannot see how the FASB rule, as proposed, will benefit the investing public.

Consider, first, that FASB already requires companies to report their earnings-per-share based on a total number of shares that includes all the stock options they have granted. Consider also that the SEC now requires substantial disclosure to shareholders of the total compensation and incentives awarded to the top five executives of each firm, including their stock options. Companies must also demonstrate how compensation and incentives awarded over time compare to the company's financial performance and that of comparable firms. Finally, I might add this Congress capped the deductibility of executive compensation at $1 million as part of last year's budget act. I have to believe that the greater part of the stealth has now been removed from what had been an excess of stealth compensation.

Contrast all this with the mechanics of the proposed FASB rule. Companies will have to choose from among six computer models to make estimates of the future value of their stock. It seems to me that requiring companies to choose between models is, by its nature, a requirement that introduces uncertainty into the financial reporting process. Then again, even FASB now concedes that the models can produce significant variations in expected values from company to company—yet another element of uncertainty.

Thus, it is not clear to me what the investing public gains from the FASB rule. Clearly, in granting stock options companies grant something that must have value, although they do not represent a cash expense, they are not tradable, and ultimately they have value only if the company's stock price goes up—in which case ordinary shareholders benefit along with option-holders. Stock options must have value, but is the FASB rule the way to establish that value?

In the absence of a clear answer to that question from FASB, we in the Congress have more than enough right to ask how the rule will affect companies and their workers. Here I fear that, while the rule is aimed at larger companies that abused options in years past, it is about to hit smaller companies that are creating new jobs in States like my own.

Mr. President, in my State, just as in Silicon Valley, stock options serve as a fundamental means of financing the start-up of new companies. Employees forego salary and benefits in return for stock options. In doing so they bind themselves to the firm for a period of several years, and commit themselves to the goal of all investors: the company's success. Stock options allow the company to reserve critically-needed cash for other vital needs of a new or emerging company: for research and development, for marketing, and for getting a new product out the door.

There is no more compelling testimony to the damage the FASB rule will do to these companies than the testimony of the venture capital community. After all, apart from company founders it is the venture capitalists who provide all or most of the ownership capital for emerging companies, so it is the venture capitalists who are giving away part of the store when they grant stock options. The venture

capitalists tell me that the FASB rule will be granted less often, which will make recruitment of talent more difficult, and which will make the cost of starting a company rise.

Now, this might be acceptable if some greater public purpose were served by the FASB rule, such as the provision of a clear benefit to the investing public. But as I noted previously, it is difficult to find such a benefit in the current FASB proposal.

To the contrary, the evidence seems compelling that the FASB rule will disproportionately affect start-ups, smaller growth companies, and companies in new or break-through markets—that is, precisely the companies we are relying on in Massachusetts to make up for the thousands of jobs lost over the last five years. Companies in larger, more-established, and mature markets will be much less affected, because they have financial and stock market track records that will be more easily digested by these new stock option pricing models run by computer.

Mr. President, I am proud of the steps this Congress has taken to support new companies and new jobs during the last two years, and was glad to be able to play a role in taking those steps. We have cut capital gains taxes for investments in new companies, we have reformed the Small Business Investment Corporation Act, we have strengthened and expanded the Small Business Innovation Research program, we have created the Advanced Technology Program, we have increased expensing provisions for small business taxpayers, and more. This week we will take another giant step forward with what I expect to be the approval of the National Competitiveness Act.

The FASB proposal as it currently stands poses a real threat to these accomplishments, and all in the name of a standard of accounting purity that FASB has great difficulty explaining in simple English. As I have stated before, Congress should be in no hurry to dictate to FASB, but unless FASB can come up with a better and more defensible proposal on stock options, the Securities and Exchange Commission should exercise the authority it manifestly possesses and override FASB on its proposed stock option rule.

LETTER TO SECRETARY BABBITT RE: RANGELAND REFORM

Mr. WALLOP. Mr. President, yesterday on this floor, I read a March 3 memo from Kevin Sweeney, Director of Communication at the Department of Interior, which was addressed to the offices of Senator REID, Congressman VENTO, Congressman SYNAR, and Congressman MILLER regarding the Secretary's proposed rangeland reform proposal. The memo indicated that the Department would mold its press release on the new plan around any changes that the group cared to make by stating:

* * * I realize you will meet tomorrow to discuss the proposed rule. If that meeting leads to substantive changes in the standards and guidelines section, the press release will of course change as well.

Today, I received a copy of a letter signed by the above four lawmakers in which they critique and comment on a February 20 draft of the rangeland proposal provided to them by Secretary Babbitt.

CONGRESS OF THE UNITED STATES,
Washington, DC, March 4, 1994.

Hon. BRUCE BABBITT,
Secretary, Department of the Interior, Washington, DC.

DEAR MR. SECRETARY: We have reviewed the February 20, 1994 draft of proposed regulations to implement your Rangeland Reform '94 program. We appreciate your assurance that our comments will be considered in further developing these proposals.

As you know, we believe strongly that your previous rangeland reform proposals were very sound. We worked hard last year to support those proposals against attacks from opponents who have no program but to prevent much needed and long overdue change. We recognize that many important elements of the original reforms have survived and in some ways have been refined in the current draft.

It is with this history of support for your efforts and for comprehensive range reform, and with the candor of friends and allies, that we inform you we are deeply troubled by several major aspects of the February 20 draft that are radical departures from your previous proposals and from the Reid compromise and that result in a package that will undermine the effectiveness of the range reform initiative.

In this letter, and the accompanying memorandum, we are expressing our concerns, objections, and questions about the February 20, 1994 draft provided to us. We have been informally advised that there is a later version incorporating several modifications of the February 20 draft, but that has not been provided to us and so we are confining our comments to the February 20 draft.

We understand that you view the February 20 draft as still achieving a net improvement over current law—a much more modest goal than that of your original proposals. Regrettably, we are not convinced that it meets even that minimal standard.

* * * * *

Mr. President, there are no leaks here as reported. This memo clearly shows that Secretary Babbitt gave one Senator and three Members of the House of Representatives license to review and rewrite parts, if not all of his rangeland reform plan.

Mr. President, one Senator and three House Members do not a consensus make. I am deeply disappointed and angered. We cannot move forward in this atmosphere of apprehension and mistrust.

UNITED STATES POLICY TOWARD CROATIA AND THE BALKAN CONFLICT

Mr. PELL. Mr. President, I ask unanimous consent that a recent speech by Peter W. Galbraith, the United States Ambassador to Croatia, regarding the conflict in the former Yugoslavia be printed in the RECORD.

I am pleased to note that since the delivery of Ambassador Galbraith's speech last month, the Bosnian Muslims and the Bosnian Croats have reached an agreement to establish a Bosnian Federation incorporating both groups. In addition, Croatia has agreed to enter into a confederation with this Bosnian Federation. I hope that these arrangements will end the destructive fighting between Muslims and Croats and strengthen the negotiating position of these two groups vis a vis the Bosnian Serbs and their patrons in Belgrade.

Ambassador Galbraith's words sent an appropriately tough message to both Serbia and Croatia that the United States and the international community will not tolerate any outside intervention in the war in Bosnia-Hercegovina that is not authorized by the United Nations. This message is in line with an amendment I offered to the fiscal year 1994 State Department authorization bill calling for international sanctions, similar to those now in place against Serbia, to be imposed on Croatia if the Croatian leadership continues to condone the activities of the Croatian Army inside Bosnia.

Croatia's decision to join a confederation with a new Bosnian Federation represents a positive response to the United States' successful strategy of offering incentives to Croatia to reach out to the West and work for peace and democracy, while warning Croatia of the consequences if it fails to play a constructive role in Bosnia. I believe that Ambassador Galbraith's speech provides an excellent overview of that policy, and I commend it to my colleagues.

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

UNITED STATES POLICY TOWARD CROATIA AND THE BALKAN CONFLICT

(By Peter W. Galbraith, U.S. Ambassador to Croatia)

I am delighted to be here with so many of you this evening. I have been asked to say a few words about my impressions of Croatia, and about U.S. policy toward Croatia and the conflict in the Balkans.

I strongly believe the best way to understand a people, a country, or a difficult situation is to travel to the place, to talk to the people there, and to see the problem firsthand. Thus it is that in my first months as Ambassador, I traveled to as much of Croatia as I possibly could. I went from Vukovar in the east to Prevlaka in the far south. I was of course impressed with the beauty of the countryside, the variety of topography and climate, the magnificence and antiquity of the monuments, and of course the friendliness of the Croatian people. Of course I also saw firsthand the extraordinary destruction visited on Croatia during and after the war for independence.

In Vukovar I saw a beautiful baroque city that had been systematically and maliciously destroyed. On my last trip there I went to the mass grave site in Ovcara with Ambassador Madeleine Albright, where more than 200 wounded Croatian soldiers ended up murdered in a garbage dump.

I toured Zadar and Sibenik and saw the "footprints" left by different kinds of explosives on historic buildings. I went to Dubrovnik and saw the damage done to a city that is not only Croatia's greatest monument, but also a world architectural treasure. I have seen the homes of thousands of ordinary Croats, in the Dubrovnik area, in the Zadar-Sibenik region, and in the UNPAs which have been blown up, destroying the life work and dreams of so many people.

From my travels and from the stories I have heard, I have gained a few perspectives on the conflict. First, one must understand that the war in the former Yugoslavia was and is an organized military campaign aimed primarily at civilians. Vukovar was destroyed by the JNA. Dubrovnik was shelled by the Yugoslav Navy in the Adriatic Sea and by Yugoslav Army units around the city. These acts were not the disorganized acts of a civil war; rather, they were clearly and indisputably ordered by Belgrade.

Similarly, in 1992 as Bosnia-Hercegovina moved democratically toward independence, Belgrade orchestrated a systematic campaign of aggression against the Muslim and Croat people of that country. In planned and carefully executed operations, the JNA, nominally demobilized to form the Bosnian Serb Army, moved into hundreds of communities, herding the men into concentration camps, raping and terrorizing the women, and razing hundreds of thousands of homes. This war, which let me again emphasize is directed and controlled by Belgrade, has produced crimes against humanity on a scale unknown in Europe since World War II.

The American people have watched the events in Croatia and Bosnia with disbelief and ever-growing horror. As a prominent member of the world community, the United States has, with our partners in Europe and the United Nations, sought to fashion a response to this war. Let me describe the response:

First, we have clearly identified the aggressor, and have taken severe steps to persuade the aggressor of the folly of its actions. Serbia is now subject to the most severe sanctions ever imposed on a country. its currency has become worthless; its people are mostly unemployed, cold, and immobile; with monthly salaries in the range of 20 DM, Serbia has fallen from a European standard of living to a per capita income at a level below that of Bangladesh. The damage to Serbia is severe and long-lasting.

Second, we have recognized the new countries to emerge from the former Yugoslavia and we have stressed our commitment to the unity and territorial integrity of these nations. Our goal was to make clear that Serbia could not hope to have Greater Serbia. Even as it sponsored aggression in Bosnia and Croatia, even as it set up rebel republics in Krajina and Srpska, it could not hope that its territorial acquisitions would be accepted, or that its rebel republics would be recognized. Our strategy was, and is, to persuade a Serbia made ever more desperate by sanctions to give up on territorial aspirations that it can never hold.

Third, the United States has made great efforts to try to mitigate the consequences of the catastrophe for the people of the area. To this end we have contributed more than any other country to the international relief effort. We have initiated air drops that provide the only supplies for isolated communities. And we are trying to alleviate the refugee burden on Croatia and other countries by resettling Bosnians in the United States.

As a fourth part of our strategy, the United States insists on an end to the killing in Bosnia. To this end, we are prepared to take all necessary steps including now, in the case of Sarajevo, the use of force. For 20 months, the Serbs have lobbed artillery and mortar into Sarajevo. In that time they have probably propelled some 300,000 projectiles containing high explosives onto office buildings, apartment complexes, streets, parks, and so forth. It is not surprising that, after having lobbed nearly enough artillery shells for every man, woman and child in Sarajevo, one mortar round ended up exploding in a crowded market. Saturday's market massacre was no accident; rather, it was the inevitable result of Serb actions.

While it is hard to see any good in such evil, the tragedy has at least galvanized the international community into action. In this connection, special credit goes to France and Turkey, whose Ambassadors are here, who helped shape the response. The shelling of Sarajevo will cease, either because the Serbs will withdraw their artillery, or because NATO will destroy it.

The overwhelming proportion of the atrocities in Bosnia has been the result of deliberate Serb policy. In response to this, Serbia is subject to sanctions, and now the Bosnian Serb forces around Sarajevo face possible attack. Sadly, however, the Serbs are not alone in being responsible for atrocities.

Through the summer and fall, the world focused increasingly on atrocities committed by the HVO in Bosnia. These included:

(1) the obstruction of convoys, that is, the deliberate effort to starve civilians;

(2) the detention of prisoners in inhumane conditions;

(3) artillery and mortar attacks on civilians, particularly in East Mostar;

(4) isolated massacres such as that at Stupni Do. While recognizing that the Muslim side has also committed atrocities, we take the position that no side can ever be justified in such acts. And, since Croatia supports the HVO, we hold Croatia responsible for the acts of the HVO. But more fundamentally, these acts have provided no benefit to the HVO or to Croatia. They have made no difference whatsoever to the military balance in Bosnia. But they have cost the Bosnian Croats sympathy that they might otherwise enjoy, and they have severely damaged Croatia's international reputation. I recognize that the Government of Croatia has taken some steps to improve the conduct of the HVO, but it is imperative that all such self-destructive behavior stop.

At the same time as we are taking steps to save lives, we have not ignored the peace process. We have encouraged all the parties to the conflict in Bosnia to resolve their differences at the negotiating table. The only lasting peace will be one which the parties voluntarily accept. Therefore, we will not pressure the Bosnian Government, as the war's principal victim, to make concessions. And we recognize that the greatest concessions must be made by the aggressors, that is, the Serbs.

Because of the importance of a negotiated outcome, we have not undertaken a new diplomatic initiative to find a solution. Ambassador Redman was here in Croatia today and tomorrow in Croatia with new ideas and new approaches. We see Croatia's role as critical to the peace process and to a viable outcome in Bosnia-Hercegovina. If it chooses to become our partner in finding an end to this war, Croatia will take a big step on the way to becoming our partner in the Western community.

In addition, we recognize there can be no lasting peace without justice. Unspeakable crimes have been committed in Croatia and Bosnia-Hercegovina. Our sensibilities as human beings demand justice. But the demand for justice is not merely a matter of conscience. Throughout the world, others in comparable conditions elsewhere might come to believe they too could ethnically cleanse without any adverse consequences.

But most importantly, unless individuals are held responsible for their crimes, people in this part of the Balkans will continue to attribute collective guilt to whole nations. Let me emphasize it is individual Serbs, and not the Serbian people, who are responsible for the bulk of the atrocities. However, unless we punish these individual Serbs (and also those Croats and Muslims that have committed war crimes), the cycle of violence is likely to continue. For all these reasons, the United States will vigorously pursue the prosecution and punishment of those who have committed war crimes. We have pledged more than $28 million in cash and in kind contributions to the United Nations War Crimes Tribunal. We may not immediately lay our hands on every criminal; but they must know they will be hunted for the rest of their lives.

Even though we are today focused on the peace process in Bosnia, we recognize there can be no lasting peace without the peaceful reintegration of the Krajina into Croatia. For this reason I have stressed from the moment I presented my credentials our support for the territorial integrity of Croatia. We have also worked to link the lifting of sanctions on Serbia to a resolution of the Krajina problem. Our strategy is simple: we seek to persuade Serbia to give up territory that the world will never allow it to have.

Unfortunately, our strategy has been significantly undermined by the Government of Croatia. While insisting on respect for its territorial integrity and the reintegration of the Krajina, Croatia has worked to undermine the unity and territorial integrity of Bosnia-Hercegovina. By supporting the HVO materially and through the direct intervention of the Croatian Army, Croatia is promoting secession in Bosnia and has helped create a rebel regime.

As a result, Croatia is losing the international sympathy that it justly deserves as a victim of aggression and for its generosity in serving as host to nearly 600,000 refugees and displaced persons. It is stunning to me that Croatia should find itself in the situation where the Security Council would be threatening sanctions. Yet this is where Croatia's Bosnia policy has led.

But most incomprehensibly, Croatia's actions have served to undermine the very principles in which Croatia has an enormous stake: territorial integrity and non-recognition of gains from ethnic cleansing. How can Croatia reasonably expect the international community to support its demand for Serb withdrawal from Croatia when its army is in the sovereign state of Bosnia-Hercegovina? How can Croatia expect the international community to expend vast resources to uphold Croatia's frontiers when it seeks to violate those of another country?

Our ability to work with Croatia for the reintegration of Krajina will depend significantly on Croatia's willingness to protect

fully the human rights of its Serbian population. As the recent State Department Human Rights Report indicates, Serbs in Croatia have had serious problems. These include the destruction of Serb homes in free Croatia, people fired from their jobs because of their ethnicity, as well as isolated killings such as occurred at the Medak pocket.

As a democratic state, Croatia offers the only viable future for the people of the Krajina, both those living there now and those who have been forcibly expelled. But in order for this to occur, Croatia must reaffirm its commitment to the individual human rights of all its citizens. This means not just in law, but in fact. Only by following the highest standards of human rights can Croatia hope to persuade the Krajina Serbs that they have a real future, free of fear, within Croatia.

Croatia is a new democracy. It has special links to the United States. As the moderator pointed out, there is the historic link. Dubrovnik was the first State to recognize our new country, and it was the stone (and stone masons) from the island of Brac that built our White House. Our country is enriched by the presence of some two million Americans of Croatian origin. And your country benefits from the contributions that many Croat Americans are now making to an independent Croatia.

We believe both the United States and Croatia would benefit from a close relationship. We would like to work with Croatia to repair the damage of war, to protect its environment, to assist in the transition to free markets, and to build enduring democratic institutions. To do all these things, however, we must first end the tragic and bloody conflict in the former Yugoslavia. Croatia is the key to any peace settlement. And for Croatia to be our partner in the peace effort, it must adhere to the highest standards of law. Working with Croatia to this end is the centerpiece of U.S. policy.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 720, Judith W. Rogers, to be U.S. circuit judge;

Calendar 721, Daniel T.K. Hurley, to be U.S. district judge;

Calendar 722, Helen G. Berrigan, to be U.S. district judge;

Calendar 723, Samuel Frederick Biery, Jr., to be U.S. district judge;

Calendar 724, W. Royal Furgeson, Jr., to be U.S. district judge;

Calendar 725, Orlando L. Garcia, to be U.S. district judge;

Calendar 726, John H. Hannah, Jr., to be U.S. district judge;

Calendar 727, Janis Graham Jack, to be U.S. district judge;

Calendar 728, Cameron M. Currie, to be U.S. district judge;

Calendar 729, Alfred E. Madrid, to be U.S. marshal;

Calendar 730, Charles Lester Zacharias, to be U.S. marshal;

Calendar 731, Lezin Joseph Hymel, Jr., to be U.S. attorney;

Calendar 732, Walter Clinton Holton, Jr., to be U.S. attorney;

Calendar 733, Kristine Olson Rogers, to be U.S. attorney;

Calendar 734, Raimon L. Patton, to be U.S. marshal;

Calendar 735, John Marshall Roberts, to be U.S. attorney;

Calendar 736, Thomas A. Constantine, to be administrator of drug enforcement;

Calendar 737, Israel Brooks, Jr., to be U.S. marshal;

Calendar 738, John James Leyden, to be U.S. marshal;

Calendar 739, Timothy Patrick Mullaney, Sr., to be U.S. marshal;

Calendar 740, Jack O. Dean, to be U.S. marshal;

Calendar 741, Laurent F. Gilbert, to be U.S. marshal.

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 action, 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:

THE JUDICIARY

Judith W. Rogers, of the District of Columbia, to be United States Circuit Judge for the District of Columbia Circuit.

Daniel T. K. Hurley, of Florida, to be United States District Judge for the Southern District of Florida.

Helen G. Berrigan, of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

Samuel Frederick Biery, Jr., of Texas, to be United States District Judge for the Western District of Texas.

W. Royal Furgeson, Jr., of Texas, to be United States District Judge for the Western District of Texas.

Orlando L. Garcia, of Texas, to be United States District Judge for the Western District of Texas vice Emilio M. Garza, elevated.

John H. Hannah, Jr., of Texas, to be United States District Judge for the Eastern District of Texas.

Janis Graham Jack, of Texas, to be United States District Judge for the Southern District of Texas.

Cameron M. Currie, of South Carolina, to be United States District Judge for the District of South Carolina.

DEPARTMENT OF JUSTICE

Alfred E. Madrid, of Arizona, to be United States Marshal for the District of Arizona for the term of four years.

Charles Lester Zacharias, of Minnesota, to be United States Marshal for the District of Minnesota for the term of four years.

Lezin Joseph Hymel, Jr., of Louisiana, to be United States Attorney for the Middle District of Louisiana for the term of four years.

Walter Clinton Holton, Jr., of North Carolina, to be United States Attorney for the Middle District of North Carolina for the term of four years.

Kristine Olson Rogers, of Oregon, to be United States Attorney for the District of Oregon for the term of four years.

Raimon L. Patton, of Tennessee, to be United States Marshal for the Middle District of Tennessee for the term of four years.

John Marshall Roberts, of Tennessee, to be United States Attorney for the Middle District of Tennessee for the term of four years.

Thomas A. Constantine, of New York, to be Administrator of Drug Enforcement.

Israel Brooks, Jr., of South Carolina, to be United States Marshal for the District of South Carolina for the term of four years.

John James Leyden, of Rhode Island, to be United States Marshal for the District of Rhode Island for the term of four years.

Timothy Patrick Mullaney, Sr., of Delaware, to be United States Marshal for the District of Delaware for the term of four years.

Jack O. Dean, of Texas, to be United States Marshal for the Western District of Texas for the term of four years.

Laurent F. Gilbert, of Maine, to be United States Marshal for the District of Maine for the term of four years.

STATEMENT ON THE NOMINATION OF ISRAEL BROOKS, JR., FOR SOUTH CAROLINA'S U.S. MARSHAL

Mr. HOLLINGS. Mr. President, it was with great confidence and pride that I recommended to the President that he nominate Israel Brooks to the post of U.S. Marshal for South Carolina. Mr. Brooks is one of the finest, most accomplished, most respected law enforcement officers in the modern history of my State.

Israel Brooks is a 48-year-old native of Newberry, South Carolina. He graduated from the University of South Carolina in 1976, and has been with the South Carolina Highway Patrol since 1967. He began as a patrolman in Beaufort County, and later served as an instructor at the South Carolina Criminal Justice Academy. Since 1990, he has held the rank of Major, with responsibility for administration of the entire South Carolina Highway Patrol. Prior to entering law enforcement, Mr. Brooks spent four years in the United States Marine Corps, rising to the rank of sergeant and platoon leader.

Mr. President, Israel Brooks would be the first African American to serve as U.S. Marshal in South Carolina. I know of no law enforcement professional who is more superbly qualified for this job. I urge the Senate to confirm his nomination.

STATEMENT ON THE NOMINATION OF CAMERON CURRIE FOR U.S. DISTRICT JUDGE IN SOUTH CAROLINA

Mr. HOLLINGS. Mr. President, when I recommended Cameron Currie for U.S. District Judge in South Carolina, I was keenly aware that this was my first opportunity to fill a judgeship in more than a dozen years. I made the most of that opportunity. Simply, put, Cam Currie has the most outstanding record of any man or woman in legal

practice in South Carolina today. Period.

Cam received her undergraduate degree in 1970 from the University of South Carolina and her law degree in 1975 from George Washington University's National Law Center. But, as a lawyer, Cam got her real education in the best possible place: in the crucible of the courtroom, on the proving ground of daily litigation before judge and jury. In the course of a rich and varied career spanning two decades, Cam has seen it all: from major drug prosecutions to capital murder cases to employment discrimination.

While still in law school, Cam clerked for Arthur L. Burnett, U.S. Magistrate at the U.S. District Court for the District of Columbia. After graduation, from 1975 to 1978, she was an associate in the litigation section of the Washington firm, Arent, Fox, Kintner, Plotkin & Kahn.

In 1978, she was appointed an Assistant U.S. Attorney here in the District of Columbia. In 1980, she moved to Columbia, South Carolina to become an Assistant U.S. Attorney for the District of South Carolina. It was in this role that she was cocounsel for the Federal Government in the case of United States v. State of South Carolina, which was brought to compel the South Carolina Highway Patrol to hire women troopers; the case resulted in a consent decree under which the State agreed to begin hiring women.

In 1984 Cam was appointed the first woman U.S. Magistrate in South Carolina history. Five years later, in 1989, South Carolina Attorney General Travis Medlock tapped her to serve as Chief Deputy Attorney General.

In that capacity, Cam has also been Director of the State Grand Jury since its inception in 1989. From the outset, Cam has been the driving force behind this new institution: she got it organized, she runs its day-to-day operations, and she has established the State Grand Jury as the scourge of drug traffickers and government corruption in South Carolina. After 4 years, the State Grand Jury is recognized by the Justice Department as a national model. Cam has won a 94 percent conviction rate, and built a reputation for integrity, toughness and relentlessness.

Mr. President, Cam Currie has a distinguished legal pedigree. Her grandfather was an attorney in Florence, SC, as is her father. The nomination of Cam Currie is a real triumph of our Nation's judicial system: it is a triumph that the President would nominate a woman of this caliber and accomplishment; and it is a triumph that an attorney of Cam's exceptional quality is willing and eager to devote herself to a career in public service. I urge that her nomination be confirmed by the Senate.

NOMINATION OF JOHN LEYDEN AS U.S. MARSHAL

Mr. CHAFEE. Mr. President, I am pleased that the Senate today is considering the nomination of John James Leyden, of Rhode Island, to be United States Marshal for the District of Rhode Island. I am confident that the Senate will confirm this highly qualified official and allow him to assume his formal duties for the State of Rhode Island.

The position of U.S. Marshal for the District of Rhode Island is a critical element in effective law enforcement in our State. Responsible for the execution of all writs issued by authority of the U.S. Government, the Marshal is charged with the custody and transportation of all Federal prisoners, as well as the security of Federal witnesses. Moreover, the Marshal oversees all Federal judicial and court security, and is responsible for asset seizure and forfeiture management. It is an important and tough job, and it is not for the fainthearted.

We have been extremely fortunate to have had a very able and effective U.S. Marshal for the past 9 years in Donald W. Wyatt. Marshal Wyatt has retired after having done a superb job, with total service as a Marshal, in several different periods, of 19 years.

Chief Leyden, whose family has been involved with law enforcement for many years, has served as the Chief of Police for the Town of North Kingstown for more than 10 years, heading up an office of 49 full-time officers and 11 civilians. He came to that post after 28 years with the Providence Police Department, where he retired with the rank of major. He has served these communities and indeed our State with great distinction for many years, and has earned the respect of his colleagues and community leaders. I have worked with him in the course of his career, most recently on efforts to highlight the problem of gun violence, and I have found Chief Leyden to be truly an individual of quality, of great standing and integrity.

We in Rhode Island are proud of Chief Leyden.

And I might note that Chief Leyden will be the most physically fit 62-year-old marshal ever: every week he plays basketball with local young people.

I am confident that Chief Leyden will serve our Nation and the people of Rhode Island with distinction.

Mr. FORD. Mr. President, I ask unanimous consent that the Senate consider the following nomination reported today by the Committee on Armed Services and that the Senate proceed to its immediate consideration:

Calendar 749—John M. Deutch, to be Deputy Secretary of Defense.

I further ask unanimous consent that the nominee be confirmed, that any statements appear in the RECORD as if read, that the motion to reconsider be laid upon the table, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

Mr. THURMOND. Mr. President, we have no objections.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

John M. Deutch, of Massachusetts, to be Deputy Secretary of Defense.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

PUBLIC SERVICE RECOGNITION WEEK

PRIMARY IMMUNE DEFICIENCY AWARENESS WEEK

GREEK INDEPENDENCE DAY

NATIONAL AGRICULTURE DAY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of Calendar Nos. 380, 381, 382, and 383; that the joint resolutions and the preambles be passed en bloc and the motions to reconsider laid upon the table en bloc; further that consideration of these items appear individually in the RECORD and any statements thereon appear in the RECORD at the appropriate place as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC SERVICE RECOGNITION WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 150) to designate the week of May 2 though May 8, 1994, as "Public Service Recognition Week," which had been reported from the Committee on the Judiciary, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 150

Whereas public employees at every level of government faithfully serve their fellow Americans;

Whereas there are 9,000,000 employees in local government, 4,000,000 employees in State government, and over 3,000,000 civilian workers and 2,000,000 military employees in the Federal Government;

Whereas Americans are aware of the many contributions public employees have made to the quality of their lives, in occupations that run the gamut from astronauts to zoologists, including scientists, police officers, teachers,

doctors, forest rangers, engineers, food inspectors, researchers, and foreign service agents, among others;

Whereas the Nation should value a professional civil service whose highest principle is one of patriotism, whose foremost commitment is to excellence, and whose experience and expertise are a national resource to be used and respected;

Whereas the millions of workers who serve our country are men and women of knowledge, ability, and integrity who deserve to be recognized for their dedicated service; and

Whereas designating a week to honor these employees will provide a dual opportunity to pay tribute to our public employees and to inform the American people about the scope and importance of public service, including the range of employment opportunities available to our young people: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 2 through May 8, 1994, is designated as "Public Service Recognition Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

PRIMARY IMMUNE DEFICIENCY AWARENESS WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 151) designating the week of April 10 through 16, 1994, as "Primary Immune Deficiency Awareness Week," which had been report from the Committee on the Judiciary, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 151

Whereas primary immune deficiency is a congenital defect in the immune system such that the body cannot adequately defend itself from infection;

Whereas primary immune deficiency is most often diagnosed in children and affects more children than leukemia and lymphoma combined;

Whereas primary immune deficiency is believed to effect 500,000 Americans and possibly more because the defect is often undiagnosed and misdiagnosed;

Whereas many forms of primary immune deficiency are inherited;

Whereas there are currently considered to be 70 forms of primary immune deficiency ranging from severe combined immune deficiency (which is fatal if untreated) to chronic recurring infections and allergies that cannot be managed with prophylactic antibiotics;

Whereas the earliest symptoms of primary immune deficiency are easily confused with a number of common illnesses or infections so that physicians often fail to diagnose and treat the underlying problem;

Whereas once suspected, primary immune deficiency can be diagnosed through a series of blood screenings that test immune function;

Whereas early intervention and treatment can save lives and prevent permanent damage to lungs and other organs;

Whereas many form of treatment are available once a specific diagnosis is made;

Whereas procedures such as bone marrow transplants may result in complete cure, and other treatments like monthly infusions of gamma globulin dramatically reduce a patient's risk of infections and enable the patient to lead a normal life;

Whereas patients may have long periods of normal health then suddenly be struck by severe fevers and infections;

Whereas lack of public awareness can lead to anxiety and leave families isolated and confused; and

Whereas education is essential to make the general public, health care professionals, employers, and insurers more knowledgeable about primary immune deficiency: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 10 through 16, 1994, is designated as "Primary Immune Deficiency Awareness Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

GREEK INDEPENDENCE DAY: A NATIONAL DAY OF CELEBRATION OF GREEK AND AMERICAN DEMOCRACY

The Senate proceeded to consider the joint resolution (S.J. Res. 162) designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy," which had been reported from the Committee on the Judiciary, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 162

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States drew heavily upon the political experience and philosophy of ancient Greece in forming the representative democracy of the United States;

Whereas these and other ideals have forged a close bond both between the United States and Greece and between their peoples;

Whereas March 25, 1994, marks the 173rd anniversary of the beginning of the revolution that freed Greek people from the Ottoman Empire and enabled the reestablishment of democracy in Greece; and

Whereas it is proper and desirable to celebrate that anniversary with the Greek people and to reaffirm the democratic principles from which the United States and Greece were born: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 25, 1994, is designated as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

NATIONAL AGRICULTURE DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 163) to proclaim March 20, 1994, as "National Agriculture Day," which had been reported from the Committee on the Judiciary, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 163

Whereas agriculture is the Nation's largest and most basic industry, and its associated production, processing, and marketing segments together provide more jobs than any other single industry;

Whereas the United States agricultural sector serves all Americans by providing food, fiber, and other basic necessities of life;

Whereas the performance of the agricultural economy is vital to maintaining the strength of our national economy, the standard of living of our citizens, and our presence in the world trade markets;

Whereas the Nation's heritage of family-owned, family-operated farms and ranches has been the core of the American agricultural system and continues to be the best means for assuring the protection of our natural resources and the production of an adequate and affordable supply of food and fiber for future generations of Americans;

Whereas the American agricultural system provides American consumers with a stable supply of the highest quality food and fiber for the lowest cost per capita in the world;

Whereas American agriculture continually seeks to maintain and improve the high level of product quality and safety expected by the consumer;

Whereas the public should be aware of the contributions of all people—men and women—who are a part of American agriculture and its contributions to American life, health, and prosperity;

Whereas women play a vital role in maintaining the family farm system, both as sole operators and as working partners, and are also attaining important leadership roles throughout the American agricultural system;

Whereas farm workers are an indispensable part of the agricultural system as witnessed by their hard work and dedication;

Whereas scientists and researchers play an integral part in the agricultural system in their search for better and more efficient ways to produce and process safe and nutritious agricultural products;

Whereas farmers and food processors are responding to the desire of health-conscious American consumers by developing more health-oriented food products;

Whereas distributors play an important role in transporting agricultural products to retailers who in turn make the products available to the consumer;

Whereas our youth—the future of our Nation—have become involved through various organizations in increasing their understanding and our understanding of the importance of agriculture in today's society;

Whereas it is important that all Americans should understand the role that agriculture plays in their lives and well-being, whether they live in urban or rural areas; and

Whereas since 1973, the first day of spring has been celebrated as National Agriculture Day by farmers and ranchers, commodity and farm organizations, cooperatives and agribusiness organizations, nonprofit and community organizations, other persons involved in the agricultural system, and Federal, State, and local governments: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 20, 1994, is proclaimed "National Agriculture Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities during the week of March 14 through March 20.

NATIONAL AGRICULTURE DAY

Mr. LEAHY. Mr. President, admiration is one word I save for very special groups of individuals. However, when I use it to describe how I feel about the American farming community, I do so without reservation. Again this year, I stand in proud support of National Agriculture Day.

We have always enjoyed one of the highest standards of living in the world. There are several components to the American recipe for success, but none are more important than our own secret ingredient; the tireless efforts of the men and women in agriculture.

As an institution, the American farming community is certainly worthy of emulation. Not only have they shown themselves accommodating to the whims of American dietary trends, but to the diets of every nation. One American farmer or rancher produces enough food for more than 100 citizens of the world. They have succeeded in providing Americans with the most economical, most nutritional food products the world has seen. Most remarkably, they have done all of this in the face of adversity.

This past year found America's farmers and ranchers battling the ranks of the Midwestern floods, the aftereffects of Hurricane Andrew and one of the cruelest winters in recent memory. Through it all, their resilient nature proved formidable enough to uphold the lifestyles we have come to enjoy.

There is something very special to me about the first day of spring. Symbolically, it proclaims how much good there is in our lives and instills a renewed sense of hope that things are only going to get better. Recognizing the American farming community on this day is not done by pure chance. The men and women that make up the America's farmers and ranchers are deserving of such a day, for they too remind us of the good in our lives. Therefore, as we recognize the farming community, let us not only convey our deep appreciation for their work, but pray that on the first day of spring in 1994, fewer trials will need to be endured.

(Note: The text of the House message pertaining to S. 1284, at page S2667 of the proceedings of the Senate on March 9, 1994, is as follows:)

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT AMENDMENTS OF 1993

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1284) entitled "An Act to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1993".

SEC. 2. TITLE AND PART HEADINGS.

(a) TITLE.—The heading of title I of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is amended to read as follows:

"TITLE I—PROGRAMS FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES".

(b) PART.—The heading of part A of title I of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is amended to read as follows:

"PART A—GENERAL PROVISIONS".

SEC. 3. FINDINGS AND PURPOSES.

Section 101 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000) is amended to read as follows:

"SEC. 101. FINDINGS, PURPOSES, AND POLICY.

"(a) FINDINGS.—The Congress finds that—

"(1) in 1993 there are more than 3,000,000 individuals with developmental disabilities in the United States;

"(2) disability is a natural part of the human experience that does not diminish the right of individuals with developmental disabilities to enjoy the opportunity to live independently, enjoy self-determination, make choices, contribute to society, and experience full integration and inclusion in the economic, political, social, cultural, and educational mainstream of American society;

"(3) individuals with developmental disabilities continually encounter various forms of discrimination in critical areas;

"(4) there is a lack of public awareness of the capabilities and competencies of individuals with developmental disabilities;

"(5) individuals whose disabilities occur during their developmental period frequently have severe disabilities that are likely to continue indefinitely;

"(6) individuals with developmental disabilities often require lifelong specialized services and assistance, provided in a coordinated and culturally competent manner by many agencies, professionals, advocates, community representatives, and others to eliminate barriers and to meet the needs of such individuals and their families;

"(7) a substantial portion of individuals with developmental disabilities and their families do not have access to appropriate support and services from generic and specialized service systems and remain unserved or underserved;

"(8) family members, friends, and members of the community can play an important role in enhancing the lives of individuals with developmental disabilities, especially when the family and community are provided with the necessary services and supports; and

"(9) the goals of the Nation properly include the goal of providing individuals with developmental disabilities with the opportunities and support to—

"(A) make informed choices and decisions;

"(B) live in homes and communities in which such individuals can exercise their full rights and responsibilities as citizens;

"(C) pursue meaningful and productive lives;

"(D) contribute to their family, community, State, and Nation;

"(E) have interdependent friendships and relationships with others; and

"(F) achieve full integration and inclusion in society;

in an individualized manner, consistent with unique strengths, resources, priorities, concerns, abilities and capabilities of each individual.

"(b) PURPOSE.—The purpose of this Act is to assure that individuals with developmental disabilities and their families have access to culturally competent services, supports, and other assistance and opportunities that promote independence, productivity, and integration and inclusion into the community, through—

"(1) support to State Developmental Disabilities Councils in each State to promote, through systemic change, capacity building, and advocacy (consistent with section 101(c)(2)), a consumer and family-centered, comprehensive system, and a coordinated array of services, supports, and other assistance for individuals with developmental disabilities and their families;

"(2) support to protection and advocacy systems in each State to protect the legal and human rights of individuals with developmental disabilities;

"(3) support to university affiliated programs to provide interdisciplinary preservice preparation of students and fellows, community service activities, and the dissemination of information and research findings; and

"(4) support to national initiatives to collect necessary data, provide technical assistance to State Developmental Disabilities Councils, protection, and advocacy systems and university affiliated programs, and support other nationally significant activities.

"(c) POLICY.—It is the policy of the United States that all programs, projects, and activities receiving assistance under this Act shall be carried out in a manner consistent with the principles that—

"(1) individuals with developmental disabilities, including those with the most severe developmental disabilities, are capable of achieving independence, productivity, and integration and inclusion into the community, and the provision of services, supports and other assistance can improve such individuals' ability to achieve independence, productivity, and integration and inclusion;

"(2) individuals with developmental disabilities and their families have competencies, capabilities and personal goals that should be recognized, supported, and encouraged and any assistance should be provided in an individualized manner, consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the individual;

"(3) individuals with developmental disabilities and their families are the primary decisionmakers regarding the services and supports such individuals and their families receive and play decisionmaking roles in policies and programs that affect the lives of such individuals and their families;

"(4) services, supports, and other assistance are provided in a manner that demonstrates re-

spect for individual dignity, personal preferences, and cultural differences;

"(5) communities accept and support individuals with developmental disabilities and are enriched by the full and active participation and the contributions by individuals with developmental disabilities and their families; and

"(6) individuals with developmental disabilities have opportunities and the necessary support to be included in community life, have interdependent relationships, live in homes and communities, and make contributions to their families, community, State, and Nation.".

SEC. 4. TECHNICAL AMENDMENTS.

(a) PROTECTION AND ADVOCACY OF THE RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.—The heading of part C of title I of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.) is amended to read as follows:

"PART C—PROTECTION AND ADVOCACY OF THE RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES".

(b) SYSTEM REQUIRED.—Section 142 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6042) is amended by adding at the end the following subsection:

"(i) PUBLIC NOTICE OF FEDERAL ONSITE REVIEW.—The Secretary shall provide advance public notice of any Federal programmatic and administrative review and solicit public comment on the system funded under this part through such notice. The findings of the public comment solicitation notice shall be included in the onsite visit report. The results of such reviews shall be distributed to the Governor of the State and to other interested public and private parties.".

(c) DEFINITION REGARDING UNIVERSITY AFFILIATED PROGRAMS.—The Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is amended—

(1) in section 102(1)—

(A) by inserting ", except as provided in section 155," before "includes"; and

(B) by inserting "the Commonwealth of" before "Puerto Rico"; and

(2) by adding at the end of part D the following section:

"SEC. 155. DEFINITION.

"For purposes of this part, the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.".

SEC. 5. AUTHORIZATIONS OF APPROPRIATIONS.

(a) PLANNING OF PRIORITY AREA ACTIVITIES.—Section 130 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6030) is amended by striking "$77,400,000" and all that follows and inserting the following: "$70,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

(b) PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.—Section 143 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6043) is amended by striking "$24,200,000" and all that follows and inserting the following: "$24,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

(c) UNIVERSITY AFFILIATED PROGRAM.—Section 154 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6064) is amended to read as follows:

"SEC. 154. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making grants under subsections (a) through (e) of section 152, there are authorized to be appropriated $19,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

(d) PROJECTS OF NATIONAL SIGNIFICANCE.—Section 163(a) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6083(a)) is amended by striking "$3,650,000" and all that follows and inserting the following: "$4,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

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-400. A resolution adopted by the Conference of Chief Justices relative to proposed crime legislation; to the Committee on the Judiciary.

POM-401. A resolution adopted by the Senate of the State of West Virginia; to the Committee on Labor and Human Resources.

"SENATE RESOLUTION NO. 7

"Whereas, in the 1930's, the Congress of the United States assumed the responsibility for developing a federally administrated retirement program to place the various railroad pension plans on a solid financial basis; and

"Whereas, the railroad retirement system today covers over one million individuals who have contributed over the years in good faith and have legitimate expectations of receiving their benefits; and

"Whereas, the national performance review board proposes to transfer the functions of the railroad retirement board to the social security administration, to other federal agencies and to private section service providers: and

"Whereas, this proposal would privatize and terminate a program that has worked well and provided retirement security for 1.3 million active, retired and disabled rail workers and their families for nearly 60 years; therefore, be it

"*Resolved by the Senate:*

"That the Senate of West Virginia urges that United States Congress to reject a proposal by the national performance review board to transfer the functions of the railroad retirement board to the social security administration; and, be it further

"*Resolved,* That the Clerk is hereby directed to forward a copy of this resolution to the members of the West Virginia congressional delegation and to the national performance review board."

POM-402. A resolution adopted by the House of the State of West Virginia; to the Committee on Labor and Human Resources.

"HOUSE RESOLUTION NO. 6

"Whereas, in the 1930's the Congress of the United States assumed the responsibility for developing a federally administered retirement program to place the various railroad pension plans on a solid financial basis; and

"Whereas, the railroad retirement system today covers over one million individuals who have contributed over the years in good faith and have legitimate expectations of receiving their benefits; and

"Whereas, the National Performance Review Board proposes to transfer the functions of the Railroad Retirement Board to the Social Security Administration, to other federal agencies, and to private section service providers; and

"Whereas, this proposal would privatize and terminate a program that has worked well and provided retirement security for 1.3 million active, retired and disabled rail workers and their families for nearly 60 years; therefore, be it

"*Resolved by the House of Delegates:*

"That the House of Delegates of the State of West Virginia urges the United States Congress to reject a proposal by the National Performance Review Board to transfer the functions of the Railroad Retirement Board to the Social Security Administration; and, be it further

"*Resolved,* That the Clerk is hereby directed to forward a copy of this resolution to the members of the West Virginia delegation to the Congress of the United States and to the National Performance Review Board, Washington, D.C."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

John M. Deutch,* of Massachusetts, to be Deputy Secretary of Defense;

Robert M. Walker,* of West Virginia, to be an Assistant Secretary of the Army;

Deborah P. Christie,* of Virginia, to be an Assistant Secretary of the Navy;

Stephen C. Joseph,* of Minnesota, to be an Assistant Secretary of Defense;

Robert B. Pirie, Jr.,* of Maryland, to be an Assistant Secretary of the Navy;

Helen Thomas McCoy,* of Maryland, to be an Assistant Secretary of the Army;

Robert F. Hale,* of Virginia, to be an Assistant Secretary of the Air Force;

Rodney A. Coleman,* of Michigan, to be an Assistant Secretary of the Air Force; and

Edwin Dorn,* of Texas, to be Under Secretary of Defense for Personnel and Readiness.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD of January 31, and February 3, 1994 and to save the expenses of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of January 31, and February 3, 1994, at the end of the Senate proceedings.)

*Admiral Robert J. Kelly, USN to be placed on the retired list in the grade of admiral (Reference No. 1012)

*In the Naval Reserve there are 2 promotions to the grade of rear admiral (list begins with Ronald Rhys Morgan) (Reference No. 1080)

*Lieutenant General Duane A. Willis, USMC to be placed on the retired list in the grade of lieutenant general (Reference No. 1114)

*In the Navy there are 5 promotions to the grade of rear admiral (list begins with Joseph John Dantone, Jr.,) (Reference No. 1118)

*Rear Admiral Edwin R. Kohn, Jr., USN to be placed on the retired list in the grade of vice admiral (Reference No. 1119)

*Vice Admiral Anthony A. Less, USN to be placed on the retired list in the grade of vice admiral (Reference No. 1141)

*Rear Admiral John H. Fetterman, Jr., USN to be placed on the retired list in the grade of vice admiral (Reference No. 1190)

Total: 12

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. FEINGOLD:

S. 1917. A bill to provide for public access to information regarding the availability of insurance, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ROTH:

S. 1918. A bill to suspend temporarily the duty on crosscarmellose sodium; to the Committee on Finance.

By Mr. BINGAMAN:

S. 1919. A bill to improve water quality within the Rio Puerco watershed and to help restore the ecological health of the Rio Grande through the cooperative identification and implementation of best management practices which are consistent with the ecological, geological, cultural, sociological, and economic conditions in the region; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI (for himself, Mr. BOREN, Mr. HATFIELD, and Mr. NICKLES):

S. 1920. A bill to amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") to ensure the safety of public water systems, and for other purposes; to the Committee on Environment and Public Works.

By Mr. RIEGLE:

S. 1921. A bill to suspend temporarily the duty on amitraz; to the Committee on Finance.

S. 1922. A bill to suspend temporarily the duty on ACM; to the Committee on Finance.

By Mr. REID (for himself and Mr. SHELBY):

S. 1923. A bill to amend the Immigration and Nationality Act to curb criminal activity by aliens, to defend against acts of international terrorism, to protect American workers from unfair labor competition, and to relieve pressure on public services by strengthening border security and stabilizing immigration into the United States; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. EXON, and Mr. LIEBERMAN):

S. 1924. A bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FEINGOLD:

S. 1917. A bill to provide for public access to information regarding the availability of insurance, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

ANTI-REDLINING IN INSURANCE DISCLOSURE ACT OF 1994

Mr. FEINGOLD. Mr. President, I rise today to introduce the Anti-Redlining in Insurance Disclosure Act of 1994, a bill designed to address the longstanding problem involving discrimination in the insurance industry which effectively denies millions of Americans access to affordable or adequate insurance for their homes and businesses—a practice better known as insurance redlining.

Historically, the term has been associated with certain discriminatory practices carried out by lending institutions which drew lines on maps in red ink around communities that they did not want to provide their respective financial services to—typically home or small business loans. These redlined areas were generally comprised of neighborhoods in which large or growing numbers of minority residents lived. For years similar practices were carried out by some members of the insurance industry and more recently similar results have been achieved by more subtle industry practices which leave many residents of poor or minority communities without access to adequate or affordable property insurance.

Sadly enough, the decision on who gets insurance and what type of coverage they will receive based solely on the color of an applicant's skin or the neighborhood in which that person lives has taken place for some time now. It is a problem which has been discussed and examined by public officials as far back as 25 years ago.

The problem of insurance redlining is pervasive and strikes at the core of the ability of many Americans to participate fully in our society by being able to enjoy that which has come to be known as the American dream—home ownership.

The consequences associated with the inability of individuals and entire neighborhoods to obtain property insurance was probably best described by the National Advisory Panel on Insurance in riot affected areas in 1968 when it observed that:

> Insurance is essential to revitalize our cities. It is a cornerstone of credit. Without insurance banks and other financial institutions will not and cannot make loans. New housing cannot be constructed and existing housing cannot be repaired.
>
> New businesses cannot be opened and existing businesses cannot expand, or even survive. Without insurance buildings are left to deteriorate; services, goods and jobs diminish; efforts to rebuild our Nation's inner cities cannot move forward. Communities without insurance are communities without hope.

This statement was made over 25 years ago and unfortunately, still accurately reflects the situation in many of our Nation's inner-city neighborhoods.

Study after study since then including the 1979 report of the Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin advisory committees to the U.S. Commission on Civil Rights, "Insurance Redlining, Fact Not Fiction" and the recent study on home insurance in 14 U.S. cities released by the community advocacy group ACORN, have reaffirmed the extent of this problem and the inadequacy of State and Federal responses to address it.

These studies and recent reports have also indicated that entire neighborhoods are continuing to be denied or provided inferior insurance coverage and that insurance redlining practices are currently widespread throughout the United States. It is not only disturbing that discrimination continues to exist today, but it troubles me even more so that the fine city of Milwaukee, WI, has received national attention regarding this problem. In fact, a CNN television report even stated that Milwaukee is becoming famous not only for beer, but for insurance discrimination.

And if you think that the lack of adequate insurance that is available in many of these neighborhoods is driven solely on sound principles of economics and statistically based risk assessments—and not on principles of prejudice—you may be as surprised and outraged as I was when I first learned of the actions of one district sales manager of a large insurance company which serves the Milwaukee area community that were reported in the media and presented in testimony before the House Subcommittee on Consumer Credit and Insurance. The impact that prejudice can sometimes have on the decisionmaking process on who should and who should not be written homeowner policies was evidenced by the tape recorded advice given to several insurance agents by their sales manager. This sales manager was recorded saying:

> Very honestly, I think you write too many blacks.* * * You gotta sell good, solid, premium paying white people * * *. They own their homes, the white works * * *. Very honestly, black people will buy anything that looks good right now * * * but when it comes to pay for it next time * * * you're not going to get your money out of them * * *. The only way you're going to correct your persistency is get away from blacks.

This "quit writing all those blacks" prejudicial policy was not only communicated to agents verbally, but was placed in writing as well and it has been reported that the manager even showed one agent how to accomplish this goal by stating that "if a black wants insurance, you don't have to say, just tell them, because based on this kind of policy, the company will only allow me to accept an annual premium. Do it that way."

Activity of this type that has prompted such allegations of discrimination in the insurance industry can-

not and must not be tolerated anywhere in our society. We must now take steps to remedy the situation so that the actions of a few do not discredit the rest of the citizens of Milwaukee, our Nation, or the majority of the insurance industry.

It is an insult to the millions of Americans of color who take pride in home ownership and make their payments each month for certain decisionmakers to simply write them off by assuming that minorities are a greater risk or too risky to insure. Not only does this type of thinking prevent many hardworking individuals of all means the chance to own a home or start up a business, but if flies in the face of the evidence and adds to urban decay as well. In fact, data comparing low-income minority areas with low-income white areas collected from insurers in St. Louis and Kansas City by the Missouri insurance department showed that low-income minorities on average paid higher premiums for homeowners insurance than white homeowners of similar means for comparable coverage, even though losses were lower in the minority areas. What are the chances for a section of a city to ever rebound or be revitalized if individuals who are committed to turning things around are not given a chance and allowed to become insured and thus enabled to purchase a home or create jobs by opening a small business?

It is important that we place people of all races and ethnic backgrounds on a level playing field when it comes to the opportunity to purchase insurance. It is difficult enough these days for anyone to be able to afford to buy a home, and is even more difficult, if not impossible, to purchase one without homeowner insurance. Expanding home ownership is critical to any effort our Nation undertakes to turn around our cities. We must remove all barriers such as this type of discrimination in order to fulfill any urban revitalization goals.

The Anti-Redlining In Insurance Disclosure Act of 1994 would, among other things, give Federal agencies and affected individuals the ability to detect and address effectively the problem of insurance redlining and enforce the anti-discrimination provisions of the Fair Housing Act. It would accomplish this by requiring the Secretary of Housing and Urban Development to establish requirements for insurers to compile and submit information to the Secretary annually. The information that would be required to be disclosed along census tract lines includes data pertaining to the number and types of policies made, the race of the applicants, whether the applicants were accepted or rejected, the loss data for the specified area and other useful information in the 50 largest metropolitan statistical areas [MSA's] and an additional 100 MSA's based on geographic diversity and size of MSA populations. The bill would require the reporting of rural insurance information by ZIP Code rather than census tract in 50 rural areas as well.

This information would allow for the analysis and comparison of the availability, affordability, and quality or type of insurance coverage for property and casualty homeowners insurance. Such information would also be invaluable to Federal prosecutors and individuals seeking redress from discriminatory redlining practices.

The disclosure requirements found in this bill are patterned after those found in the Home Mortgage Disclosure Act [HMDA] which require financial institutions to report their lending activities along census tract lines. The only burden faced by insurance companies that are in compliance with the Fair Housing Act law that will be imposed by these requirements will be the costs associated with the collection and reporting of the data. Banks, savings associations, and credit unions have been able to meet the similar requirements under HMDA by using in-house software programs and outside services to convert address information to census tract form. The bill takes these costs concerns into account by requiring the Secretary of HUD to make software to make such conversions available to insurers at cost.

The Anti-Redlining In Insurance Disclosure Act of 1994 would also provide for a study concerning insurance availability, affordability, and adequacy for small businesses and residential property in the largest 25 MSA's. Data would be collected over a 5-year period, and the Secretary of HUD would be required to report the data each year. The number of insurers required to report the data would be limited in each of the 25 MSA's as determined by the Secretary.

After three decades of research, it is time that our Nation take concrete steps to end discrimination in the insurance industry. The Nation was first made aware of insurance redlining practices after studies following the riots of the 1960's and the problem has reemerged as a national concern primarily because of the aftermath of the 1991 Los Angeles riots. It is unfortunate that such tragedies must occur in order for the Nation to take notice of the problem and look for solutions. And it is a shame that three decades of research showing that there is an insurance crisis in many of our Nation's communities has gone unheeded.

Especially in light of the fact that in this same period of time we have required banks, and other lending institutions to provide housing-related credit in a nondiscriminatory fashion by enacting the Fair Housing Act of 1968, the Equal Credit Opportunity Act of 1975, and the disclosure requirements found in the Home Mortgage Disclosure Act, and even require that lenders have an affirmative obligation to lend in all the communities they are chartered to serve, including low- and moderate-income neighborhoods through the Community Reinvestment Act of 1977.

Our experience with the Home Mortgage Disclosure Act has shown that the public disclosure of this type of information can serve multiple purposes in combating insurance discrimination by allowing for an accurate assessment of the extent and nature of the problem, and by assisting affected individuals and State and Federal regulators in the enforcement of antidiscrimination laws. Such disclosure can also stimulate self corrective policies by the industry itself by bringing to light the disparate impact of certain industry policies.

Unfortunately, we can pass all of the laws that we want in order to make discriminatory activities illegal, but none will ensure that such practices will go away. Unequal treatment of individuals solely on the basis of the color of their skin will not disappear because a law is enacted making it illegal. But the law does enable people whose rights are violated to seek redress and punish those who violate these rights through the legal system. And the law also symbolizes our consensus to condemn and eliminate this invidious discrimination. The Anti-Redlining in Insurance Disclosure Act of 1994 will help achieve both of these purposes.

I am also interested in exploring suggestions that have been made that the insurance industry ought to be subjected to the same requirements that are imposed upon the banking industry under the Community Reinvestment Act. Just as the banking community is required to address the credit needs of all communities, we should consider whether the insurance industry ought to be asked to make a similar effort to make affordable insurance accessible to the residents of those communities as well.

Finally, I would also like to thank key members of the other body, Representatives JOSEPH KENNEDY and CARDISS COLLINS, for bring the issue of insurance redlining to the attention of Congress. Through their respective subcommittees information has been gathered that documents the problems of insurance redlining and its consequences for millions of Americans, who are denied insurance or forced to pay higher premiums for lower coverage. My colleague from Wisconsin, Representative TOM BARRETT, has also been deeply involved in this issue and chaired a hearing in Milwaukee on January 4 which focused on these problems. Representative BARRETT was actively involved in efforts to combat discrimination when we both served in the Wisconsin legislature and I am

pleased to have the opportunity to work with him again on these important issues.

The bill I have introduced today is modeled after H.R. 1257, as it was reported out of the House Banking Committee, since it requires the disclosure of data along more well defined census tract lines rather than by ZIP Code. This method follows the requirements made by the Home Mortgage Disclosure Act and provides for the reporting of data that is more useful for disclosing patterns of discrimination, since many urban ZIP Codes contain neighborhoods that have a diverse range of economic, racial, and housing stock characteristics.

I would like to conclude my remarks by noting that the administration has signaled its support for legislation which would address the problem of insurance redlining and I have attached a letter from a number of community organizations supporting this bill as well including:

The Alliance to End Childhood Lead Poisoning,
The American Planning Association,
The Association of Community Organizations for Reform Now [ACORN],
The Center for Community Change,
The Consumer Federation of America,
Consumers Union,
The National Council of La Raza,
The National Fair Housing Alliance,
The National Insurance Consumer Organization,
The National League of Cities,
The National Low-Income Housing Coalition,
The National Neighborhood Coalition,
Network: A National Catholic Social Justice Lobby,
Public Citizen's Congress Watch,
And the United Methodist Church, General Board of Church and Society

I look forward to working with all of my colleagues and the administration in making sure that we do all that we can to end the practice of insurance discrimination.

I ask unanimous consent that the text of the bill, and the list of organizations endorsing this measure be printed in the RECORD.

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

S. 1917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Anti-Redlining in Insurance Disclosure Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Establishment of general requirements to submit information.
Sec. 4. Reporting of noncommercial insurance information.
Sec. 5. Study of commercial insurance for residential properties and small businesses.
Sec. 6. Reporting of rural insurance information.
Sec. 7. Waiver of reporting requirements.
Sec. 8. Reporting by private mortgage insurers.
Sec. 9. Use of data contractor and statistical agents.
Sec. 10. Submission of information to secretary and maintenance of information.
Sec. 11. Compilation of aggregate information.
Sec. 12. Availability and access system.
Sec. 13. Designations.
Sec. 14. Improved methods and reporting on basis of other areas.
Sec. 15. Annual reporting period.
Sec. 16. Disclosures by insurers to applicants and policyholders.
Sec. 17. Enforcement.
Sec. 18. Reports.
Sec. 19. Task force on agency appointments.
Sec. 20. Studies.
Sec. 21. Exemption and relation to State laws.
Sec. 22. Regulations.
Sec. 23. Definitions.
Sec. 24. Effective date.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) there are disparities in insurance coverage provided by some insurers between areas of different incomes and racial composition;

(2) such disparities in affordability and availability of insurance severely limit the ability of qualified consumers to obtain credit for home and business purchases; and

(3) the lack of affordable and adequate commercial insurance for small businesses severely curtails the establishment and growth of such businesses.

(b) PURPOSES.—The purposes of this Act are—

(1) to establish a nationwide database for determining the availability, affordability, and adequacy of insurance coverage for consumers and small businesses;

(2) to facilitate the enforcement of Federal and State laws that prohibit illegally discriminatory insurance practices; and

(3) to determine whether the extent and characteristics of insurance availability, affordability, and coverage require public officials to take any actions—

(A) to remedy redlining or other illegally or unfairly discriminatory insurance practices; or

(B) regarding areas underserved by insurers.

(c) CONSTRUCTION.—Nothing in this Act is intended to, nor shall it be construed to, encourage unsound underwriting practices.

SEC. 3. ESTABLISHMENT OF GENERAL REQUIREMENTS TO SUBMIT INFORMATION.

(a) IN GENERAL.—The Secretary shall, by regulation, establish requirements for insurers to compile and submit information to the Secretary for each annual reporting period, in accordance with this Act.

(b) CONSULTATION.—In establishing the requirements for the submission of information under this Act, the Secretary shall consult with Federal agencies having appropriate expertise, the National Association of Insurance Commissioners, State insurance regulators, statistical agents, representatives of small businesses, representatives of insurance agents (including minority insurance agents), representatives of property and casualty insurers, and community, consumer, and civil rights organizations, as appropriate.

SEC. 4. REPORTING OF NONCOMMERCIAL INSURANCE INFORMATION.

(a) IN GENERAL.—The requirements established pursuant to section 3 to carry out this section shall—

(1) be designed to ensure that information is submitted and compiled under this section as may be necessary to permit analysis and comparison of—

(A) the availability and affordability of insurance coverage and the quality or type of insurance coverage, by MSA and the applicable region, race, and gender of policyholders; and

(B) the location of the principal place of business of insurance agents and the race of such agents, and the location of the principal place of business of insurance agents terminated and the race of such agents, by MSA and applicable region; and

(2) specify the data elements required to be reported under this section and require uniformity in the definitions of the data elements.

(b) DESIGNATED INSURERS.—

(1) AGGREGATE INFORMATION.—The regulations issued under section 3 shall require that each designated insurer for a designated line of insurance under section 13(c)(1) compile and submit to the Secretary, for each annual reporting period—

(A) the total number of policies issued in such line, total exposures covered by such policies, and total amount of premiums for such policies, by designated line and by designated MSA and applicable region in which the insured risk is located;

(B) the total number of cancellations and nonrenewals (expressed in terms of policies or exposures, as determined by the Secretary), by designated line and by designated MSA and applicable region in which the insured risk is located;

(C) the total number and racial characteristics of—

(i) licensed agents of such insurer selling insurance in the designated line, by designated MSA and applicable region in which the agent's principal place of business is located; and

(ii) such agents who were terminated by the insurer, by designated MSA and applicable region in which the agent's principal place of business was located; and

(D) for such designated line of insurance, information that will enable the Secretary to assess the aggregate loss experience for the insurer, by designated MSA and applicable region in which the insured risk is located.

(2) SPECIFICATION OF INFORMATION FOR ITEMIZED DISCLOSURE.—

(A) IN GENERAL.—The regulations issued under section 3 regarding annual reporting requirements for designated insurers for a designated line of insurance under section 13(c)(1) shall, with respect to policies issued under the designated line or exposure units covered by such policies, as determined by the Secretary—

(i) specify the data elements that shall be submitted;

(ii) provide for the submission of information on an individual insurer basis;

(iii) provide for the submission of the information with the least burden on insurers, particularly small insurers, and insurance agents;

(iv) take into account existing statistical reporting systems in the insurance industry;

(v) require reporting by MSA and applicable region in which the insured risk is located;

(vi) provide for the submission of information that identifies the designated line and subline or coverage type;

(vii) provide for the submission of information that distinguishes policies written in a residual market from policies written in the voluntary market;

(viii) specify—

(I) whether information shall be submitted on the basis of policy or exposure unit; and

(II) whether information, when submitted, shall be aggregated by like policyholders with like policies, except that the Secretary shall not permit such aggregation if it will adversely affect the accuracy of the information reported;

(ix) provide for the submission of information regarding the number of cancellations and nonrenewals of policies under the designated line by MSA and applicable region in which the insured risk is located, by race and gender of the policyholder (if known to the insurer), and by whether the policy was issued in a voluntary or residual market; and

(x) provide for the submission of information on the racial characteristics and gender of policyholders at the level of detail comparable to that required by the Home Mortgage Disclosure Act of 1975 (and the regulations issued thereunder).

(B) RULES REGARDING OBTAINING RACIAL INFORMATION.—With respect to the information specified in subparagraph (A)(x), applicants for, and policyholders of, insurance may be asked their racial characteristics only in writing. Any such written question shall clearly indicate that a response to the question is voluntary on the part of the applicant or policyholder, but encouraged, and that the information is being requested by the Federal Government to monitor the availability and affordability of insurance. If an applicant for, or policyholder of, insurance declines to provide such information, the agent or insurer for such insurance may provide such information.

(3) RULE FOR REPORTING BY DESIGNATED INSURERS.—A designated insurer for a designated line shall submit—

(A) information required under subparagraphs (A), (B), and (D) of paragraph (1) and information required pursuant to paragraph (2), for risks insured under such line that are located within each designated MSA, any part of which is located in a State for which the insurer is designated; and

(B) information required under paragraph (1)(C) for agents within such designated MSA's.

(c) NONDESIGNATED INSURERS.—The regulations issued under section 3 shall require each insurer that issues an insurance policy in a designated line of insurance under section 13(c)(1) that covers an insured risk located in a designated MSA and which is not a designated insurer for the line in any State in which any part of such MSA is located, to compile and submit to the Secretary, for each annual reporting period—

(1) the total number of policies issued in such line;

(2) the total exposures covered by such policies; and

(3) the total amount of premiums for such policies;

by designated MSA and applicable region in which the insured risk is located.

SEC. 5. STUDY OF COMMERCIAL INSURANCE FOR RESIDENTIAL PROPERTIES AND SMALL BUSINESSES.

(a) IN GENERAL.—The Secretary shall conduct a study to determine the availability, affordability, and quality or types of commercial insurance coverage for residential properties and small businesses, in urban areas.

(b) SUBMISSION OF INFORMATION.—To acquire information for the study under this section, the Secretary shall, by regulation, establish requirements for insurers providing commercial insurance for residential properties and small businesses to compile and submit to the Secretary on an annual basis information regarding such insurance, as follows:

(1) MSA'S.—The Secretary shall carry out the study only with respect to the 25 MSA's having the largest populations, as determined by the Secretary and specified in the regulations under this section.

(2) INSURERS.—For each of the MSA's specified pursuant to paragraph (1), the Secretary shall designate the insurers required to submit the information. The Secretary shall designate a sufficient number of insurers to provide a representative sample of the insurers providing such insurance in each such MSA.

(3) LINES OF INSURANCE.—The Secretary shall require the submission of information regarding such lines, sublines, or coverage types of commercial insurance as the Secretary determines are necessary or important with respect to establishing, operating, or maintaining residential properties and each type of small business selected under paragraph (4), and shall require submission of such information by such lines, sublines, or coverage types.

(4) SMALL BUSINESSES.—For purposes of paragraph (3), the Secretary shall determine the types of businesses that are typical of small businesses and shall select a representative sample of such types.

(5) DATA ELEMENTS.—The Secretary shall identify the data elements required to be submitted.

(6) SUBMISSION BY LOCATION.—The Secretary shall require the information to be submitted by designated MSA and applicable region in which the insured risk is located.

(7) SUBMISSION BY INSURER.—The Secretary shall require the submission of information on an individual insurer basis and shall specify whether information, when submitted, shall be aggregated by like policies, except that the Secretary shall not permit such aggregation if it will adversely affect the accuracy of the information reported.

(8) SUNSET.—The Secretary shall require the submission of information under this section only for each of the first 5 annual reporting periods beginning more than 3 years after the date of enactment of this Act.

(c) CONSIDERATIONS.—In establishing the requirements for submission of information under this section, the Secretary shall—

(1) take into consideration the administrative, paperwork, and other burdens on insurers and insurance agents involved in complying with the requirements of this section;

(2) minimize the burdens imposed by such requirements with respect to such insurers and agents; and

(3) take into consideration existing statistical reporting systems in the insurance industry.

(d) REPORT.—Not later than 6 months after the expiration of the fifth of the 5 annual reporting periods referred to in subsection (b)(8), the Secretary shall submit a report to the Congress describing the information submitted under the study conducted under this section and any findings of the Secretary from the study regarding disparities in the availability, affordability, and quality or types of commercial insurance coverage for residential properties and small businesses, in urban areas.

SEC. 6. REPORTING OF RURAL INSURANCE INFORMATION.

(a) IN GENERAL.—The Secretary shall, by regulation, establish requirements for insurers to annually compile and submit to the Secretary information concerning the availability, affordability, and quality or type of insurance in designated rural areas in the lines designated under section 13(c)(1).

(b) CONTENT.—The regulations under this section shall provide that—

(1) the information to be compiled and submitted under this section by designated insurers and insurers that are not designated insurers shall be of such types, data elements, and specificity that is as identical as possible to the types, data elements, and specificity of information required under this Act of designated and nondesignated insurers, respectively, for designated MSA's and shall be subject to the provisions of section 4(b)(2)(B); and

(2) the information compiled and submitted under this section shall be compiled and submitted on the basis of each 5-digit zip code in which the insured risks are located, rather than on the basis of designated MSA and applicable region (as otherwise required in this Act).

(c) DESIGNATION OF RURAL AREAS.—For purposes of this section, the term "designated rural area" means the following:

(1) FIRST 5 YEARS.—With respect to the first 5 annual reporting periods to which the reporting requirements under this section apply, any of the 50 rural areas designated by the Secretary and specified in regulations issued pursuant to section 22, which shall not be amended or revised after issuance. The Secretary shall (to the extent possible) designate one rural area under this paragraph in each State of the United States.

(2) AFTER FIRST 5 YEARS.—With respect to annual reporting periods thereafter, a rural area for which a designation made by the Secretary under this paragraph is in effect, pursuant to the following requirements:

(A) The designations shall be made for each of the successive 5-year periods at the time provided in subparagraph (C), and the first such period shall be the 5-year period beginning upon the commencement of the sixth annual reporting period to which the reporting requirements under this Act apply.

(B) The Secretary shall designate 50 rural areas as designated rural areas for each such 5-year period and shall designate such rural areas based upon the information and recommendations made in the report under section 18(b) relating to the period.

(C) The Secretary shall make the designation of rural areas for an ensuing 5-year period by regulations issued—

(i) not later than 12 months before the commencement of the 5-year period; and

(ii) not later than 6 months after the submission to the Secretary of the report under section 18(b) relating to such period.

(D) The designations of rural areas for a 5-year period shall take effect upon the commencement of the first annual reporting period of the 5-year period beginning not less than 12 months after the issuance of the regulations making such designations, and shall remain in effect until the expiration of the 5-year period.

Notwithstanding any other provision of this section, the designation of a rural area shall remain in effect until a succeeding designation of rural areas under paragraph (2) takes effect.

SEC. 7. WAIVER OF REPORTING REQUIREMENTS.

(a) WAIVER FOR STATES COLLECTING EQUIVALENT INFORMATION.—

(1) AUTHORITY.—Subject to the requirements under this section, the Secretary shall provide, by regulation, for the waiver of the applicability of the provisions of sections 4, 5, and 6 for each insurer transacting business within a State referred to in paragraph (2), but only with respect to information required to be submitted under such sections that relates to agents or insured risks located in the State.

(2) REQUIREMENTS.—The Secretary may make a waiver pursuant to paragraph (1) only with respect to a State that the Secretary determines has in effect a law or other requirement that—

(A) requires insurers to submit to the State information that is the same as or equivalent to the information that is required to be submitted to the Secretary pursuant to sections 4, 5, and 6;

(B) provides for adequate enforcement of such law or other requirements;

(C) provides for the same annual reporting period used by the Secretary under this Act and for submission of the information to the Secretary in a timely fashion, as determined by the Secretary; and

(D) provides that, to the extent statistical agents are permitted to submit information to the State on behalf of insurers, such agents are subject to the same or equivalent requirements as provided under section 9(b).

(3) DURATION.—A waiver pursuant to paragraph (1) may remain in effect only during the period for which the State law or other requirement under paragraph (2) remains in effect.

(b) MULTIPLE-STATE MSA'S.—In the case of any designated MSA that contains area within—

(1) any State for which a waiver has been made pursuant to subsection (a); and

(2) any State for which such a waiver has not been made;

the provisions of this Act requiring submission of information to the Secretary regarding such MSA shall be considered to apply only to the portion of such MSA that is located within the State for which such a waiver has not been made.

(c) AUTHORITY FOR SECRETARY TO OBTAIN INFORMATION DIRECTLY FROM INSURERS.—If the State for which a waiver has been made pursuant to subsection (a) does not submit to the Secretary the information required under subsection (a)(2)(A) or submits information that is not complete, the Secretary shall require the insurers transacting business within the State to submit such information directly to the Secretary.

SEC. 8. REPORTING BY PRIVATE MORTGAGE INSURERS.

(a) HMDA REPORTING.—On an annual basis, the Federal Financial Institutions Examination Council (hereafter in this section referred to as the "Council") shall determine the extent to which each insurer providing private mortgage insurance is making available to the public and submitting to the appropriate agency information regarding such insurance that is equivalent to the information regarding mortgages required to be reported under the Home Mortgage Disclosure Act of 1975.

(b) REPORTING UNDER THIS ACT.—

(1) CERTIFICATION OF NONCOMPLIANCE.—If, for any annual period referred to in subsection (a), the Council determines that any insurer providing private mortgage insurance is not making available to the public or submitting the information referred to in subsection (a) or that the information made available or submitted is not equivalent information as described in subsection (a), then the Council shall notify the insurer of such noncompliance. If, after the expiration of a reasonable period of time, the insurer has not remedied such noncompliance to the satisfaction of the Council, then the Council shall immediately certify such noncompliance to the Secretary.

(2) REQUIREMENT.—Upon the receipt of a certification under paragraph (1), the Secretary shall, by regulation, require such insurer to submit to the Secretary information regarding such insurance that complies with the provisions of section 4 that are applicable to such insurance. Such regulations shall be issued not later than 6 months after receipt of such certification and shall apply to the first succeeding annual reporting period beginning not less than 6 months after issuance of such regulations and to each annual reporting period thereafter.

SEC. 9. USE OF DATA CONTRACTOR AND STATISTICAL AGENTS.

(a) DATA COLLECTION CONTRACTOR.—The Secretary may contract with a data collection contractor to collect the information required to be maintained and submitted under sections 4, 5, 6, 7, and 8(b), if the contractor agrees to collect the information pursuant to the terms and conditions of such sections and this Act and the regulations issued thereunder. Information submitted to such contractor shall be available to the public to the same extent as if the information were submitted directly to the Secretary.

(b) USE OF STATISTICAL AGENTS.—

(1) IN GENERAL.—The Secretary shall provide, by regulation, that insurers may submit any information required under sections 4, 5, 6, and 8(b) through statistical agents acting on behalf of more than one insurer.

(2) PROTECTIONS.—The regulations issued under this subsection shall permit submission of information through a statistical agent only if the Secretary determines that—

(A) the statistical agent has adequate procedures to protect the integrity of the information submitted;

(B) the statistical agent has a statistical plan and format for submitting the information that meets the requirements of this Act;

(C) the statistical agent has procedures in place that ensure that information reported under the statistical plan in connection with reporting under this Act and submitted to the Secretary is not subject to any adjustment by the statistical agent or an insurer for reasons other than technical accuracy and conformance to the statistical plan;

(D) the information of an insurer is not subject to review by any other insurer before being made available to the public; and

(E) acceptance of the information through the statistical agent will not adversely affect the accuracy of the information reported.

(3) DISCONTINUANCE OF ACCEPTANCE OF INFORMATION.—The Secretary may discontinue accepting information reported through a statistical agent pursuant to this subsection if the Secretary determines that the requirements for such reporting are no longer met or that continued acceptance of such information is contrary to the goal of ensuring the accuracy of the information reported.

(4) GAO AUDITS.—The Comptroller General of the United States shall, at the request of the Secretary, audit information collection and submission performed under this subsection by data collection contractors or statistical agents to ensure that the integrity of the information collected and submitted is protected. In determining whether to request an audit of a statistical agent, the Secretary shall consider the sufficiency (for purposes of this Act) of audits of the statistical agent conducted in connection with State insurance regulation.

(5) LIABILITY.—Notwithstanding any use of a statistical agent as authorized under this subsection, an insurer using such an agent shall be responsible for compliance with the requirements under this Act.

SEC. 10. SUBMISSION OF INFORMATION TO SECRETARY AND MAINTENANCE OF INFORMATION.

(a) PERIOD OF MAINTENANCE.—Each insurer required by this Act to compile and submit information to the Secretary shall maintain such information for the 3-year period beginning upon the conclusion of the annual reporting period to which such information relates. The Secretary shall maintain any information submitted to the Secretary for such period as the Secretary considers appropriate and feasible to carry out the purposes of this Act and to allow for historical analysis and comparison of the information.

(b) SUBMISSION.—The Secretary shall issue regulations prescribing a standard schedule (taking into consideration the provisions of section 12(a)), format, and method for submitting information under this Act to the Secretary. The format and method of submitting the information shall facilitate and encourage the submission in a form readable by a computer. Any insurer submitting information to the Secretary may submit in writing to the Secretary any additional information or explanations that the insurer considers relevant to the decision by the insurer to sell insurance.

SEC. 11. COMPILATION OF AGGREGATE INFORMATION.

(a) INSURANCE INFORMATION.—For each annual reporting period, the Secretary shall—

(1) compile, for each designated MSA, by designated line (and if such information is submitted, by subline or coverage type)—

(A) information submitted under sections 4, 5, 7, and 8(b) and loss ratios (if the submission of loss information is required), aggregated by applicable region for all insurers submitting such information; and

(B) such information and loss ratios (if the submission of loss information is required), aggregated by applicable region for each such insurer; and

(2) produce tables based on information submitted under sections 4, 5, 7, and 8(b) for each designated MSA, by insurer and for all insurers, by designated line (and if such information is submitted, by subline or coverage type), indicating—

(A) insurance underwriting patterns aggregated for the applicable regions within the MSA, grouped according to location, age of property, income level, and racial characteristics of neighborhoods; and

(B) loss ratios based on the information obtained pursuant to sections 4, 5, 7, and 8(b) (if the submission of loss information is required), aggregated for the applicable regions within the MSA, grouped according to location, age of property, income level, and racial characteristics of neighborhoods.

(b) AGENT INFORMATION.—For each annual reporting period and for each designated MSA, the Secretary shall compile, by designated line, the information submitted under section 4(b)(1)(C)—

(1) by designated insurer by applicable region;

(2) by designated insurer aggregated for the applicable regions within the designated MSA, grouped according to location, age of property, income level, and racial characteristics; and

(3) for all designated insurers that have submitted such information for the designated MSA, aggregated for the applicable regions within the designated MSA, grouped according to location, age of property, income level, and racial characteristics.

(c) RURAL INSURANCE INFORMATION.—For each annual reporting period, the Secretary shall—

(1) compile for each applicable 5-digit zip code, by designated line (and if such information is submitted, by subline or coverage type)—

(A) information regarding insurance in rural areas submitted under sections 6 and 7 and loss ratios, for all insurers for which such information is submitted; and

(B) such information and loss ratios, for each such insurer; and

(2) produce tables for each 5-digit zip code based on information regarding insurance in rural areas submitted under sections 6 and 7, by insurer and for all such insurers for which information is submitted under such sections, by designated line (and if such information is submitted, by subline or coverage type), indicating—

(A) insurance underwriting patterns, aggregated by zip codes, grouped according to location, age of property, income level, and racial characteristics of neighborhoods (where such demographic information is available); and

(B) loss ratios, based on the information obtained pursuant to sections 6 and 7, aggregated by zip codes, grouped according to location, age of property, income level, and racial characteristics of neighborhoods (where such demographic information is available).

SEC. 12. AVAILABILITY AND ACCESS SYSTEM.

(a) AVAILABILITY TO PUBLIC.—

(1) IN GENERAL.—The Secretary shall maintain and make available to the public, in accordance with the requirements of this section, any information submitted to the Secretary under this Act and any information compiled by the Secretary under this Act.

(2) TIMING.—The Secretary shall make such information publicly available on a timetable determined by the Secretary, but not later than 9 months after the conclusion of the annual reporting period to which the information relates, except that such information shall not be made available to the public until it is available in its entirety unless not all the information required to be reported is available by such date.

(b) PUBLIC ACCESS SYSTEM.—

(1) IMPLEMENTATION.—The Secretary shall implement a system to facilitate access to any information required to be made available to the public under this Act.

(2) BASES OF AVAILABILITY.—The system shall provide access in the following manners:

(A) ACCESS TO ITEMIZED INFORMATION.—To information submitted under sections 4, 5, 6, 7, and 8(b) on the basis of the insurer submitting the information, on the basis of designated MSA and applicable region (or in the case of rural information submitted under section 6 or 7, on the basis of 5-digit zip code), and on any other basis the Secretary considers feasible and appropriate.

(B) ACCESS TO AGGREGATE INFORMATION.—To aggregate information compiled under section 11, on the basis of—

(i) the insurer submitting the information;

(ii) designated MSA and applicable region (or in the case of rural information submitted under section 6 or 7, on the basis of 5-digit zip code); and

(iii) any other basis the Secretary considers feasible and appropriate.

(3) METHOD.—The access system shall include a toll-free telephone number that can be used by the public to request such information and the address at which a written request for such information may be submitted.

(4) FORM.—The Secretary shall, by regulation, establish the forms in which such information may be furnished by the Secretary. Such forms shall include written statements, forms readable by widely used personal computers, and, if feasible, on-line access for personal computers. The Secretary shall provide the information available under this section in any such form requested by the person requesting the information, except that the Secretary may charge a fee for providing such information, which may not exceed the amount, determined by the Secretary, that is equal to the cost of reproducing the information.

(5) ANALYSIS SOFTWARE.—The Secretary shall make available to the public software that can be used on a personal computer to analyze the information provided under this section. The software shall be capable of analyzing the information by insurer, designated line, race, gender, MSA, and applicable region. It shall also contain data compiled by the Secretary for each MSA and applicable region on income levels, age of property, and racial characteristics that can be used to evaluate the information provided under this Act by insurers. The software and any accompanying data shall be made available to the public without charge, except for an amount, determined by the Secretary, which shall not exceed the actual cost of reproducing the software and the accompanying data.

(c) PROTECTIONS REGARDING LOSS INFORMATION.—

(1) PROHIBITION OF DISCLOSURE OF LOSS INFORMATION.—Notwithstanding any other provision of this Act, the Secretary may not make available to the public or otherwise disclose any information submitted under this Act regarding the amount or number of claims paid by any insurer, the amount of losses of any insurer, or the loss experience for any insurer, except—

(A) in the form of a loss ratio (expressing the relationship of claims paid to premiums) made available or disclosed in compliance with the provisions of paragraph (2); or

(B) as provided in paragraph (3).

(2) PROTECTION OF IDENTITY OF INSURER.—In making available to the public or otherwise disclosing a loss ratio for an insurer—

(A) the Secretary may not identify the insurer to which the loss ratio relates; and

(B) the Secretary may disclose the loss ratio only in a manner that does not allow any party to determine the identity of the specific insurer to which the loss ratio relates, except parties having access to information under paragraph (3).

(3) CONFIDENTIALITY OF INFORMATION DISCLOSED TO GOVERNMENTAL AGENCIES.—The Secretary may make information referred to in paragraph (1) and the identity of the specific insurer to which such information relates available to any Federal entity and any State agency responsible for regulating insurance in a State and may otherwise disclose such information to any such entity or agency, but only to the extent such entity or agency agrees not to make any such information available or disclose such information to any other person.

SEC. 13. DESIGNATIONS.

(a) DESIGNATION OF MSA'S.—For purposes of this Act, the term "designated MSA" means the following MSA's:

(1) FIRST 5 YEARS.—With respect to the first 5 annual reporting periods to which the reporting requirements under this Act apply (pursuant to section 24), any of the 150 MSA's selected as follows:

(A) The Secretary shall select the 50 MSA's having the largest populations, as determined by the Secretary and specified in regulations issued pursuant to section 22, which shall not be amended or revised after issuance.

(B) The Secretary shall select 100 additional MSA's, on a basis that provides for—

(i) geographic diversity among the designated MSA's under this paragraph; and

(ii) diversity in size of the populations among such MSA's.

(2) AFTER FIRST 5 YEARS.—With respect to annual reporting periods thereafter, an MSA for which a designation under this paragraph is in effect, pursuant to the following requirements:

(A) The designations shall be made for each of the successive 5-year periods at the time provided in subparagraph (C), and the first such period shall be the 5-year period beginning upon the commencement of the sixth annual reporting period to which the reporting requirements under this Act apply.

(B) The Secretary shall designate not less than 150 MSA's as designated MSA's for each such 5-year period and shall designate such MSA's based upon the information and recommendations made in the report under section 18(b) relating to the period.

(C) The Secretary shall make the designation of MSA's for an ensuing 5-year period by regulations issued—

(i) not later than 12 months before the commencement of the 5-year period; and

(ii) not later than 6 months after the submission to the Secretary of the report under section 20(b) relating to such period.

(D) The designations of MSA's for a 5-year period shall take effect upon the commencement of the first annual reporting period of the 5-year period beginning not less than 12 months after the issuance of the regulations making such designations, and shall remain in effect until the expiration of the 5-year period.

Notwithstanding any other provision of this section, the designation of an MSA shall remain in effect until a succeeding designation of MSA's under paragraph (2) takes effect.

(b) DESIGNATION OF INSURERS.—The Secretary shall designate, for each designated line and each State, insurers doing business in the lines as designated insurers in the State for purposes of this Act, subject to the following requirements:

(1) HIGHEST AGGREGATE PREMIUM VOLUME.—

(A) GENERAL RULE.—For each State, the Secretary shall designate, for each designated line, each of the insurers and insurer groups included in the class established under this paragraph for the State.

(B) DETERMINATION.—In each State, the Secretary shall rank the insurers and insurer groups in each designated line from the insurer or group having the largest aggregate premium volume in the State for such line to the insurer or group having the smallest such aggregate premium volume and shall include in the class for the State only—

(i) the insurer or group of the highest rank;

(ii) each insurer or group of successively lower rank if the inclusion of such insurer or group in the class does not result in the sum of such aggregate premium volumes for insurers and groups in the class exceeding 80 percent of the total aggregate premium volume in the State for the line; and

(iii) the first such successively lower ranked insurer or insurer group whose inclu-

sion in the class results in such sum exceeding 80 percent of the total aggregate premium volume in the State for the line.

(2) MINIMUM AGGREGATE PREMIUM VOLUME.—For each State, the Secretary shall designate, for each designated line, each insurer and insurer group not designated pursuant to paragraph (1) whose premium volume in the State for the designated line exceeds 1 percent of the total aggregate premium volume in the State for the line.

(3) FAIR PLANS AND JOINT UNDERWRITING ASSOCIATIONS.—For each State, the Secretary shall designate, for each designated line—

(A) each statewide plan under part A of title XII of the National Housing Act to assure fair access to insurance requirements; and

(B) each joint underwriting association;

that provides insurance under such line.

(4) DURATION.—The Secretary shall designate insurers under this subsection once every 5 years. Each insurer designated shall be a designated insurer for each of the first 5 successive annual reporting periods commencing after such designation.

(c) DESIGNATION OF LINES OF INSURANCE.—

(1) IN GENERAL.—The Secretary shall, by regulation, designate homeowners, dwelling fire, and allied lines of insurance as designated lines for purposes of this Act, and shall distinguish the coverage types in such lines by the perils covered and by market or replacement value. For purposes of this Act, homeowners insurance shall not include any renters coverage or coverage for the personal property of a condominium owner.

(2) REPORT.—At any time the Secretary determines that any line of insurance not described in paragraph (1) should be a designated line because disparities in coverage provided under such line exist among geographic areas having different income levels or racial composition, the Secretary shall submit a report recommending designating such line of insurance as a designated line for purposes of this Act to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate.

(3) DURATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall make the designations under this subsection once every 5 years, by regulation, and each line and subline or coverage type designated under such regulations shall be designated for each of the first 5 successive annual reporting periods occurring after issuance of the regulations.

(B) ALTERATION.—During any 5-year period referred to in subparagraph (A) in which designations are in effect, the Secretary may amend or revise the designated lines, sublines, and coverage types only by regulation and only in accordance with the requirements of this subsection. Such regulations amending or revising designations shall apply only to annual reporting periods beginning after the expiration of the 6-month period beginning on the date of issuance of the regulations.

(d) TIMING OF DESIGNATIONS.—The Secretary shall make the designations required by subsections (b)(4) and (c)(3)(A) and notify interested parties during the 6-month period ending 6 months before the commencement of the first annual reporting period to which such designations apply.

(e) OBTAINING INFORMATION.—The Secretary may require insurers to submit to the Secretary such information as the Secretary considers necessary to make designations specifically required under this Act. The Secretary may not require insurers to submit any information under this subsection that relates to any line of insurance not specifically authorized to be designated pursuant to this Act or that is to be used solely for the purpose of a report under subsection (c)(2).

SEC. 14. IMPROVED METHODS AND REPORTING ON BASIS OF OTHER AREAS.

(a) DEVELOPMENT OF IMPROVED METHODS.—The Secretary shall develop, or assist in the improvement of, methods of matching addresses and applicable regions to facilitate compliance by insurers, in as economical a manner as possible, with the requirements of this Act. The Secretary shall allow insurers, or statistical agents acting on behalf of insurers, to match addresses and applicable regions through the use of 9-digit zip codes if the Secretary determines that such use will substantially reduce the cost and burden to insurers of such matching without significant adverse impact on the reliability of the matching.

(b) ADDRESS CONVERSION SOFTWARE.—The Secretary shall make available, to any insurer required to provide information to the Secretary under this Act, computer software that can be used to convert addresses to applicable regions within designated MSA's. The software shall be made available in forms that provide such conversion for designated MSA's on a nationwide basis and on a State-by-State basis. The software shall be made available not later than 6 months before the first annual reporting period to which the reporting requirements under this Act apply (pursuant to section 26) and shall be updated annually. The software shall be made available without charge, except for an amount, determined by the Secretary, which shall not exceed the actual cost of reproducing the software.

(c) CONVERTIBILITY.—

(1) AUTHORITY.—The Secretary may, by regulation, provide for insurers to comply with the requirements under sections 4, 5, and 8(b) by reporting the information required under such sections on the basis of geographical location other than MSA and applicable region, but only if the Secretary determines that information reported on such other basis is convertible to the basis of MSA and applicable region and such conversion does not affect the accuracy of the information.

(2) LIMITATION.—With respect to any information submitted on the basis of geographical location other than designated MSA and applicable region pursuant to paragraph (1), the Secretary may disclose the information only on the basis of designated MSA and applicable region.

SEC. 15. ANNUAL REPORTING PERIOD.

(a) IN GENERAL.—For purposes of this Act, the annual reporting periods shall be the 12-month periods commencing in each calendar year on the same day, which shall be selected under subsection (b) by the Secretary.

(b) SELECTION.—Not later than the expiration of the 6-month period beginning on the date of enactment of this Act, the Secretary shall, by regulation, select a day of the year upon which all annual reporting periods shall commence. In determining such day, the Secretary shall consider the reporting periods used for purposes of State and other insurance statistical reporting systems, in order to minimize the burdens on insurers.

SEC. 16. DISCLOSURES BY INSURERS TO APPLICANTS AND POLICYHOLDERS.

(a) IN GENERAL.—The Secretary shall, by regulation, require the following disclosures:

(1) APPLICANTS.—Each insurer that, through the insurer, or an agent or broker, declines a written application or written request to issue an insurance policy under a designated line shall provide to the applicant at the time of such declination, through such insurer, agent, or broker, one of the following:

(A) A written explanation of the specific reasons for the declination.

(B) Written notice that—

(i) the applicant may submit to the insurer, agent, or broker, within 90 days of such notice, a written request for a written explanation of the reasons for the declination; and

(ii) pursuant to such a request, an explanation shall be provided to the applicant within 21 days after receipt of such request.

(2) PROVISION OF EXPLANATION.—If an insurer, agent, or broker making a declination receives a written request referred to in paragraph (1)(B) within such 90-day period, the insurer, agent, or broker shall provide a written explanation referred to in such subparagraph within such 21-day period.

(3) POLICYHOLDERS.—Each insurer that cancels or refuses to renew an insurance policy under a designated line shall provide to the policyholder, in writing and within an appropriate period of time as determined by the Secretary, the reasons for canceling or refusing to renew the policy.

(b) MODEL ACTS.—In issuing regulations under subsection (a), the Secretary shall consider relevant portions of model acts developed by the National Association of Insurance Commissioners.

(c) PREEMPTION.—Subsection (a) shall not be construed to annul, alter, or effect, or exempt any insurer, agent, or broker subject to the provisions of subsection (a) from complying with any laws or requirements of any State with respect to notifying insurance applicants or policyholders of the reasons for declination or cancellation of, or refusal to renew insurance, except to the extent that such laws or requirements are inconsistent with subsection (a) (or the regulations issued thereunder) and then only to the extent of such inconsistency. The Secretary is authorized to determine whether such inconsistencies exist and to resolve issues regarding such inconsistencies. The Secretary may not provide that any State law or requirement is inconsistent with subsection (a) if it imposes requirements equivalent to the requirements under such subsection or requirements that are more stringent or comprehensive, in the determination of the Secretary.

(d) IMMUNITY.—In issuing regulations under subsection (a), the Secretary shall specifically consider the necessity of providing insurers, agents, and brokers with immunity solely for the act of conveying or communicating the reasons for a declination or cancellation of, or refusal to renew insurance on behalf of a principal making such decision. The Secretary may provide for immunity under the regulations issued under subsection (a) if the Secretary determines that such a provision is necessary and in the public interest, except that the Secretary may not provide immunity for any conduct that is negligent, reckless, or willful.

(e) ENFORCEMENT.—The Secretary may authorize the States to enforce the requirements under regulations issued under subsection (a).

SEC. 17. ENFORCEMENT.

(a) CIVIL PENALTIES.—Any insurer who is determined by the Secretary, after providing opportunity for a hearing on the record, to have violated any requirement pursuant to

this Act shall be subject to a civil penalty of not to exceed $5,000 for each day during which such violation continues.

(b) INJUNCTION.—The Secretary may bring an action in an appropriate United States district court for appropriate declaratory and injunctive relief against any insurer who violates the requirements referred to in subsection (a).

(c) INSURER LIABILITY.—An insurer shall be responsible under subsections (a) and (b) for any violation of a statistical agent acting on behalf of the insurer.

SEC. 18. REPORTS.

(a) ANNUAL REPORT.—The Secretary shall annually report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate on the implementation of this Act and shall make recommendations to such committees on such additional legislation as the Secretary deems appropriate to carry out this Act. The Secretary shall include in each annual report a description of any complaints or problems resulting from the implementation of this Act, of which the Secretary has knowledge, made by (or on behalf of) insurance policyholders that concern the disclosure of information regarding policyholders and any recommendations for addressing such problems. Each report shall specifically address whether granting property and casualty insurance powers to other financial intermediaries would significantly reduce redlining and other discriminatory insurance practices and the Secretary shall consult with the appropriate financial institution regulators regarding such issues in preparing the report.

(b) GAO REPORTS.—

(1) IN GENERAL.—The Comptroller General of the United States shall submit a report under this subsection to the Secretary and the Congress for each 5-year period referred to in sections 6(c)(2) and 13(a)(2), which contains information to be used by the Secretary in implementing this Act during such period.

(2) TIMING.—The report under this subsection for each such 5-year period shall be submitted not later than 18 months before the commencement of the period to which the report relates.

(3) CONTENTS.—A report under this subsection shall include the following information:

(A) An analysis of the adequacy of the implementation of this Act and any recommendations of the Comptroller General for improving the implementation.

(B) The costs to the Federal Government, insurers, and consumers of implementing and complying with this Act.

(C) Any beneficial or harmful effects resulting from the requirements of this Act.

(D) An analysis of whether, considering the purposes of this Act, insurers are required by this Act (or by implementing regulations) to submit appropriate information.

(E) An analysis of whether sufficient evidence exists of patterns of disparities in the availability, affordability, and quality or type of insurance coverage to warrant continued applicability of the requirements of this Act.

(F) An analysis of whether the group of designated MSA's in effect at the time of the report are appropriate for purposes of this Act.

(G) Specific recommendations, for use by the Secretary in designating MSA's for the 5-year period for which the report is made, with regard to—

(i) the characteristics of MSA's that should be included in the group of designated MSA's;

(ii) the number of MSA's that should be included in the group;

(iii) the number of MSA's having each particular characteristic that should be included in the group; and

(iv) the characteristics of MSA's, and number of MSA's having each such characteristic, that should be removed from the group of designated MSA's in effect at the time of the report.

(H) With respect only to the first report required under this subsection, recommendations of whether the study conducted under section 5 should be continued beyond the date in section 5(b)(8) and, if so, whether the requirements regarding the submission of information under the study should be expanded or changed with respect to insurers, MSA's, lines, sublines or coverage types of insurance, and types of small businesses, or whether the study should be allowed to terminate under law.

(I) An analysis of whether the group of designated rural areas in effect at the time of the report are appropriate for purposes of this Act.

(J) Specific recommendations, for use by the Secretary in designating rural areas for purposes of section 6 for the 5-year period for which the report is made, with regard to—

(i) the characteristics of rural areas that should be included in the group of designated rural areas under such section;

(ii) the number of rural areas having each particular characteristic that should be included in the group; and

(iii) the characteristics of rural areas, and number of rural areas having each such characteristic, that should be removed from the group of designated rural areas in effect at the time of the report.

(K) Any other information or recommendations relating to the requirements or implementation of this Act that the Comptroller General considers appropriate.

(4) CONSULTATION.—In preparing each report under this subsection, the Comptroller General shall consult with Federal agencies having appropriate expertise, the National Association of Insurance Commissioners, State insurance regulators, statistical agents, representatives of small businesses, representatives of insurance agents (including minority insurance agents) and property and casualty insurers, and community, consumer, and civil rights organizations.

SEC. 19. TASK FORCE ON AGENCY APPOINTMENTS.

(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall establish a task force on insurance agency appointments (hereafter in this section referred to as the "Task Force"). The Task Force shall—

(1) consist of representatives of appropriate Federal agencies, property and casualty insurance agents, including specifically minority insurance agents, property and casualty insurers, State insurance regulators, and community, consumer, and civil rights organizations;

(2) have a significant representation from minority insurance agents; and

(3) be chaired by the Secretary or the Secretary's designee.

(b) FUNCTION.— The Task Force shall—

(1) review the problems inner-city and minority agents may have in receiving appointments to represent property and casualty insurers and consider the effects such problems have on the availability, affordability, and quality or type of insurance, especially in underserved areas;

(2) review the practices of insurers in terminating agents and consider the effects such practices have on the availability, affordability, and quality or type of insurance, especially in underserved areas; and

(3) recommend solutions to improve the ability of inner-city and minority insurance agents to market property and casualty insurance products, including steps property and casualty insurers should take to increase their appointments of such agents.

(c) REPORT AND TERMINATION.—The Task Force shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate its findings under paragraphs (1) and (2) of subsection (b) and its recommendations under paragraph (3) of subsection (b) not later than 2 years after the date of enactment of this Act. The Task Force shall terminate on the date on which the report is submitted to the committees.

SEC. 20. STUDIES.

(a) STUDY OF INSURANCE PRESCREENING.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility and utility of requiring insurers to report information with respect to the characteristics of applicants for insurance and reasons for rejection of applicants. The study shall examine the extent to which—

(A) oral applications or representations are used by insurers and agents in making determinations regarding whether or not to insure a prospective insured;

(B) written applications are used by insurers and agents in making determinations regarding whether or not to insure a prospective insured;

(C) written applications are submitted after the insurer or agent has already made a determination to provide insurance to a prospective insured or has determined that the prospective insured is eligible for insurance; and

(D) prospective insured persons are discouraged from submitting applications for insurance based, in whole or in part, on—

(i) the location of the risk to be insured;

(ii) the racial characteristics of the prospective insured;

(iii) the racial composition of the neighborhood in which the risk to be insured is located; and

(iv) in the case of residential property insurance, the age and value of the risk to be insured.

(2) REPORT.—The Secretary shall report the results of the study under paragraph (1) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 2 years after the date of enactment of this Act. The report shall include recommendations of the Secretary—

(A) with respect to requiring insurers to report on the disposition of oral and written applications for insurance; and

(B) for any legislation that the Secretary considers appropriate regarding the issues described in the report.

(b) STUDY OF INSURER ACTIONS TO MEET INSURANCE NEEDS OF CERTAIN NEIGHBORHOODS.—The Secretary shall conduct a study of various practices, actions, and methods undertaken by insurers to meet the property and casualty insurance needs of residents of low- and moderate-income neighborhoods, minority neighborhoods, and small businesses located in such neighborhoods. The Secretary shall report the results of the study, including any recommendations, to

the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 2 years after the date of enactment of this Act.

(c) STUDY OF DISPARATE CLAIMS TREATMENT.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine whether, and the extent to which, insurers engage in disparate treatment in handling claims of policyholders under designated lines of insurance based on the race, gender, and income level of the policyholder, and on the racial characteristics and income levels of the area in which the insured risk is located. In conducting the study, the Secretary shall specifically consider whether residents of low-income neighborhoods or areas and minority neighborhoods or areas are more likely than residents of other areas to have their claims contested or their insurance coverage canceled.

(2) REPORT.—The Secretary shall submit a report on the results of the study to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 2 years after the date of enactment of this Act.

(d) STUDY OF RATING TERRITORIES.—The Secretary shall conduct a study to determine whether the practice in the insurance industry of basing insurance premium amounts on the territory in which the insured risk is located has a disparate impact on the availability, affordability, or quality of insurance by race, gender, or type of neighborhood. The Secretary shall submit a report on the results of the study to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 12 months after the date of enactment of this Act.

(e) STUDY OF INSURER REINVESTMENT REQUIREMENTS.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of requiring insurers to reinvest in communities and neighborhoods from which they collect premiums for insurance and whether, and the extent to which, community reinvestment requirements for insurers should be established that are comparable to the community reinvestment requirements applicable to depository institutions. The Secretary shall consult with representatives of insurers and consumer, community, and civil rights organizations regarding the results of the study and any recommendations to be made based on the results of the study.

(2) REPORT.—The Secretary shall report the results of the study, including any such recommendations, to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 6 months after the conclusion of the first annual reporting period to which the reporting requirements under this Act apply (pursuant to section 26).

SEC. 21. EXEMPTION AND RELATION TO STATE LAWS.

(a) EXEMPTION FOR UNITED STATES PROGRAMS.—Reporting shall not be required under this Act with respect to insurance provided by any program underwritten or administered by the United States.

(b) RELATION TO STATE LAWS.—This Act does not annul, alter, or affect, or exempt the obligation of any insurer subject to this Act to comply with the laws of any State or subdivision thereof with respect to public disclosure, submission of information, and recordkeeping.

SEC. 22. REGULATIONS.

(a) IN GENERAL.—The Secretary shall issue any regulations required under this Act and any other regulations that may be necessary to carry out this Act. The regulations shall be issued through rulemaking in accordance with the procedures under section 553 of title 5, United States Code, for substantive rules. Except as otherwise provided in this Act, such final regulations shall be issued not later than the expiration of the 18-month period beginning on the date of enactment of this Act.

(b) BURDENS.—In prescribing such regulations, the Secretary shall take into consideration the administrative, paperwork, and other burdens on insurance agents, including independent insurance agents, involved in complying with the requirements of this Act and shall minimize the burdens imposed by such requirements with respect to such agents.

SEC. 23. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) AGENT.—The term "agent" means, with respect to an insurer, an agent licensed by a State who sells property and casualty insurance. The term includes agents who are employees of the insurer, agents who are independent contractors working exclusively for the insurer, and agents who are independent contractors appointed to represent the insurer on a nonexclusive basis.

(2) APPLICABLE REGION.—The term "applicable region" means, with respect to a designated MSA—

(A) for any county located within the MSA that has a population of more than 30,000, the applicable census tract within the county; or

(B) for any county located within the MSA that has a population of 30,000 or less, the applicable county.

(3) COMMERCIAL INSURANCE.—The term "commercial insurance" means any line of property and casualty insurance, except homeowner's, dwelling fire, allied lines, and other personal lines of insurance.

(4) DESIGNATED INSURER.—The term "designated insurer" means, with respect to a designated line, an insurer designated for a State by the Secretary under section 13(b) as a designated insurer for such line or any insurer that is part of an insurer group selected under such section.

(5) DESIGNATED INVESTMENT.—The term "designated investment" means making or purchasing a loan for the purchase of commercial real estate, making or purchasing a mortgage loan for the purchase of a 1- to 4-family dwelling, making or purchasing a commercial or industrial loan.

(6) DESIGNATED LINE.—The term "designated line" means a line of insurance or bid, performance, and payment bonds designated by the Secretary under section 13(c).

(7) EXPOSURES.—The term "exposures" means, with respect to an insurance policy, an expression of an exposure unit covered under the policy compared to the duration of the policy (pursuant to standards established by the Secretary for uniform reporting of exposures).

(8) EXPOSURE UNITS.—The term "exposure units" means a dwelling covered under an insurance policy for homeowners, dwelling fire, or allied lines coverage.

(9) INSURANCE.—The term "insurance" means property and casualty insurance. Such term includes primary insurance, surplus lines insurance, and any other arrangement for the shifting and distributing of risks that is determined to be insurance under the law of any State in which the insurer or insurer group engages in an insurance business.

(10) INSURER.—Except with respect to section 8, the term "insurer" means any corporation, association, society, order, firm, company, mutual, partnership, individual, aggregation of individuals, or any other legal entity that is authorized to transact the business of property or casualty insurance in any State or that is engaged in a property or casualty insurance business. The term includes any certified foreign direct insurer, but does not include an individual or entity which represents an insurer as agent solely for the purpose of selling or which represents a consumer as a broker solely for the purpose of buying insurance.

(11) ISSUED.—The term "issued" means, with respect to an insurance policy, newly issued or renewed.

(12) JOINT UNDERWRITING ASSOCIATION.—The term "joint underwriting association" means an unincorporated association of insurers established to provide a particular form of insurance to the public.

(13) MORTGAGE INSURANCE.—The term "mortgage insurance" means insurance against the nonpayment of, or default on, a mortgage or loan for residential or commercial property.

(14) MSA.—The term "MSA" means a Metropolitan Statistical Area or a Primary Metropolitan Statistical Area.

(15) PRIVATE MORTGAGE INSURANCE.—The term "private mortgage insurance" means mortgage insurance other than mortgage insurance made available under the National Housing Act, title 38 of the United States Code, or title V of the Housing Act of 1949.

(16) PROPERTY AND CASUALTY INSURANCE.—The term "property and casualty insurance" means insurance against loss of or damage to property, insurance against loss of income or extra expense incurred because of loss of, or damage to, property, and insurance against third party liability claims caused by negligence or imposed by statute or contract. Such term does not include workers' compensation, professional liability, or title insurance.

(17) RESIDUAL MARKET.—The term "residual market" means an assigned risk plan, joint underwriting association, or any similar mechanism designed to make insurance available to those unable to obtain it in the voluntary market. The term includes each statewide plan under part A of title XII of the National Housing Act to assure fair access to insurance requirements.

(18) RURAL AREA.—The term "rural area" means any area that—

(A) has a population of 10,000 or more;

(B) has a continuous boundary; and

(C) contains only areas that are rural areas, as such term is defined in section 520 of the Housing Act of 1949 (except that clause (3)(B) of such section 520 shall not apply for purposes of this Act).

(19) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(20) STATE.—The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

SEC. 24. EFFECTIVE DATE.

The requirements of this Act relating to reporting of information by insurers shall take effect with respect to the first annual

reporting period that begins not less than 3 years after the date of enactment of this Act.

MARCH 8, 1994.

Senator RUSS FEINGOLD,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR FEINGOLD: We write to offer our endorsement of S. XXX. This legislation addresses the serious problem of discrimination and redlining in the provision of homeowners insurance industry in a simple yet effective way—through the power of sunshine.

Numerous studies and hearings before the House of Representatives have shown that residents of low-income, predominantly minority areas have a harder time obtaining insurance coverage for their homes. When they can get coverage, it is often substantially more expensive, or of substandard quality. While insurers claim these results are due to an objective evaluation of risk, studies analyzing actual losses in low income and minority areas indicate this is not true.

Insurance redlining contributes to and furthers urban decay and disinvestment. The lack of affordable insurance is a material deterrent to homeownership and economic development in low income and minority communities. Without insurance, people simply cannot buy homes.

S. XXX simply requires insurers to begin to make public information as to where and at what price they write insurance. It also would collect data on insurer losses. The data collected by this legislation will go a long way to resolve the debate over insurance redlining and will be a valuable tool for enforcement of civil rights laws at the state and federal level.

Your legislation incorporates 3 key elements that are essential to advancing fair and equal access to insurance:

First, S. 1917 collects data on the cost and type of insurance policies written by the census tract (or zip+4's) where the policy is issued. Only census tracts are accurate enough to gauge the disparate impact insurance redlining has on minority and low-income neighborhoods. The Home Mortgage Disclosure Act requires banks to report loan information on a census tract basis, and this standard should apply to the insurance industry as well.

Second, S. 1917 collects data on insurance losses and claims. While insurers claim disparities in prices between different neighborhoods are solely based on loss experience, a recent study by the Missouri Department of Insurance suggests the opposite. Data analyzed by the department indicated that residents of minority neighborhoods pay more in premiums, but incur fewer losses, than residents of comparable white neighborhoods. Only through the collection of loss data can we conclusively resolve the debate about whether these disparities are due to risk or prejudice.

Third, S. 1917 would collect this data in 150 Metropolitan Statistical Areas (MSA's). The data collected by this legislation will be invaluable as a civil rights enforcement tool, and that tool should be available to the greatest number of communities and citizens.

We are eager to work with you to obtain passage of S. XXX, and commend you for your leadership on the issue.

Sincerely,

Alliance to End Childhood Lead Poisoning, American Planning Association, Association of Community Organizations for Reform Now (ACORN), Center for Community Change, Consumer Federation of America, Consumers Union, National Council of La Raza, National Fair Housing Alliance, National Insurance Consumer Organization, National League of Cities, National Low Income Housing Coalition, National Neighborhood Coalition, NETWORK: A National Catholic Social Justice Lobby, Public Citizen's Congress Watch, United Methodist Church, General Board of Church and Society.

By Mr. BINGAMAN:

S. 1919. A bill to improve water quality within the Rio Puerco watershed and to help restore the ecological health of the Rio Grande through the cooperative identification and implementation of best management practices which are consistent with the ecological, geological, cultural, sociological, and economic conditions in the region; to the Committee on Energy and Natural Resources.

RIO PUERCO WATERSHED ACT OF 1994

• Mr. BINGAMAN. Mr. President, I introduce legislation that will authorize a coordinated approach for restoration of the Rio Puerco watershed, which at 7,000 square miles is the largest tributary to the Rio Grande in terms of area and sediment. The Rio Puerco was once known as New Mexico's bread basket, with water supply and soil tilth to support that reputation.

Over time, extensive ecological changes have occurred in the Rio Puerco watershed, some of which have resulted in damage to the watershed that has seriously affected the economic and cultural well-being of its inhabitants. This has resulted in the loss of existing communities that were based on the land and were self-sustaining. Mr. President, a healthy and sustainable ecosystem is essential to the long-term economic and cultural viability of the region.

According to the Bureau of Land Management, the Rio Puerco contributes only 6 percent of the total water but over 50 percent of the sediments which enter the Rio Grande. Accelerated, progressive soil erosion within the basin threatens not only the sustained productivity of the rangeland watershed, but also the middle Rio Grande aquatic system, irrigators dependent on those water, and the economic foundation of the Mesilla Valley dependent on Elephant Butte Reservoir.

A substantial proportion of the rural population is concerned about its ability to maintain a traditional lifestyle with an economy which is natural resource based and dependent upon the productivity of land with multiple ownership. The vast Rio Puerco drainage system is a mosaic of land ownership and agency management. No single agency has watershed wide expertise and management responsibility. It is imperative that the numerous agencies and individuals with resource management responsibility—Indian Pueblos, Federal and State agencies, and private citizens—work together to develop a plan for and implement an effective Rio Puerco watershed management program.

This legislation directs the Secretary of the Interior to lead and coordinate a management program in the Rio Puerco watershed with the advice and input of a Rio Puerco management committee composed of the various landowners, affected Indian Pueblos, local, regional, State, and Federal governments, and other interested citizens.

The committee will prepare a management plan to identify reasonable and appropriate goals and objectives for land owners and managers in the Rio Puerco watershed; to describe potential alternative actions to meet the goals and objectives; to recommend voluntary implementation of appropriate best management practices on both public and private lands; to provide for cooperative development of management guidelines for maintaining and improving the ecological, cultural, and economic conditions on both public and private lands; and other activities that will promote cooperation and information sharing among those that own and manage land in the Rio Puerco watershed.

Mr. President, it is our hope that this legislation will advance the restoration of and maintenance of a healthy Rio Puerco watershed that will serve New Mexico and its citizens in the future as well as it has served us in the past. We have a lot of work ahead of us. A clear path must be outlined and a base of authorization, from which this program can be funded, established. Most importantly, this legislation authorizes an approach that brings all of the stakeholders together. The Federal Government cannot, and should not, undertake this effort alone. The support and contributions of local citizens, tribes, governmental entities, and others is crucial. I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1919

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 "Rio Puerco Watershed Act of 1994".

SEC. 2. FINDINGS.

The Congress finds that—

(1) over time, extensive ecological changes have occurred in the Rio Puerco watershed, including—

(A) erosion of agricultural and range lands;

(B) impairment of waters due to heavy sedimentation;

(C) reduced productivity of renewable resources;

(D) loss of biological diversity;

(E) loss of functioning riparian areas; and

(F) loss of available surface water;

(2) damage to the watershed has seriously affected the economic and cultural well-being of its inhabitants, including—

(A) loss of existing communities that were based on the land and were self-sustaining; and

(B) adverse effects on the traditions, customs, and cultures of the affected communities;

(3) a healthy and sustainable ecosystem is essential to the long-term economic and cultural viability of the region;

(4) the impairment of the Rio Puerco watershed has damaged the ecological and economic well-being of the area below the junction of the Rio Puerco with the Rio Grande including—

(A) disruption of ecological processes;

(B) water quality impairment;

(C) significant reduction in the water storage capacity and life expectancy of the Elephant Butte Dam and Reservoir system due to sedimentation;

(D) chronic problems of irrigation system channel maintenance; and

(E) increased risk of flooding caused by sediment accumulation;

(5) the Rio Puerco is a major tributary of the Rio Grande and the coordinated implementation of ecosystem-based best management practices for the Rio Puerco system could benefit the larger Rio Grande system;

(6) the Rio Puerco watershed has been stressed from the loss of native vegetation, introduction of exotic species, and alteration of riparian habitat which have disrupted the original dynamics of the river and disrupted natural ecological processes;

(7) the Rio Puerco watershed is a mosaic of private, Federal, tribal trust, and State land ownership with diverse, sometimes differing management objectives;

(8) development, implementation, and monitoring of an effective watershed management program for the Rio Puerco watershed requires cooperation among—

(A) the Bureau of Land Management;

(B) the Rio Puerco Watershed Committee;

(C) the National Forest Service;

(D) the Pueblos of Acoma, Isleta, Jemez, and Laguna;

(E) the Eastern and Canoncito Bands of the Navajo Nation;

(F) the Jicarilla Apache Tribe;

(G) the Bureau of Reclamation;

(H) the Geological Survey;

(I) the Bureau of Indian Affairs;

(J) the Fish and Wildlife Service;

(K) the Soil and Conservation Service;

(L) the Army Corps of Engineers;

(M) the National Park Service;

(N) the State of New Mexico;

(O) private landowners;

(P) local and regional governmental entities;

(Q) other interested citizens; and

(R) affected local soil and water conservation districts;

(9) the Secretary of the Interior, acting through the Director of the Bureau of Land Management, in consultation with the entities listed in paragraph (7), and in cooperation with the Rio Puerco Watershed Committee, is best suited to coordinate management efforts in the Rio Puerco Watershed; and

(10) accelerating the pace of improvement in Rio Puerco Watershed on a coordinated, cooperative basis will benefit persons living in the Watershed as well as downstream users on the Rio Grande.

SEC. 3. MANAGEMENT PROGRAM.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Bureau of Land Management and in consultation with the Rio Puerco Management Committee established pursuant to section 4, shall—

(1) establish a clearinghouse for research and information on management within the Rio Puerco Watershed, as described in the attached map, including—

(A) current and historical natural resource conditions;

(B) data concerning the extent and causes of watershed impairment; and

(C) implementation, monitoring, and evaluation of best management practices initiated within the watershed; and

(2) provide support to the Rio Puerco Management Committee to identify objectives, coordinate implementation of best management practices, and monitor results.

(b) RIO PUERCO MANAGEMENT PLAN.—Not later than 2 years after the date of enactment of this Act, the Secretary, in consultation with the Rio Puerco Management Committee, shall prepare a plan for the restoration of the Rio Puerco watershed. The plan shall—

(1) identify reasonable and appropriate goals and objectives for landowners and managers in the Rio Puerco watershed;

(2) describe potential alternative actions to meet the goals and objectives, including proven best management practices and costs associated with implementing the actions;

(3) recommend voluntary implementation of appropriate best management practices on both public and private lands;

(4) provide for cooperative development of management guidelines for maintaining and improving the ecological, cultural, and economic conditions on both public and private lands;

(5) provide for the development of public participation and community outreach programs that would include proposals for—

(A) cooperative efforts with private landowners to encourage implementation of best management practices within the watershed; and

(B) involving private citizens in restoring the watershed.

(6) provide for the development of proposals for voluntary cooperative programs among the Rio Puerco Management Committee membership to implement best management practices in a coordinated, consistent, and cost-effective manner;

(7) provide for the encouragement and support implementation of best management practices on private lands; and

(8) provide for the development of proposals for a monitoring system that—

(A) builds upon existing data available from private, Federal, and State sources;

(B) provides for the coordinated collection, evaluation, and interpretation of additional data as needed or collected; and

(C) will provide information to—

(i) assess existing resource and socioeconomic conditions;

(ii) identify priority implementation actions; and

(iii) assess the effectiveness of actions taken.

(c) ADDITIONAL ASSISTANCE.—If the Secretary of the Interior determines that employment of additional personnel is necessary to carry out this Act, the Secretary shall, where feasible, employ individuals who reside in the vicinity of the Rio Puerco watershed restoration area.

SEC. 4. RIO PUERCO MANAGEMENT COMMITTEE.

(a) ESTABLISHMENT.—There is established the Rio Puerco Management Committee (referred to in this section as the "Committee").

(b) MEMBERSHIP.—The Committee shall be convened by a representative of the Bureau of Land Management, and shall include representatives from—

(1) the Rio Puerco Watershed Committee;

(2) affected tribes and pueblos;

(3) the National Forest Service of the Department of Agriculture;

(4) the Bureau of Reclamation;

(5) the Geological Survey;

(6) the Bureau of Indian Affairs;

(7) the Fish and Wildlife Service;

(8) the Army Corps of Engineers;

(9) the Soil and Conservation Service of the Department of Agriculture;

(10) the State of New Mexico, including the New Mexico Environment Department and the State Engineer;

(11) affected local Soil and Water Conservation Districts;

(12) the Elephant Butte Irrigation District;

(13) private landowners; and

(14) other interested citizens.

(c) DUTIES.—The Rio Puerco Management Committee shall—

(1) advise the Secretary of the Interior, acting through the Director of the Bureau of Land Management, on the development and implementation of the Rio Puerco Management Program described in section 3; and

(2) serve as a forum for information about activities that may affect or further the development and implementation of the best management practices described in section 3.

SEC. 5. REPORT.

Two years after the date of enactment of this Act, and biennially thereafter, the Secretary of the Interior, in consultation with the Rio Puerco Management Committee, shall transmit to the Committee on Energy and Natural Resources of the Senate and to the Committee on Natural Resources of the House of Representatives a report containing—

(1) a summary of accomplishments as outlined in section 3; and

(2) proposals for joint implementation efforts, including funding recommendations.

SEC. 6. LOWER RIO GRANDE HABITAT STUDY.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Director of the Fish and Wildlife Service shall, in cooperation with the States of New Mexico and Texas, conduct a study of the Rio Grande from Caballo Lake to the Gulf of Mexico. The study shall include—

(1) a survey of the current habitat conditions of the river and its riparian environment;

(2) identification of the changes in vegetation and habitat over the past 400 years and the effect of the changes on the river and riparian area; and

(3) an assessment of the feasibility, benefits, and problems associated with activities to prevent further habitat loss and restoration of habitat through reintroduction or establishment of appropriate native plant species.

(b) TRANSMITTAL.—Not later than 1 year after the date on which funds are made available to carry out this Act, the Secretary shall transmit the study authorized by this section to the Committee on Energy and Natural Resources of the Senate and to the Committee on Natural Resources of the House of Representatives.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act, and to implement the plan prepared pursuant to section 3(b).●

By Mr. DOMENICI (for himself, Mr. BOREN, Mr. HATFIELD, and Mr. NICKLES):

S. 1920. A bill to amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") to ensure the safety of public water systems, and for other purposes; to the Committee on Environment and Public Works.

SAFE DRINKING WATER AMENDMENTS OF 1994

Mr. DOMENICI. Mr. President, I introduce the Safe Drinking Water Amendments of 1994. This Senator is clearly on the record in support of protecting safe drinking water as one of the keys to a high quality of life in a developed nation like the United States. However, as I have stated in the past, the current regulatory scheme amounts to overkill, and places unsustainable financial drains on public water systems and the communities they serve.

As many Senators will recall, I have previously come to this floor to seek simple and clear modifications to the existing Safe Drinking Water Act that will harm no one and relieve many of the economic burdens I mentioned. I return today to introduce legislation that will accomplish this goal by making two significant changes to the implementation of the existing law.

First, this bill will write into the law the flexibility EPA and the States need when protecting drinking water. In exercising their respective authorities, EPA will be able to set standards for contaminants considering both public health benefits and cost while States can establish monitoring requirements based on occurrence data. This means that regulatory requirements will be triggered by the actual presence of a contaminant in a particular drinking water system. By eliminating the need to monitor for contaminants that, in fact, do not occur in a particular drinking water system, enormous costs can be avoided.

By authorizing EPA to consider risk reduction benefits and cost when setting the maximum level at which a contaminant may be present in drinking water, the bill will ensure that recognizable benefits to the public health will actually be achieved by the huge rate increases that consumers will bear.

Second, the bill eliminates the requirement that EPA automatically and mechanically add 25 new contaminants to the list of regulated substances every 3 years, regardless of whether such substances actually occur in drinking water. By this provision, we can begin to get off the treadmill of regulating for the sake of regulations, and redirect our environmental protection resources to substances that may actually harm us.

I would like to take a few moments to address some of the concerns that have been raised about this bill. Some have said that this legislation would gut the existing Safe Drinking Water Act and its protections, or that it would eliminate key safeguards in the law. Mr. President, I could not stand before you today if I believed this legislation did anything of the kind. We can no longer ignore environmental regulatory reality. The money that the American taxpayer provides for environmental protection must be spent wisely, and in a manner designed to elicit the greatest level of health protection and risk reduction.

The broad coalition of support behind this legislation is a further indication of how pressing the problem of unrealistic regulation is. The National Governors' Association, the Conference of Mayors, the League of Cities, water agencies, and organizations representing both municipal and rural water consumers, and many others are squarely behind this improved approach to regulating.

I urge my colleagues to cosponsor this legislation and I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 1920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Safe Drinking Water Act Amendments of 1994".

(b) REFERENCES TO TITLE XIV OF THE PUBLIC HEALTH SERVICE ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") (42 U.S.C. 300f et seq.).

SEC. 2. GOALS.

Part A (42 U.S.C. 300f et seq.) is amended by inserting before section 1401 the following new section:

"SEC. 1400. GOALS.

"The goals of this Act are—

"(1) to ensure the quality and safety of drinking water provided to the public by public water systems; and

"(2) to protect the public health from the threat of disease caused by water-borne contaminants.".

SEC. 3. DEFINITIONS.

Section 1401 (42 U.S.C. 300f) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) The term 'primary drinking water regulation' means a regulation that—

"(A) applies to public water systems;

"(B) specifies 1 or more contaminants subject to regulation under section 1412;

"(C) specifies for each contaminant referred to in subparagraph (B)—

"(i) a maximum contaminant level; or

"(ii) a treatment technique; and

"(D) contains criteria and procedures to ensure a supply of drinking water that dependably complies with each maximum contaminant level or treatment technique referred to in subparagraph (C), including—

"(i) quality control and testing procedures to ensure—

"(I) compliance with the level or treatment technique; and

"(II) proper operation and maintenance of the public water system; and

"(ii) requirements as to—

"(I) the minimum quality of water that may be taken into the public water system; and

"(II) siting for new facilities for public water systems.";

(2) in paragraph (4), by striking the second sentence and inserting the following new sentence: "The term includes—

"(A) a collection, treatment, storage, or distribution facility that is under the ownership of the system and is used primarily in connection with the system; and

"(B) a collection or pretreatment storage facility that is not under the ownership of the system and that is used primarily in connection with the system.";

(3) in paragraph (6), by inserting before the period at the end the following: "that is of public health or welfare concern";

(4) in paragraph (14), by adding at the end the following new sentence: "The term includes any Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).."; and

(5) by adding at the end the following new paragraphs:

"(15) The term 'risk reduction benefits and costs' means the public health benefits achieved by changing the regulated level of a contaminant from 1 level to another level, taking costs into consideration.

"(16) The term 'community water system' means a public water system that—

"(A) serves at least 15 service connections used by year-round residents of the area served by the system; or

"(B) regularly serves at least 25 year-round residents.

"(17) The term 'noncommunity water system' means a public water system that is not a community water system.".

SEC. 4. NATIONAL DRINKING WATER REGULATIONS.

Section 1412 (42 U.S.C. 300g-1) is amended—

(1) in subsection (a)(1), by striking the second sentence and inserting the following new sentence: "No regulation referred to in the preceding sentence shall be required to comply with the standards established under subsection (b)(3) unless the regulation is revised to establish a different maximum contaminant level (or treatment technique) after the date of enactment of the Safe Drinking Water Act Amendments of 1994.";

(2) in paragraph (3), by striking ", (2), or (3)" each place it appears and inserting "or (2)";

(3) by striking subsection (b) and inserting the following new subsection:

"(b)(1) In the case of a contaminant listed in the advance notice of proposed rulemaking published at 47 Fed. Reg. 9352, and at 48 Fed. Reg. 45502, for which a national primary drinking water regulation has not been issued as of the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall—

"(A) publish maximum contaminant level goals and issue a national primary drinking water regulation in accordance with paragraph (3) for the contaminant if the Administrator finds, based on data available under section 1445, that the contaminant occurs in drinking water at a level of public health concern; and

"(B) not later than 18 months after the date of enactment of the Safe Drinking Water Act Amendments of 1994, eliminate monitoring, compliance, and enforcement requirements for the contaminant if the Administrator finds, based on the data referred to in subparagraph (A), that the contaminant does not occur in drinking water at a level of public health concern.

"(2)(A) Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1994, and every 5 years thereafter, the Administrator shall issue maximum contaminant level goals and national primary drinking water regulations for new contaminants selected in accordance with this paragraph.

"(B) The Administrator shall review the national drinking water occurrence data base maintained under section 1445(b). After notice and an opportunity for public comment, the Administrator shall assess all occurrence and public health information available with respect to each contaminant in the data base.

"(C) Based on the assessment under subparagraph (B), the Administrator shall determine, with respect to each contaminant listed under section 1445, based on occurrence and public health concern, whether—

"(i) the issuance of a national primary drinking water regulation is or is not appropriate; or

"(ii) additional health effects or occurrence information is necessary before a determination under clause (i) can be made.

"(D) For each contaminant with respect to which the Administrator makes a determination under subparagraph (C)(i) that the issuance of a national primary drinking water regulation is not appropriate, the Administrator shall make a determination on the continuation of monitoring under section 1445(a).

"(3)(A) Each maximum contaminant level goal established under this subsection shall be set at a level—

"(i) at which no known or anticipated adverse effects on human health occur; and

"(ii) that allows an adequate margin of safety.

"(B) Each national primary drinking water regulation for a contaminant for which a maximum contaminant level goal is established under this subsection shall specify a maximum level for the contaminant that is achievable by public water systems with the use of the best technology, treatment techniques, and other means, taking public health risk reduction benefits and cost into consideration, that the Administrator finds are available, after examination for efficacy under field conditions (and not solely under laboratory conditions).

"(C) In each national primary drinking water regulation, the Administrator shall identify appropriate best technology treatment techniques (including watershed protection and pollution prevention) that may be used to meet applicable maximum contaminant levels under this subsection for public water systems that serve—

"(i) fewer than 1,000 people;

"(ii) between 1,000 and 10,000 people; and

"(iii) more than 10,000 people.

"(4) Notwithstanding paragraph (3), the Administrator shall issue national primary drinking water regulations for radionuclides, disinfection byproducts, sulfate, and corrosion byproducts that will be protective of public health and take into account—

"(A) the health benefits to be achieved by reducing the level of the contaminants in drinking water relative to reducing the level of the contaminants in other media;

"(B) the availability of technology—

"(i) that is effective in removing or otherwise treating the contaminants under field conditions reflecting a representative range of water qualities (and not solely under laboratory conditions); and

"(ii) that does not cause significant adverse impacts on—

"(I) other elements of drinking water quality;

"(II) other environmental media, including impacts related to disposal of treatment residuals; or

"(III) the efficacy of other drinking water treatment or processes; and

"(C) the costs to consumers of the regulation.

"(5)(A) Subject to subparagraph (B), each national primary drinking water regulation that establishes a maximum contaminant level shall list the technology, treatment techniques, compliance timeframes, and other means that the Administrator finds are available for the purpose of meeting the maximum contaminant level.

"(B) A regulation issued under this subsection shall not require that any specified technology, treatment technique, compliance timeframe, or other means be used for the purpose of meeting the maximum contaminant level.

"(6)(A)(i) The Administrator may issue a national primary drinking water regulation that requires the use of a treatment technique in lieu of establishing a maximum contaminant level, if the Administrator makes a finding that it is not economically or technologically feasible to ascertain the level of the contaminant.

"(ii) If the Administrator issues a regulation under clause (i), the Administrator shall—

"(I) identify such treatment techniques as will be protective of public health; and

"(II) take into account the factors specified in paragraphs (3) and (4), as appropriate.

"(iii)(I) Subject to subclause (II), a regulation issued under clause (i) shall specify each treatment technique known to the Administrator that meets the requirements of this paragraph.

"(II) The Administrator may grant a variance from any specified treatment technique in accordance with section 1415(3).

"(B)(i) Not later than 18 months after June 19, 1986, the Administrator shall propose and issue national primary drinking water regulations specifying criteria under which filtration (including coagulation and sedimentation, as appropriate) is required as a treatment technique for public water systems supplied by surface water sources. In issuing the regulations, the Administrator shall consider the quality of source waters, protection afforded by watershed management, treatment practices (such as disinfection and length of water storage), and other factors relevant to the protection of health.

"(ii)(I) In lieu of variances under section 1415, the Administrator shall specify procedures by which a State shall determine which public water systems within the jurisdiction of the State shall adopt filtration under the criteria of clause (i).

"(II) A State may require a public water system to provide studies or other information to assist in the determination described in subclause (I).

"(III) The procedures referred to in subclause (I) shall provide notice and an opportunity for a public hearing on the determination described in such subclause.

"(IV) If a State determines under this clause that filtration is required, the State shall prescribe a schedule for compliance by the public water system with the filtration requirement. The schedule shall take into account the time that is reasonably necessary for the public water system to plan, design, finance, and construct filtration facilities and make such adjustments to operating practices as are necessary to achieve compliance with the filtration requirement.

"(iii) Not later than 2 years after the Administrator establishes the criteria and procedures under this subparagraph, a State with primary enforcement responsibility for public water systems under section 1413 shall adopt such regulations as are necessary to carry out this subparagraph. Not later than 1 year after the date of adoption of the regulations, the State shall make determinations regarding filtration for all the public water systems within the jurisdiction of the State supplied by surface waters.

"(iv) If a State does not have primary enforcement responsibility for public water systems, the Administrator shall have the same authority to make the determination described in clause (ii) in the State as the State would have under such clause. A filtration requirement or schedule under this subparagraph shall be treated as if the requirement or schedule were a requirement of a national primary drinking water regulation.

"(7)(A) Not later than 4 years after the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall propose and issue—

"(i) national primary drinking water regulations requiring disinfection as a treatment technique for all public water systems; and

"(ii) a rule specifying criteria that will be used by the Administrator (or delegated State authorities) to grant variances from the requirement described in clause (i) in accordance with paragraphs (1)(B) and (3) of section 1415.

"(B) In carrying out section 1442(g), the Administrator (or the delegated State authority) shall, if appropriate, give special consideration to providing technical assistance to small public water systems in complying with the regulations issued under this paragraph.

"(8)(A)(i) The Administrator shall review each national primary drinking water regulation issued prior to the date of enactment of this clause not later than 30 months after the date of enactment.

"(ii) If the Administrator determines, based on data available under section 1445, that a contaminant subject to regulation does not occur in public water systems at a level of public health concern, the Administrator shall eliminate monitoring, compliance, and enforcement requirements from the contaminant regulation.

"(iii) In addition to the review under clause (i), the Administrator shall review each regulation referred to in clause (i) not later than 5 years after the date of enactment of this clause. If the Administrator determines that a regulation is not consistent with the factors specified in paragraph (3) or (4), as appropriate, the Administrator shall issue a revised regulation in accordance with the factors.

"(B)(i) Each national primary drinking water regulation issued after the date of enactment of this clause shall include a schedule for periodic review of the regulation.

"(ii) Each review referred to in clause (i) shall include an analysis of new health effects and occurrence data, and innovations or changes in technology, treatment techniques, or other activities, that have become available since the date of issuance of the regulation.

"(iii) If the Administrator determines that the contaminant subject to regulation no longer occurs in drinking water at a level of public health concern, the Administrator shall eliminate monitoring, compliance, and enforcement requirements from the contaminant regulation.

"(iv) If the Administrator determines that the regulation is not consistent with the factors specified in paragraph (3) or (4), as appropriate, the Administrator shall issue a revised regulation in accordance with the factors.

"(9)(A) Subject to subparagraph (B), a national primary drinking water regulation issued under this subsection (or a revision of the regulation) shall take effect in accordance with a schedule issued by the Administrator in the regulation.

"(B) Each schedule, including monitoring requirements, shall—

"(i) be for not less than 2 years; and

"(ii) take into account the time that is reasonably necessary for public water systems to plan, design, finance, and construct treatment facilities and make such adjustments to operating practices as are necessary to achieve compliance with the regulation.

"(C) A regulation issued under subsection (a) shall be superseded by a regulation issued under this subsection to the extent provided by the regulation issued under this subsection.

"(10) No national primary drinking water regulation may require the addition of any substance for preventive health care purposes unrelated to the contamination of drinking water.";

(4) in subsection (e), by striking the second sentence and inserting the following new sentence: "The Board shall respond, as the Board considers appropriate, and the Administrator shall publish the findings and recommendations of the Board, if any, as part of the notice of proposed rulemaking of the regulation."; and

(5) by adding at the end the following new subsection:

"(f) The Administrator may utilize negotiated rulemaking procedures provided for under subchapter III of chapter 5 of title 5, United States Code (commonly known as the 'Negotiated Rulemaking Act of 1990'), if the Administrator determines that the procedures will facilitate the issuance of regulations required by this section.".

SEC. 5. STATE PRIMARY ENFORCEMENT RESPONSIBILITY.

Section 1413(a) (42 U.S.C. 300g-2(a)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) has adopted drinking water regulations that are no less stringent than the national primary drinking water regulations issued by the Administrator under subsections (a) and (b) of section 1412, by not later than 2 years after the date of issuance by the Administrator;"; and

(2) by striking paragraph (4) and inserting the following new paragraph:

"(4) if the State permits variances from the requirements of the drinking water regulations of the State that meet the requirements of paragraph (1), permits the variances under conditions and in a matter that is not less stringent than the conditions under, and the manner in which, variances may be granted under section 1415; and".

SEC. 6. ENFORCEMENT OF DRINKING WATER REGULATIONS.

Section 1414 (42 U.S.C. 300g-3) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking "or an exemption under section 1416" each place it appears; and

(B) in paragraph (2), by striking "or an exemption under section 1416(f)" each place it appears;

(2) in subsection (b)—

(A) by striking "or exemption"; and

(B) by striking "or 1416";

(3) by striking subsection (c) and inserting the following new subsection:

"(c)(1) Each owner or operator of a public water system shall give notice to the persons served by the system—

"(A) of any failure on the part of the public water system to—

"(i) comply with an applicable maximum contaminant level or treatment technique requirement of, or a testing procedure prescribed by, a national primary drinking water regulation; or

"(ii) perform monitoring required under section 1445(a); and

"(B) if the public water system is subject to a variance granted under section 1415(1) because of an inability to meet a maximum contaminant level requirement, of—

"(i) the existence of the variance; and

"(ii) any failure to comply with the requirements of a schedule prescribed pursuant to the variance.

"(2)(A) The Administrator shall by regulation prescribe the frequency for giving notice under this subsection.

"(B) Subject to subparagraphs (C) and (D), not later than 15 months after the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall revise the regulations required under subparagraph (A) to provide for different types and frequencies of notice based on the seriousness of any potential adverse health effects that may be involved.

"(C) Notice of a violation designated by the Administrator as posing a serious potential adverse health effect shall be given as soon as practicable, but in no case later than 14 days after the violation.

"(D) Notice of a violation judged to be less serious than violations described in subparagraph (C) shall be given not less frequently than annually.

"(3) The Administrator shall provide guidance as to the form, manner, and content of the notices to be used to provide information as promptly and effectively as practicable, taking into account both the seriousness of any potential adverse health effects and the likelihood of reaching all affected persons. Each State, in consultation with public water systems in the State, shall determine the actual form, manner, and content of the notices.

"(4) The Administrator may require the owner or operator of a public water system to give notice to the persons served by the system of the contaminant level of any unregulated contaminant required to be monitored under section 1445(a).

"(5) A person who violates this subsection or regulations issued under this subsection shall be subject to a civil penalty in an amount not to exceed $25,000."; and

(4) in subsection (f)(2), by striking "or exemption".

SEC. 7. VARIANCES.

Section 1415 (42 U.S.C. 300g-4) is amended to read as follows:

"SEC. 1415. VARIANCES.

"Notwithstanding any other provision of this part, a variance from a national primary drinking water regulation may be granted as follows:

"(1) A State that has primary enforcement responsibility for public water systems under section 1413 may grant 1 or more variances from an applicable national primary drinking water regulation to 1 or more public water systems within the jurisdiction of the State.

"(2)(A) A variance may be issued only if—

"(i) the State has determined that the water system cannot afford to install the best available technology or other technology that has been identified by the Administrator as appropriate for the system size category to meet the maximum contaminant level; and

"(ii) it is not feasible for the water system to connect with another source of water that will meet the standards.

"(B) If the State determines that a water system is unable to comply with a designated best available technology, the system shall comply with a best available affordable technology as designated by the Administrator. The measures comprising the best available affordable technology may include requirements for public education and notification, and use of alternative technologies that, while the technologies cannot bring the contaminant level below the maximum contaminant level, will not result in an unreasonable risk to health.

"(3) After a variance is issued, the variance shall be reviewed by the State not less than every 3 years to determine if the conditions for granting the variance continue to exist. It shall be the responsibility of the water system to provide documentation to the State indicating that then current best available technology for the system size continues to be unaffordable and that the system continues to be unable to connect with another source of water that meets the standards.

"(4) Before a determination to grant a variance is made by the State, the State shall provide notice and an opportunity for a public hearing on the determination. Each State that grants a variance shall promptly notify the Administrator of the granting of the variance. The notification shall include the reasons for the variance and the documentation used to grant the variance.

"(5) Not later than 18 months after the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator, in consultation with the States, shall develop affordability guidance. The affordability guidance shall be reviewed by the Administrator and the States not less than every 5 years to determine if changes are needed to the guidance.".

SEC. 8. EXEMPTIONS.

Section 1416 (42 U.S.C. 300g-5) is repealed.

SEC. 9. RETURN OF WATER.

Part B (42 U.S.C. 300g et seq.) is amended by inserting after section 1415 the following new section:

"SEC. 1416. PROHIBITION ON THE RETURN OF WATER TO PUBLIC WATER SYSTEMS.

"(a) IN GENERAL.—

"(1) PROHIBITION.—Except as provided in paragraph (2), notwithstanding any other provision of law, no treated drinking water may be removed from a public water system used for any purpose or routed through a device or pipe outside the public water system, and returned to the public water system.

"(2) EXCEPTIONS.—The prohibition in paragraph (1) shall not apply to a device or pipe totally within the control of 1 or more public water systems or to connections between water mains.

"(b) STATE ENFORCEMENT.—Subsection (a) shall be enforced in all States beginning on the date that is 2 years after the date of enactment of the Safe Drinking Water Act

Amendments of 1994. Each State shall enforce the subsection through State or local plumbing codes, or such other means of enforcement as the State determines is appropriate.".

SEC. 10. TAMPERING.

Subsection (d) of section 1432 (42 U.S.C. 300i-1(d)) is amended to read as follows:

"(d) DEFINITION OF TAMPER.—As used in this section, the term 'tamper' means, with respect to a public water system—

"(1) to introduce a contaminant into the public water system with the intention of harming persons;

"(2) to otherwise interfere with the operation of the public water system with the intention of harming persons; or

"(3) to inject water that has gone out of the public water system, back into the system in violation of section 1416.".

SEC. 11. RESEARCH, TECHNICAL ASSISTANCE, INFORMATION, AND TRAINING OF PERSONNEL.

Section 1442 (42 U.S.C. 300j-1) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "may" and by inserting "shall"; and

(B) in paragraph (2)(A), by inserting before the period at the end the following: "and for other purposes, including—

"(i) the development and dissemination of advisory measures to protect against contaminants that have not been found to occur in drinking water at levels of public health concern;

"(ii) assistance in achieving compliance with the public notification requirements of section 1414(c); and

"(iii) the development and dissemination of minimum guidance for the certification of laboratories that perform drinking water analyses, and for the certification of individuals who operate public water systems, for use by the States in ensuring—

"(I) the validity of monitoring reports by regulations issued under section 1445; and

"(II) the competence of system operators."; and

(2) by striking subsection (f) and inserting the following new subsection:

"(f)(1) There are authorized to be appropriated to carry out this section, other than paragraphs (1) and (2)(B) of subsection (a) and provisions relating to research—

"(A) $15,000,000 for fiscal year 1975;

"(B) $25,000,000 for fiscal year 1976;

"(C) $35,000,000 for fiscal year 1977;

"(D) $17,000,000 for each of fiscal years 1978 and 1979;

"(E) $21,405,000 for fiscal year 1980;

"(F) $30,000,000 for fiscal year 1981; and

"(G) $35,000,000 for fiscal year 1982.

"(2) There are authorized to be appropriated to carry out subsection (a)(1) for each of fiscal years 1995 through 1999 not more than the following amounts:

"Fiscal Year	Amount
1994	$20,000,000
1995	20,000,000
1996	20,000,000
1997	20,000,000
1998	20,000,000.

"(3) There are authorized to be appropriated to carry out subsection (a)(2)(B) $8,000,000 for each of fiscal years 1978 through 1982. There are authorized to be appropriated to carry out subsection (a)(2)(B) for each of fiscal years 1987 through 1991 not more than the following amounts:

"Fiscal Year	Amount
1987	$7,650,000
1988	7,650,000
1989	8,050,000
1990	8,050,000
1991	8,050,000.

"(4) There are authorized to be appropriated to carry out this section (other than subsection (g), paragraphs (1) and (2)(B) of subsection (a), and provisions relating to research) for each of fiscal years 1987 through 1991 not more than the following amounts:

"Fiscal Year	Amount
1987	$35,600,000
1988	35,600,000
1989	38,020,000
1990	38,020,000
1991	38,020,000.".

SEC. 12. GRANTS FOR STATE PROGRAMS.

Section 1443 (42 U.S.C. 300j-2) is amended—

(1) in subsection (a)(7), by striking the table and inserting the following new table:

"Fiscal Year	Amount
1987	$37,200,000
1988	37,200,000
1989	40,150,000
1990	40,150,000
1991	40,150,000
1995	100,000,000
1996	125,000,000
1997	150,000,000
1998	150,000,000
1999	150,000,000.";

and

(2) in subsection (c)(1)—

(A) by striking "and exemptions" both places it appears; and

(B) by striking "sections 1415 and 1416" and inserting "section 1415".

SEC. 13. RECORDS, OCCURRENCE DATA, AND INSPECTIONS.

Section 1445 (42 U.S.C. 300j-4) is amended to read as follows:

"SEC. 1445. RECORDS, OCCURRENCE DATA, AND INSPECTIONS.

"(a) RECORDS AND MONITORING.—

"(1) IN GENERAL.—

"(A) IN GENERAL.—Each person who is a supplier of water, who is or may be otherwise subject to a primary drinking water regulation prescribed under section 1412 or to an applicable underground injection control program (as defined in section 1422(c)), who is or may be subject to the permit requirement of section 1424 or to an order issued under section 1441, or who is a grantee, shall establish and maintain such records, make such reports, conduct such monitoring, and provide such information as the Administrator may reasonably require by regulation to assist the Administrator in—

"(i) establishing regulations under this title;

"(ii) determining whether the person has acted or is acting in compliance with this title;

"(iii) administering a program of financial assistance under this title;

"(iv) evaluating the health risks of an unregulated contaminant; or

"(v) advising the public of the risks.

"(B) CONSIDERATIONS BY THE ADMINISTRATOR.—In requiring a public water system to conduct monitoring under this subsection, the Administrator may take into consideration the system size and the contaminants likely to be found in the drinking water of the system.

"(C) CONSIDERATIONS BY STATES.—Notwithstanding subparagraph (A), a State with primary enforcement responsibility under section 1413 may otherwise establish, modify, or eliminate monitoring requirements for a system or class of systems based on occurrence data and other information concerning the system or class of systems that is available to the State.

"(2) GENERAL MONITORING PROGRAM FOR UNREGULATED CONTAMINANTS.—

"(A) ESTABLISHMENT.—Not later than 18 months after the date of enactment of this subparagraph, the Administrator shall issue regulations establishing a monitoring program for unregulated contaminants.

"(B) FREQUENCY OF MONITORING.—The regulations shall require monitoring of drinking water supplied by the public water system and shall vary the frequency and schedule of monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found. Each system required to conduct monitoring shall conduct the monitoring at least once every 5 years after the effective date of the regulations of the Administrator, unless the Administrator requires more frequent monitoring.

"(3) MONITORING PROGRAM FOR CERTAIN UNREGULATED CONTAMINANTS.—

"(A) IN GENERAL.—Not later than 18 months after the date of enactment of this subparagraph and every 5 years thereafter, the Administrator shall issue revised regulations under paragraph (2) listing not more than 30 unregulated contaminants to be monitored by public water systems and included in the national drinking water occurrence data base maintained pursuant to subsection (b).

"(B) MONITORING BY LARGE SYSTEMS.—A public water system that serves 10,000 or more people shall conduct monitoring for all contaminants listed under subparagraph (A).

"(C) MONITORING PLAN FOR SMALL SYSTEMS.—Each State shall develop a representative monitoring plan to assess the occurrence of unregulated contaminants in public water systems that serve fewer than 10,000 people. The plan shall require monitoring by systems representative of different sizes, types, and geographic locations within the State. The Administrator shall make available to the States, on request, laboratory capacity to analyze samples taken pursuant to the plan.

"(4) USE OF MONITORING RESULTS.—Each public water system that conducts monitoring of unregulated contaminants pursuant to this subsection shall provide the results of the monitoring to the primary enforcement authority.

"(5) PUBLIC NOTIFICATION.—Notification of the availability of the results of the monitoring programs required under paragraph (2), and notification of the availability of the results of the monitoring program referred to in paragraph (6), shall be given to the persons served by the system and the Administrator.

"(6) WAIVER OF MONITORING REQUIREMENT.—The Administrator may waive the monitoring requirement under paragraph (2) for a system that has conducted a monitoring program after January 1, 1983, if the Administrator determines the program to have been consistent with the regulations issued under this section.

"(7) MONITORING BY VERY SMALL SYSTEMS.—A system that supplies fewer than 150 service connections shall be treated as complying with this subsection if the system provides water samples or the opportunity for sampling according to rules established by the Administrator.

"(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $30,000,000 for fiscal year 1987, to remain available until expended.

"(b) OCCURRENCE DATA BASE.—

"(1) IN GENERAL.—Not later than 2 years after the date of enactment of the Safe

Drinking Water Act Amendments of 1994, the Administrator shall assemble and maintain a national drinking water occurrence data base, using information on the occurrence of both regulated and unregulated contaminants in public water systems obtained under subsection (a), and information from other public and private sources.

"(2) USE OF DATA.—The data in the data base referred to in paragraph (1) shall be used by the Administrator in making any determination under section 1412 with respect to the occurrence of a contaminant in drinking water at a level of public health concern.

"(3) PUBLIC RECOMMENDATIONS.—The Administrator shall periodically solicit recommendations from the appropriate officials of the National Academy of Sciences, and any person may submit recommendations to the Administrator, with respect to contaminants that should be included in the national drinking water occurrence data base, including recommendations with respect to additional unregulated contaminants that should be listed in regulations issued under subsection (a)(3).

"(c) ENTRY AND INSPECTION.—

"(1) IN GENERAL.—

"(A) AUTHORITY OF THE ADMINISTRATOR.—

"(i) IN GENERAL.—Except as provided in paragraph (2), the Administrator, or a representative of the Administrator duly designated by the Administrator, upon presenting appropriate credentials and a written notice to a supplier of water or any other person subject to—

"(I) a national primary drinking water regulation prescribed under section 1412;

"(II) an applicable underground injection control program; or

"(III) a requirement to conduct monitoring with respect to an unregulated contaminant pursuant to subsection (a),

or a person in charge of any of the property of the supplier or other person referred to in subclause (I), (II), or (III), may enter any establishment, facility, or other property of the supplier or other person in order to determine whether the supplier or other person has acted or is acting in compliance with this title.

"(ii) PURPOSES OF ENTRY.—An entry under clause (i) may include—

"(I) inspection, at reasonable times, of records, files, papers, processes, controls, and facilities; or

"(II) the testing of any feature of a public water system, including the raw water source of the system.

"(B) ACCESS TO RECORDS.—The Administrator or the Comptroller General of the United States (or a representative designated by the Administrator or the Comptroller General) shall have access for the purpose of audit and examination to any record, report, or information of a grantee that is required to be maintained under subsection (a) or that is pertinent to any financial assistance under this title.

"(2) ENTRY IF STATE HAS PRIMARY ENFORCEMENT RESPONSIBILITY.—

"(A) REQUIREMENT OF NOTICE.—No entry may be made under paragraph (1)(A)(i) to an establishment, facility, or other property of a supplier of water or other person subject to a national primary drinking water regulation if the establishment, facility, or other property is located in a State that has primary enforcement responsibility for public water systems under section 1413, unless, before written notice of the entry is made, the Administrator (or a designee of the Administrator) notifies the State agency charged with responsibility for safe drinking water of the reasons for the entry.

"(B) SHOWING BY A STATE.—Upon a showing by the State agency that an entry described in subparagraph (A) will be detrimental to the administration of the program of the State of primary enforcement responsibility, the Administrator shall take the showing into consideration in determining whether to make the entry.

"(C) USE OF NOTICE INFORMATION.—No State agency that receives notice under this paragraph of an entry proposed to be made under paragraph (1) may use the information contained in the notice to inform the person whose property is proposed to be entered of the proposed entry. If a State agency so uses the information, notice to the agency under this paragraph shall not be required until such time as the Administrator determines that the agency has provided the Administrator with satisfactory assurances that the agency will no longer so use information contained in a notice under this paragraph.

"(d) PENALTY.—A person who fails or refuses to comply with a requirement of subsection (a) or to allow the Administrator or the Comptroller General of the United States (or a representative of the Administrator or the Comptroller General) to enter and conduct an audit or inspection authorized by subsection (b) shall be subject to a civil penalty in an amount not to exceed $25,000.

"(e) TRADE SECRETS.—

"(1) IN GENERAL.—Subject to paragraph (2), upon a showing satisfactory to the Administrator by a person that any information required under this section from the person, if made public, would divulge a trade secret or secret process of the person, the Administrator shall consider the information confidential in accordance with section 1905 of title 18, United States Code. If the applicant fails to make a showing satisfactory to the Administrator, the Administrator shall notify the applicant not later than 30 days before releasing the information to which the application relates (unless the public health or safety requires an earlier release of the information).

"(2) DISCLOSURE.—Any information required under this section—

"(A) may be disclosed to any officer, employee, or authorized representative of the United States concerned with carrying out this title, to a committee of Congress, or when relevant in a proceeding under this title; and

"(B) shall be disclosed as described in subparagraph (A) to the extent that the information deals with the level of contaminants in drinking water.

"(3) DEFINITION.—As used in this subsection, the term 'information required under this section' means any paper, book, document, or information, or any particular part thereof, reported to or otherwise obtained by the Administrator under this section.

"(f) DEFINITIONS.—As used in this section:

"(1) GRANTEE.—The term 'grantee' means a person who applies for or receives financial assistance, by grant, contract, or loan guarantee, under this title.

"(2) PERSON.—The term 'person' includes a Federal agency.".

SEC. 14. JUDICIAL REVIEW.

Section 1448(b) (42 U.S.C. 300j-7(b)) is amended—

(1) by striking "or exemption" each place it appears; and

(2) in paragraph (1), by striking "or 1416".

SEC. 15. CITIZEN'S CIVIL ACTION.

Section 1449(b) (42 U.S.C. 300j-8(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ", or" and inserting a semicolon; and

(B) by adding at the end the following new subparagraph:

"(C) against a public water system that is operating under the terms of—

"(i) an administrative compliance order;

"(ii) an administrative consent agreement; or

"(iii) a judicial consent decree, and

is in compliance with the terms of the order, agreement, or decree; or"; and

(2) in the third sentence—

(A) by striking "or 1416"; and

(B) by striking "or exemption".

SEC. 16. STATE REVOLVING LOAN FUNDS.

Title XIV of the Public Health Service Act (42 U.S.C. 300f et seq.) is amended by adding at the end the following new part:

"PART G—STATE REVOLVING LOAN FUNDS

"SEC. 1471. GENERAL AUTHORITY.

"(a) CAPITALIZATION GRANT AGREEMENTS.—The Administrator shall offer to enter into an agreement with each State having primacy to make capitalization grants to the State pursuant to section 1472 (referred to in this part as 'capitalization grants') to establish a drinking water treatment State revolving loan fund (referred to in this part as a 'State loan fund').

"(b) REQUIREMENTS OF AGREEMENTS.—An agreement entered into pursuant to this section shall establish, to the satisfaction of the Administrator, that—

"(1) the State has established a State loan fund that complies with the requirements of this part;

"(2) the State loan fund will be administered by an instrumentality of the State that has the powers and authorities that are required to operate the State loan fund in accordance with this part;

"(3) the State will deposit the capitalization grants into the State loan fund;

"(4) the State will deposit all loan repayments received, and interest earned on the amounts deposited into the State loan fund under this part, into the State loan fund;

"(5) the State, beginning in fiscal year 1996, will deposit into the State loan fund an amount equal to at least 20 percent of the total amount of each capitalization grant to be made to the State on or before the date on which the grant is made to the State;

"(6) the State will use funds in the State loan fund in accordance with an intended use plan prepared pursuant to section 1474(b); and

"(7) the State and loan recipients that receive funds that the State makes available from the State loan fund will use accounting, audit, and fiscal procedures that conform to generally accepted accounting standards, as determined by the Administrator.

"(c) ADMINISTRATION OF STATE LOAN FUNDS.—

"(1) IN GENERAL.—The authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to financial assistance provided with amounts deposited into the State loan fund shall remain with the State agency that has primary responsibility for the administration of the State program pursuant to section 1413(a).

"(2) FINANCIAL ADMINISTRATION.—A State may combine the financial administration of the State loan fund pursuant to this part with the financial administration of any

other revolving loan fund established by the State if the Administrator determines that—

"(A) the grants to be provided to the State under this part, together with loan repayments and interest deposited into the State loan fund pursuant to this part, will be segregated and used solely for the purposes specified in this part; and

"(B) the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to such assistance remains with the State agency having primary responsibility for administration of the State program under section 1413(a).

"SEC. 1472. CAPITALIZATION GRANTS.

"(a) GENERAL AUTHORITY.—The Administrator may make grants to capitalize State loan funds to a State that has entered into an agreement pursuant to section 1471(a).

"(b) FORMULA FOR ALLOTMENT OF FUNDS.—

"(1) IN GENERAL.—Subject to subsection (c), funds made available to carry out this part shall be allotted to States that have entered into an agreement pursuant to section 1471(a) in accordance with a formula that is the same as the formula used to distribute public water system supervision grant funds under section 1443 for fiscal year 1994.

"(2) OTHER JURISDICTIONS.—Each formula established pursuant to paragraph (1) shall reserve 0.5 percent of the amounts made available to carry out this part for a fiscal year for providing capitalization grants to jurisdictions referred to in subsection (e), other than Indian tribes.

"(c) RESERVATION OF FUNDS.—

"(1) INDIAN TRIBES.—

"(A) IN GENERAL.—For each fiscal year, prior to the allotment of funds made available to carry out this part, the Administrator shall reserve 1 percent of the funds for providing financial assistance to Indian tribes pursuant to subsection (e).

"(B) USE OF FUNDS.—Funds reserved pursuant to subparagraph (A) shall be used to address the most significant threats to public health associated with public water systems that serve Indian tribes, as determined by the Administrator in consultation with the Commissioner of Indian Affairs.

"(C) NEEDS ASSESSMENT.—The Administrator, in consultation with the Commissioner of Indian Affairs, shall, in accordance with a schedule that is consistent with the needs survey for assessments conducted pursuant to section 1475(c), prepare a biennial survey and assess the needs of drinking water treatment facilities to serve Indian tribes, including an evaluation of the public water systems that pose the most significant threats to public health.

"(2) PUBLIC HEALTH EMERGENCIES.—

"(A) IN GENERAL.—For each fiscal year, prior to the allotment of funds made available to carry out this part pursuant to subsection (b), the Administrator shall reserve 0.5 percent of the funds to provide financial assistance to respond to public health emergencies under section 1442(a)(2)(B).

"(B) ALLOTMENT OF UNUSED FUNDS.—On the last day of each fiscal year, the Administrator shall allot any funds that were reserved pursuant to subparagraph (A) but were not expended in the fiscal year to the States on the basis of the same ratio as is applicable to sums allotted under subsection (b).

"(3) RURAL SYSTEM TECHNICAL ASSISTANCE PROGRAM, AND DRINKING WATER HEALTH EFFECTS RESEARCH.—For each fiscal year, prior to allotment of funds made available to carry out this part pursuant to subsection (b), the Administrator shall reserve—

"(A) $15,000,000 to carry out the rural small drinking water systems technical assistance programs of the Environmental Protection Agency pursuant to section 1442(g); and

"(B) $10,000,000 for drinking water health effects research carried out under section 1442(a).

"(d) ALLOTMENT PERIOD.—

"(1) PERIOD OF AVAILABILITY FOR FINANCIAL ASSISTANCE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the sums allotted to a State pursuant to subsection (b) for a fiscal year shall be available to the State for obligation during the fiscal year for which the sums are authorized and during the following fiscal year.

"(B) FUNDS MADE AVAILABLE FOR FISCAL YEAR 1994.—The sums allotted to a State pursuant to subsection (b) from funds that are made available by appropriations for fiscal year 1994 shall be available to the State for obligation during each of fiscal years 1994 through 1996.

"(2) REALLOTMENT OF UNOBLIGATED FUNDS.—The amount of any allotment that is not obligated by a State by the last day of the period of availability established by paragraph (1) shall be immediately reallotted by the Administrator on the basis of the same ratio as is applicable to sums allotted under subsection (b). None of the funds reallotted by the Administrator shall be reallotted to any State that has not obligated all sums allotted to the State pursuant to this section during the period that the sums were available for obligation.

"(e) DIRECT GRANTS.—The Administrator is authorized to make grants for compliance with this title to Indian tribes, the District of Columbia, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Republic of Palau.

"SEC. 1473. ELIGIBLE ASSISTANCE.

"(a) IN GENERAL.—The amounts deposited into a State loan fund, including any amounts equal to the amounts of loan repayments and interest earned on the amounts deposited, may be used by the State to carry out projects that are consistent with this section.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—The amounts referred to in subsection (a) shall be used for providing loans or other financial assistance of any kind that the State considers appropriate for public water systems. The financial assistance may be used by a public water system only for expenditures (not including compliance monitoring, operation, and maintenance expenditures) of a type or category that the Administrator determines, through guidance, will—

"(A) facilitate compliance with national primary drinking water regulations applicable to the system under section 1412; or

"(B) otherwise significantly further the health protection objectives of this title.

"(2) SYSTEMS THAT SERVE FEWER THAN 10,000 INDIVIDUALS.—15 percent of the amounts credited to any State loan fund established under this part for a fiscal year shall be available solely for providing assistance to public water systems that regularly serve less than 10,000 individuals.

"(c) SPECIFIC REQUIREMENTS.—

"(1) IN GENERAL.—The Administrator shall offer to enter into an agreement with a State under this subsection only if the State has established, to the satisfaction of the Administrator, that—

"(A) the State will deposit all grants received from the Administrator under this subsection, together with all repayments and interest on the grants, in a drinking water treatment revolving fund established by the State in accordance with this subsection; and

"(B) the appropriate official of the State agency with primacy shall have authority to make determinations for criteria and eligibility for funding provided to a public water system from the revolving fund.

"(2) PROHIBITION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no loan or other financial assistance may be used by any public water system in significant noncompliance of a requirement of this title, for any expenditure that could be avoided or significantly reduced by appropriate consolidation, restructuring, or obtaining a new water source.

"(B) EXCEPTION.—The assistance referred to in subparagraph (A) may be provided for a consolidation, restructuring, or new water source referred to in such subparagraph.

"(d) ELIGIBLE PUBLIC WATER SYSTEMS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a State loan fund may provide financial assistance only to community water systems and public and nonprofit noncommunity water systems.

"(2) PRIVATELY OWNED NONCOMMUNITY SYSTEMS.—Before providing financial assistance to a privately owned noncommunity system pursuant to this paragraph, the State shall ensure that the assistance is secured with an appropriate amount of, and type of, financial collateral.

"(e) TYPES OF ASSISTANCE.—Except as otherwise limited by State law, the amounts deposited into a State loan fund under this section may be used only—

"(1) to make loans, on the condition that—

"(A) the interest rate for each loan is less than or equal to the market interest rate, including an interest free loan;

"(B)(i) the annual principal and interest payments on each loan will commence not later than 1 year after the completion of the project for which the loan was made; and

"(ii) each loan will be fully amortized not later than 30 years after the completion of the project;

"(C) the recipient of each loan will establish a dedicated source of revenue for the repayment of the loan; and

"(D) the State loan fund will be credited with all payments of principal and interest on each loan;

"(2) to buy or refinance the debt obligation of a municipality, or other public body created by or pursuant to State law, or interstate agency within the State, at an interest rate that is less than or equal to the market interest rate;

"(3) to guarantee, or purchase insurance for, a local obligation if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation;

"(4) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund;

"(5) as a source of revenue or security for the payment of interest on a local obligation, if the payment from the State loan fund does not reduce the effective interest rate of the obligation by more than 2.5 percentage points; and

"(6) to earn interest on the amounts deposited into the State loan fund.

"(f) ASSISTANCE FOR DISADVANTAGED COMMUNITIES.—Notwithstanding subsection (d),

each State may forgive repayment of some or all of the principal amount of a loan or other financial assistance made available from the State loan fund to any community that the State determines, using criteria developed by the State, is (or will become) a disadvantaged community. The total amount of repayments of principal forgiven pursuant to this subsection shall be an amount not less than 10 percent and not more than 20 percent of the capitalization grant allotted to the State pursuant to section 1472.

"SEC. 1474. STATE LOAN FUND ADMINISTRATION.

"(a) ADMINISTRATION, PLANNING, AND TECHNICAL ASSISTANCE.—Each State that has a State loan fund is authorized to expend from the State loan fund a reasonable amount—

"(1) not to exceed 5 percent of the capitalization grant made to the State, for the costs of the administration of the State loan fund; and

"(2) not to exceed the greater of—

"(A) $3,000,000; or

"(B) 10 percent of the capitalization grant made to the State,

for State primacy, technical and financial management assistance to public water systems including requirements for the preparation of ground water and wellhead protection plans, the implementation of underground injection control programs, and the operation of small systems monitoring programs and operator certification programs. The amount (whether principal or interest of the fund) shall not be subject to repayment to the fund.

"(b) INTENDED USE PLANS.—

"(1) IN GENERAL.—Not later than 1 year after receiving an initial capitalization grant under section 1472, and before receiving any subsequent grant, each State that enters into a capitalization agreement under this part shall, after providing an opportunity for public review and comment, prepare a plan that identifies the intended uses of the amounts deposited into the State loan fund of the State.

"(2) CONTENTS.—An intended use plan shall include—

"(A) a list of the projects to be assisted in the first fiscal year that begins after the date of the plan, including a description of the project, the terms of financial assistance, and the size of the community served;

"(B) a description of all projects for which a public water system sought financial assistance for the fiscal year and the annual user charges of the system;

"(C) the criteria and methods established for the distribution of funds;

"(D) a description of projects expected to be assisted in the 2 fiscal years following the fiscal year for which a list was prepared under subparagraph (A); and

"(E) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

"(3) PRIORITY FOR PROJECT FUNDING.—An intended use plan shall provide, to the extent practicable, that priority for the use of funds be given to public water systems that are in violation of a national primary drinking water regulation.

"SEC. 1475. STATE LOAN FUND MANAGEMENT.

"(a) IN GENERAL.—Not later than 1 year after the date of enactment of this part, and annually thereafter, the Administrator shall conduct such reviews and audits as the Administrator considers appropriate, or require each State to have the reviews and audits independently conducted, in accordance with the single audit requirements of chapter 75 of title 31, United States Code.

"(b) STATE REPORTS.—Not later than 1 year after the date of enactment of this part, and annually thereafter, each State that administers a State loan fund shall publish and submit to the Administrator a report on the activities of the State under this part, including the findings of the most recent audit of the State loan fund.

"(c) DRINKING WATER NEEDS SURVEY AND ASSESSMENT.—Not later than 2 years after the date of enactment of this part, and every 4 years thereafter, the Administrator shall submit to Congress a survey and assessment of the needs for facilities in each State eligible for assistance under this part. The survey and assessment conducted pursuant to this subsection shall—

"(1) identify the needs for projects or facilities eligible for assistance under this part on the date of the assessment (other than refinancing for a project pursuant to section 1473(d)(2));

"(2) identify the needs for eligible facilities over the 20-year period following the date of the assessment;

"(3) identify the population served by each public water system that has a project eligible for assistance; and

"(4) include such other information as the Administrator determines to be appropriate.

"(d) EVALUATION.—The Administrator shall conduct an evaluation of the effectiveness of the State loan funds through fiscal year 1996. The evaluation shall be submitted to Congress at the same time as the President submits to Congress, pursuant to section 1108 of title 31, United States Code, an appropriations request for fiscal year 1998 relating to the budget of the Environmental Protection Agency.

"SEC. 1476. ENFORCEMENT.

"The failure or inability of any public water system to receive funds under this part or any other loan or grant program, or any delay in obtaining the funds, shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of this Act.

"SEC. 1477. REGULATIONS AND GUIDANCE.

"The Administrator shall publish such guidance and issue such regulations as are necessary to carry out this part, including guidance and regulations to ensure that—

"(1) each State commits and expends funds from State loan funds in accordance with the requirements of this part and applicable Federal and State laws; and

"(2) the States and eligible public water systems that receive funds under this part use accounting, auditing, and fiscal procedures that conform to generally accepted accounting standards.

"SEC. 1478. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Environmental Protection Agency to carry out this part $600,000,000 for fiscal year 1994 and $1,000,000,000 for each of fiscal years 1995 through 2000.".

SEC. 17. MINORITY COMMUNITY GRANTS FOR COMMUNITIES WITH ECONOMIC HARDSHIP.

(a) DEFINITIONS.—As used in this section:

(1) MINORITY.—The term "minority" means an African-American, Hispanic American, Asian American, or Native American.

(2) MINORITY COMMUNITY WITH ECONOMIC HARDSHIP.—The term "minority community with economic hardship" means an unincorporated community—

(A) that, based on the latest census data, has a minority population in excess of 50 percent of the total population;

(B) that is unable to be recognized as an appropriate political subdivision of the State that could more effectively access funding for water and wastewater projects; and

(C) for which the State legislature has made funds available by appropriations to assist in the payment of an eligible wastewater project (as described in subsection (c)).

(b) IN GENERAL.—The Administrator may make a grant or provide other financial assistance to 1 or more minority communities with economic hardship for eligible wastewater treatment projects, including providing assistance for the construction of facilities and related expenses to minority communities with economic hardship to—

(1) improve the housing stock infrastructure in the communities; and

(2) abate health hazards caused by ground water contamination from septage in arid areas with high ground water levels.

(c) ELIGIBLE WASTEWATER TREATMENT PROJECTS.—The eligible wastewater treatment projects that may receive assistance under this section shall include innovative technologies, including vacuum systems and constructed wetlands.

(d) FUNDING.—In carrying out this section, the Administrator shall use an amount equal to $20,000,000 of the funds made available to the Environmental Protection Agency for use beginning on May 31, 1994, under the matter under the heading "WATER INFRASTRUCTURE/STATE REVOLVING FUNDS" under the heading "ENVIRONMENTAL PROTECTION AGENCY" in title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103-124; 107 Stat. 1294).

SEC. 18. ASSISTANCE TO COLONIAS.

(a) DEFINITIONS.—As used in this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) BORDER STATE.—The term "border State" means each of the following States:

(A) Arizona.

(B) California.

(C) New Mexico.

(D) Texas.

(3) CONSTRUCTION.—The term "construction" has the meaning provided the term under section 212(1) of the Federal Water Pollution Control Act (33 U.S.C. 1292(1)).

(4) ELIGIBLE COMMUNITY.—The term "eligible community" means a low-income community with economic hardship that—

(A) is commonly referred to as a colonia;

(B) is located along the United States-Mexico border (generally in an unincorporated area); and

(C) lacks basic sanitation facilities such as safe drinking water, household plumbing, and a proper sewage disposal system.

(5) TREATMENT WORKS.—The term "treatment works" has the meaning provided the term under section 212(2) of the Federal Water Pollution Control Act (33 U.S.C. 1292(2)).

(b) PURPOSES.—The purposes of this section are to protect the economy, public health, environment, and water quality of the United States-Mexico border area that is endangered and is being polluted by raw or partially treated sewage, effluent, and other pollutants.

(c) TRANSFERS AND GRANTS TO ALLEVIATE HEALTH RISK.—

(1) IN GENERAL.—

(A) ASSISTANCE.—The Administrator is authorized to transfer funds to another Federal agency or award grants to any other appropriate entity or border State, designated by the President, to provide assistance to eligible communities for—

(i) the conservation, development, use, and control of water (including the extension or improvement of a water supply system); and

(ii) the construction or improvement of sewers, treatment works for wastewater treatment, and essential community facilities (including necessary related equipment).

(B) USE OF FUNDS.—Each transfer of funds, and each grant awarded, pursuant to subparagraph (A) shall be used to provide assistance to 1 (or more) eligible community with respect to which the residents are subject to a significant health risk (as determined by the Administrator) attributable to the lack of access to, or service by, an adequate and affordable—

(i) water supply system; or

(ii) treatment works for wastewater treatment.

(2) OPERATION AND MAINTENANCE.—To carry out the purposes referred to in subsection (b), the Administrator and the head of each other Federal agency, entity, or border State, designated by the President pursuant to paragraph (1)(A) are each authorized to operate and maintain a treatment works or other project that is constructed with funds made available pursuant to paragraph (1).

(3) APPROVAL OF PLANS.—

(A) PLANS AND SPECIFICATIONS.—Each treatment works or other project that is funded by a transfer or a grant made pursuant to paragraph (1)(A) shall be constructed in accordance with plans and specifications developed by the Administrator or the head of another Federal agency or the appropriate official of an entity or border State designated by the President under subparagraph (A), in consultation with the appropriate official of the affected border State.

(B) APPROVAL BY THE ADMINISTRATOR.—As a condition of carrying out the construction of a treatment works or other project referred to in subparagraph (A), the head of the Federal agency or appropriate official of an entity or border State shall submit the plans and specifications referred to in paragraph (1) to the Administrator for approval.

(C) STANDARDS FOR CONSTRUCTION.—The standards for construction applicable to a treatment works or other project under title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) shall apply to the construction of a treatment works or other project under this section in the same manner as the standards apply under such title.

(d) FUNDING.—

(1) AVAILABLE FUNDS.—The Administrator shall use such amount of the funds made available to the Environmental Protection Agency for use beginning on May 31, 1994, under the matter under the heading "WATER INFRASTRUCTURE/STATE REVOLVING FUNDS" under the heading "ENVIRONMENTAL PROTECTION AGENCY" in title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103-124; 107 Stat. 1294) as is necessary to carry out this section.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Environmental Protection Agency to carry out this section such sums as may be necessary for fiscal year 1995, and for each fiscal year thereafter.

Mr. BOREN. Mr. President, I am pleased to join my distinguished colleague, the senior Senator from New Mexico, as a sponsor of the Safe Drinking Water Act Amendments of 1993. This important legislation contains badly needed improvements to the Safe Drinking Water Act that will increase compliance with its provisions, particularly among small systems; reduce the administrative burdens that the act imposes on States; provide financial assistance to States and water systems; and, most importantly, strengthen protection of public health.

Everyone agrees that the current safe drinking water laws are broken. One need look no further than to my own State of Oklahoma for evidence of this. Oklahoma has 2,453 public water systems. Only 42 of these water systems serve over 10,000 persons, and only 114 systems serve more than 3,300 persons. Therefore, the other 95 percent of Oklahoma's public water systems serve under 3,300 persons. And the vast majority of these serve fewer than 500 persons.

These small and very small systems are run by conscientious people trying their hardest to provide safe drinking water to their customers. The managers of these water systems have no other interest than to provide the safest water possible; after all, in addition to their customers—who are friends and neighbors—they and their families drink it everyday. Ironically, despite its title, the Safe Drinking Water Act as it is currently written often makes the provision of safe drinking water more difficult.

Just one example will demonstrate this point. The Safe Drinking Water Act currently regulates 83 contaminants. All 83 of these contaminants must be monitored quarterly, whether or not they are found in the source water. Water systems must monitor for many contaminants regardless of whether the contaminants have even been found in a water supply anywhere in the country. This monitoring is very expensive, costing even the smallest system as much as $40,000 a year. The economics are obvious. Before too long, monitoring will fall by the wayside, and suddenly we will see hundreds of small systems in Oklahoma and thousands nationwide forced to consider breaking the law, despite the fact the water is completely safe.

Our bill contains a number of provisions that will ease the barriers facing these small systems. These provisions will relieve systems of all sizes from requirements that force water system customers to spend money for no clear health benefits.

First and foremost, our bill strengthens the Safe Drinking Water Act by focusing resources on those contaminants that actually occur at levels of public health concern. It regulates only those contaminants, determined through nationwide monitoring, that actually are found in drinking water supplies. It then permits the Administrator to regulate contaminants based on their public health effects, occurrence, and the cost of technology. This is in contrast to the current act which allows the EPA Administrator to look only at the cost of technology when setting standards.

Second, when determining affordable technology, our bill lets the Administrator examine what is affordable for three system sizes: those serving less than 1,000 customers; between 1,001 and 10,000; and greater than 10,000. Current regulations require technology to be affordable to systems serving 1 million or more. A threshold like that is difficult for even the biggest water system in Oklahoma to cross, let alone the small ones.

Third, recognizing that not all systems could comply immediately with the standards established under the current act, our Safe Drinking Water Act extends some timeframes for systems under certain conditions. Unfortunately, the current variance provisions are so difficult to understand and meet that State agencies don't often grant variances, and systems don't bother applying. Our bill would make the variance provisions workable, while at the same time ensuring that systems are attempting to come into full compliance with all standards.

Fourth, the authority to determine monitoring priorities is given to the States. These requirements would be based on the occurrence of contaminants and system characteristics, such as size. This sensible and logical provision will give those who know the most about the occurrence of contaminants the authority to establish monitoring requirements. Current EPA procedures for waving monitoring requirements are so complex and expensive that they are seldom utilized by States or water systems.

Fifth, finally our bill provides additional resources exactly where they are needed. It increases the authorization of State primacy grants to $150 million by fiscal year 1996. It also authorizes a State Revolving Fund for which $599 million has already been appropriated in fiscal year 1994. However, our State Revolving Loan Fund provides much more flexibility than other proposals. It allows the greater of $3 million or 10 percent of each capitalization grant to fund State administration of the Safe Drinking Water Act. Under this provision, between 10 and 20 percent of each capitalization grant can be used for loan forgiveness in disadvantaged communities. Also under this provision $15 million is set aside to fund the EPA rural small system technical assistance programs, and $10 million is set aside for research on the health effects of drinking water.

I urge my colleagues to take a close look at this legislation. After they do, I think they will conclude, as I have, that it provides modest but needed improvements to the Safe Drinking Water Act. Our legislation has been endorsed by the following groups: the National Governors Association, Conference of

Mayors, National League of Cities, National Conference of State Legislators, National Association of Counties, Association of State Drinking Water Agencies, National Association of Water Companies, Association of Metropolitan Water Agencies, American Water Works Association, National Rural Water Association, National Water Resources Association, National Association of Regulatory Utility Commissioners, the National Association of Towns and Townships, the National Environmental Health Association, the National Association of County Health Officials, the Florida Department of Environmental Protection, the Public Utilities Commission of Ohio, and the Congressional Rural Caucus. These associations and groups are all comprised of officials whose job it is to serve and protect the public.

Mr. President, I conclude my remarks today by applauding the work my colleague from New Mexico has devoted to preparing this bill. I look forward to working with him as it makes its way through Congress and to working with the committee to craft sensible and effective legislation. I urge my colleagues to cosponsor the Safe Drinking Water Act Amendments of 1993.

Mr. HATFIELD. Mr. President, today Senator DOMENICI, Senator BOREN, and Senator NICKLES, and I are introducing amendments to the Safe Drinking Water Act that will guarantee a high level of health protection at a cost the water-rate payers of our country can afford.

I have always supported the Safe Drinking Water Act. I voted for the original legislation in 1974 and for the 1986 amendments.

Last July, I convened over 150 representatives of water systems in Oregon to discuss drinking water and the Safe Drinking Water Act. All of the water operators of Oregon believe strongly in a safe, clean, and affordable supply of drinking water. However, I believe each of them would tell you that the Safe Drinking Water Act is not working as Congress originally intended.

My Senate colleagues have heard the same concerns. States and local systems struggle with unrealistically high standards, too many regulations, unclear priorities, limited information about the risk to human health, and inadequate resources. Many systems spend resources on contaminants they have never had while the worst problems go ignored.

For the people on the front lines of drinking water provisions, I learned that many of the requirements in the Safe Drinking Water Act have put an incredible burden on the local areas of my State, especially the rural areas. That burden is so great that—instead of guaranteeing safe water—the Safe Drinking Water Act may increase the risk Oregonians face when they turn on the tap.

I want to make sure that the resources of States and water systems go to those problems that place us all in jeopardy each time we use a drinking fountain or take a shower.

The Domenici-Boren-Hatfield-Nickles proposal will ensure that all people have safe water at a reasonable cost. Our bill is founded on three key principles: flexibility, protection of human health, and adequate resources.

The first principle is flexibility. The Safe Drinking Water Act is applied uniformly to every contaminant, every State, and every community in our Nation. While this may be egalitarian, it means that a lot of our regulations are not effective. Each water contaminant is different, and each water system has different needs, but current regulations ignore important differences.

To address the need for flexibility, the Domenici-Boren-Hatfield-Nickles bill removes many rigid statutory provisions and creates additional discretion for EPA and States. By no means does this flexibility mean less stringent regulation; rather the bill merely permits States and local systems to operate more effective programs.

The second principle is that drinking water regulations must relate to greater protection of human health. Mr. President, the Safe Drinking Water Act is special in the realm of environmental legislation; the only beneficiaries of safe drinking water programs are human beings, and our focus at looking at revisions should be guaranteeing that drinking water regulations reduce the threats to human health.

I learned from operators in Oregon that many regulations are costly, but do not necessarily lessen the risk of disease. Many systems believe they spend millions of dollars removing contaminants that pose little risk to people. The costs of these programs are passed on to the rate payers, but increased rates may not buy water consumers anything.

To better ensure money spent on drinking water result in real improvements in health, the Domenici-Boren-Hatfield-Nickles bill requires EPA to consider the risk reduction costs and benefits of each regulation. This is a technical way of stating that new drinking water regulations need to produce real and measurable benefits to human health to justify the costs created by a regulation.

We cannot ask people to pay for a program that does not help them. Citizens have a right to understand exactly what they are buying with their water rates, and the Safe Drinking Water Act needs to actually result in fewer risks from water.

The last key element is adequate resources. We have all heard from local governments in our States about unfunded Federal mandates, and the Safe Drinking Water Act is certainly one of the things cities, counties, and States are worried about. But the issue isn't only money. Local systems need better training and assistance in implementing the act.

The Domenici-Boren-Hatfield-Nickles bill addresses the resource shortfall by increasing the authorization for grants to States, by establishing a State revolving loan fund, and by setting up a program to certify drinking water technicians and labs. Our bill also shifts the role of EPA from enforcement to implementation, creating a stronger partnership between EPA and local agencies.

I do not believe you would find a single water system official opposed to regulating water. They all believe that our Nation's women, men, children, and babies must be protected. Mr. President, the water system operators of Oregon are committed to delivering clean, healthy water. They view it not as a legal responsibility, but as a moral one. As Robert MacRostie of the Deschutes Valley wrote me:

> If a health hazard existed in the water, the District would be ethically, morally, as well as legally required to remove the hazard. This statement is unqualified and without exception.

The Safe Drinking Water Act hinders people like Mr. MacRostie instead of helping them. The experience of the people on the front lines of implementing the regulations tell me that the Safe Drinking Water Act is not working for them. They tell me that they need more flexibility to attack the problems that pose the biggest threat to people, that they do not want to spend precious, limited resources on something that does not have a noticeable benefit for people, and that they need new resources to make their program work.

By Mr. REID (for himself and Mr. SHELBY):

S. 1923. A bill to amend the Immigration and Nationality Act to curb criminal activity by aliens, to defend against acts of international terrorism, to protect American workers from unfair labor competition, and to relieve pressure on public services by strengthening border security and stabilizing immigration into the United States; to the Committee on the Judiciary.

IMMIGRATION STABILIZATION ACT OF 1994

Mr. REID. Mr. President, during his recent State of the Union speech, President Clinton reminded us that our Nation is facing a health care crisis and a crime crisis, both of which are threatening the present—and more importantly—future well-being of our people, and both of which Congress must promptly address. Today, I want to spotlight another serious national crisis that adversely affects our health care and crime difficulties and on vir-

tually every other major domestic issue. This is the matter of immigration.

As many of my colleagues will recall, my grave concerns over this issue led me to become quite involved with immigration reform last year. However, in the waning days of the session, in my eagerness to address what all parties agree is a pressing, yet complex and sensitive issue. I introduced S. 1351, the Immigration Stabilization Act of 1993. While no bill will please everyone, this bill was clearly unsatisfactory. Frankly, I should not have introduced the bill in the form that it was in. My intentions were good but the remedy proposed required significant fine tuning. As everyone who serves in this body knows, the legislative process is an evolving process. Enacting meaningful and beneficial legislation requires the thoughtful input of all parties affected by that legislation.

Since the introduction of S. 1351 I have heard from many, many groups affected by our immigration laws. The insights and experiences shared with me by immigration experts, minority communities, the INS, and other legal experts interested in reforming our immigration laws for the better were instrumental in my decision to reintroduce a new comprehensive immigration stabilization bill.

Today, I am introducing an immigration bill that I believe thoughtfully addresses the concerns of all those involved in this debate. This bill recognizes the significant contributions that immigrants have historically made—and will continue to make—to our society. It is axiomatic that we are a nation of immigrants and that continued immigration, at reasonable levels, will lead to a more diverse, and consequently better, society in America.

However, this bill also addresses the existing—and patently evident—problems with our current immigration policy. The heavy costs imposed on the States and the Federal Government are exorbitant and the spiraling increase in migration—because of the current law—only exacerbates the problem. The facts and the numbers make the argument for change compelling. Tuesday's New York Times reported that in 1992, legal and illegal immigration cost the State of Texas more than $4 billion for education, health care and other services.

The bill I am introducing today is a realistic recognition that something must be done to reduce these escalating costs to ensure that our children and grandchildren do not inherit a country in which no one would want to live. For if we do not take reasonable steps now, history may well judge us as the first generation of Americans that passed down to the next generation, a country with fewer opportunities and greater debts.

There are legitimate issues in the immigration debate that must be addressed. Ultimately, however, our legislative actions must avoid embracing those extremists who would rather engage in demagoguery and the politics of fear. Yes, we must reduce the flow of immigration to the levels recommended by President John Kennedy but we must do so consistent with the admonition of then Senator John Kennedy: "We are a nation of immigrants." My bill accomplishes this. In so doing, it balances the interests of those promoting continued immigration with the realistic recognition that if we fail to take proper steps now, the real losers will be those who play by the rules as well as the future generations of Americans.

We just finished debating the balanced budget amendment. The vehicle that drove this legislation was the concern for providing for a fiscally secure future for our Nation and the desire to motivate Congress to act in a responsible manner. Unfortunately, my version of this amendment, which would have balanced the budget while also protecting the future of the Social Security System, did not pass. However, the public support was overwhelming and the message we received in Washington was unambiguous. Fortunately, that clear unequivocal message—that we take action so that our children and grandchildren will not be burdened by the mistakes of our past—continues to resonate from coast to coast. I believe the immigration bill I am introducing today is consistent with this public outcry: Unreasonable levels of continuous immigration—like uncontrolled deficit spending—will only result in our mortgaging away both the future of our children and the sanctity of our environment. Mr. President, this is morally intolerable.

We are unquestionably the greatest Nation on the face of the earth. But even our great country is financially and resourcefully incapable of absorbing upward of a million new immigrants every year. Yet under the current law, that is exactly what we are doing and will continue to do. And remember, this calculation does not include the enormous numbers of individuals who make their way into our country illegally or otherwise abuse our generous immigration laws which are almost exclusively premised on the notion that laws on the books—regardless of their enforcement—will be a sufficient deterrent to fraud and abuse. I am by no means suggesting that all immigrants abuse the system. Of course, they do not. What I am suggesting, however, is that the system and the laws perpetrating its existence, invite fraud and abuse. Let's face it Mr. President, our current system is like a busy intersection without a traffic cop: Sure there are laws on the books, but absent enforcement, there are too many accidents.

My bill will allow us to avoid the many shortfalls and inequities caused by the current immigration system. It reconciles both our historic role as a Nation of immigrants and our unbreachable duty to provide future generations with a better world in which to live.

Some may question the necessity of comprehensive immigration reform. Critics may scoff that this bill is unnecessary in light of the recent amendments passed in 1990. I would ask critics to examine some charts that I am going to show and see what our population will be if we maintain the status quo.

By the year 2050, we will have a population of almost 400 million people. Arguably, this staggering increase not only makes the argument for reform compelling, it also shifts the burden to those who would defend the current system to make the case for its continued existence.

This chart, Mr. President, tracks population growth since 1970. You can see where it goes. This is where it would wind up by the year 2050. The red area is, as I have indicated, based on U.S. Census data and represents the increase in the admission of immigrants.

The green area down here represents population growth if we were to admit 160,000 immigrants each year. My legislation, you will see, would admit more than twice that number. Yet the increase represented by the green line is still material. What is evidenced by this chart, Mr. President, is the fact that any legislation is quite generous.

If we keep the present system, if we fail to take reform, this is where we will be by 2050, 392 million people. For the record, it should be noted that the source for this number is the U.S. Census Bureau. Not exactly a partisan interest group.

We must ask ourselves this. When 2050 rolls around, how will we need EPA standards for air and water. How will we ensure that our grandchildren's children will grow up in a healthy environment. Without change, we cannot ensure any of this.

I want to also, Mr. President, refer to another chart which is certainly obvious in its intent. It shows simply how immigration has increased—1930's, 1940's, 1950's, 1960's, 1970's, and 1980's. And here is where we are in the nineties. Just continually you see these building blocks going up, up, and up until we are here, and we will only continue to go up more.

Mr. President, the threshold question of any domestic or foreign policy initiative is, does it serve the national interest—I think that is a fair question—now as well as for the future. A secondary consideration, at least with respect to foreign policy, is will the legislation have a deleterious impact on other nations. I submit that our current immigration policy fails to satisfy either objective. We are selling out the well-being of future generations of Ameri-

cans and sending the wrong signals to those countries working to improve or start up their own democracies. Again, my bill recognizes that the United States will always welcome those who are genuinely fleeing persecution, but it forces other industrialized nations to share in the effort.

We must ask ourselves what have we done to address this problem. Apart from a modest increase in funding for the Border Patrol and certain provisions in the crime bill, the Senate passed no significant immigration reform provisions last year, and the House did even less. In particular, despite overwhelming evidence that immediate statutory reforms were needed—and are needed—to address the serious abuses in the political asylum process, and despite bipartisan reform proposals, neither body passed legislation to stop these abuses. Hopefully, more substantial legislative actions will be taken in 1994.

Mr. President, I would like now to focus on some key facts that support my contention that the current policy is flawed.

Let us look at the alarming immigration numbers.

Many people mistakenly believe what the advocates of an open door immigration policy would have us think—that America has always admitted massive numbers of immigrants and that today's levels are generally in accord with our historic levels.

Looking at this chart, we simply know that is a false premise and a false argument.

Mr. President, anyone having this misperception should awaken to the facts, and the facts are these:

We have the highest immigration levels in U.S. history. The annual number of immigrants entering the United States, counting both legal and illegal, is at the highest level in the history of our country, and has been running alarmingly high for nearly three decades.

There are more than 1 million new immigrants each year. By contrast, we now have at least 300,000 new illegal immigrants settling here, and we have around 1 million new legal immigrants annually. In 1992, for example, the United States had over 1.2 million new immigrants.

Mr. President, legal immigration is massive. While most of the spotlight has been on illegal immigration, the fact is legal immigration makes up two-thirds of the flood of immigrants. For example, 957,000 new legal immigrants were admitted to the United States in 1992.

Congressional mistakes have dramatically increased immigration through a series of what I believe were ill-advised actions going back to 1965, when the basic notions of our immigration laws were revised. In 1990, Congress opened the floodgates by passing a 35-percent increase in legal immigration.

Mr. President, untold numbers of individuals are unlawfully coming to the United States every year. In 1986, Congress gave amnesty and legal status to 3.1 million individuals not lawfully residing here, and in 1990, it granted "temporary protected status"—which tends to be de facto permanent legal residence—to hundreds of thousands of others who did not play by the rules. Even after Congress has passed massive legalization programs, millions of individuals do not lawfully reside in the United States today, and many more continue to cheat the rules and continue to enter unlawfully. In 1992, for example, the Border Patrol apprehended approximately 1 million persons seeking to enter the United States illegally. And, at least 2 to 3 people escape—apprehension for every 1 that is captured.

Immigration is driving rapid population growth in the United States. The United States now has the fastest growing population of any nation in the industrialized world. Over half of our Nation's population growth is attributable to legal and illegal immigration. Largely because of our present immigration policies, the U.S. Census Bureau now estimates that our Nation's population will increase from its current size of approximately 250 to 392 million by the year 2050.

There is unprecedented worldwide pressures to immigrate to the United States. There are millions of people around the globe who are not refugees fleeing persecution, but who want to move to our country for economic or other reasons. In addition, the world's refugee population has exploded. Over 20 million persons now are deemed by the United Nations to be refugees outside their home countries, and another 20 to 25 million are displaced from their homes in their own countries. Millions of these suffering people naturally would like to move to the United States. The tragic reality is that our own resources are limited, and we can admit but a tiny fraction of even the true refugees.

Mr. President, there is growing worldwide population pressures to immigrate. The world's population of 5.4 billion is expected to increase to over 8 billion by the year 2025, and almost all of this increase is projected as coming in the poorest nations. In contrast to the United States, other industrialized nations have much more restrictive immigration policies, and most have been moving to further limit immigration to their countries. The worldwide population explosion and other developed nations' immigration limits will cause the demand to immigrate to the United States to grow astronomically.

In summary, Mr. President, the immigration numbers are alarming and the pressures to immigrate to the United States are growing. Given the host of problems our Nation is facing and our serious budget shortfalls, there is no way that we can continue to tolerate the levels of legal or illegal immigration we have been experiencing for a number of years.

Many citizens and legal residents—including many recent immigrants—are asking what we in Congress must ask: Why are we letting so many people come in? Quite frankly, I believe that when Congress does face this threshold question—and let me say that I will press very hard to have us do so this year—Senate and House Members will conclude overwhelmingly that the current high levels simply cannot be justified. Like every other major Federal public policy, immigration should serve the national interest. Clearly, our present immigration policy is no longer doing so. Therefore, Congress must apply the brakes and rethink the direction of U.S. immigration policy.

Labor force needs and economic conditions are disregarded in our policies. Many aspects of our current policies and procedures are patently wrong. For example, legal immigration has almost no link to U.S. employment needs or economic conditions. Only a handful, about 6 percent, of the total legal admissions, are allowed because they have a skill or vocation that is needed here. The vast majority of immigrants are admitted based on special preferences written into the immigration law that favor relatives of other recent immigrants. Sixty percent of our immigrants are admitted merely because they have relatives here. Many of these people are not immediate relatives, but are part of extended families. The nepotistic U.S. policy lets in relatives, then lets in the relatives' relatives, and so on, creating an endless and ever-growing chain of new immigrants.

U.S. immigration procedures are often flawed and invite abuse. We have a backlog of more than 3.4 million people who have formally filed petitions for admission. Given the complex system of preferences and quotas, almost everyone has to wait for years for a visa, and in many cases, this waiting period extends for decades—I say that in the plural. Not surprisingly, millions of people seek admission shortcuts by slipping across our borders illegally without immigration inspection, or by filing false claims for admission. Asylum claims jumped from 5,000 per year in 1981 to over 100,000 in 1992. Most of them are invalid and fraudulent. Others recognize that our political asylum process has broken down and tens of thousands have moved to take advantage of the system's defects. Fraudulent claimants know that by merely filing a claim almost anyone is given work authorization documents and is released pending a decision on their claim, which often takes well over a year. Not surprisingly, most claimants

never show up for their hearing and merely continue working and living in the United States unlawfully. Penalties for violation of our immigration laws also generally are quite weak and provide little deterrent effect. So-called alien smugglers and those entering illegally know that Congress has not given the Border Patrol and INS adequate staff and other resources to provide tough enforcement and that these dedicated public servants are being overwhelmed by the massive numbers of violators. Under our immigration laws, cheaters tend to prosper.

I have focused on the excessively high levels of immigration that the United States has been experiencing and on some of the major flaws in our existing laws and procedures. I now want to shift to highlight a few of the problems that are resulting from this massive wave of immigration.

JOB LOSSES

Unemployment rates are still too high, international competition is getting tougher and, as President Clinton has pointed out, Americans are working harder and longer for less and less. In 1992, the Federal Government actually issued more work authorizations to immigrants and temporary foreign workers than the net number of new jobs created by our economy. Something is fundamentally wrong when we have millions of American citizens and legal residents begging for jobs, and yet we are admitting thousands and thousands of immigrants a year with virtually no consideration to our employment needs or their employment skills.

CRIME

The issue of crime and public safety is the No. 1 concern of most Americans. Immigration clearly is related to our crime problem. A quarter of all felons in Federal prisons are not even citizens of our country. Unfortunately this shocking number suggests that a disproportionate number of crimes are being committed by immigrants, many of whom are here illegally.

ADVERSE ENVIRONMENTAL IMPACTS AND RESOURCE DEPLETION

Our natural resources are being used up, and our environment is being significantly harmed by the rapidly growing population in the United States which now has the most rapid population growth in the industrialized world. Fully half of this population growth is a result of immigration, and the trends show that this situation will be getting even worse. The environmental impacts are of particular concern to me. In my State, we have tremendous water problems. A once beautiful body of water, Walker Lake, is dying in part because of over population.

Mr. President, we in Congress must act to address these problems by overhauling our immigration laws. There is no other way to do it. As we redesign our country's immigration policy, we must ensure that our national interests are being served instead of the special interests of those who want more immigration. to craft our new immigration policy, Congress must be able to answer three fundamental questions:

How many immigrants can we successfully absorb? We have an overriding and primary obligation to ensure the public welfare of our citizens and legal residents. Many would contend that we are unable to do this adequately now with our available resources. However, when we increase our population through immigration, we also take on new obligations to help the immigrants. Immigrants are human beings and have all the same human needs and aspirations as everyone else. When we admit immigrants our society is making a commitment to educate children, provide health care for the sick, create jobs for workers, construct housing for families, add and improve infrastructure, and many, many other things. Given the limits of our resources, we must set lower numbers because, clearly, we are exceeding our capacity to successfully absorb the recent levels of legal and illegal immigration.

The second question is, how should immigrants be selected? The overwhelming majority of legal immigrants are now admitted merely because they are related to other recent immigrants to the United States. While this seems like a well-meaning policy, it creates a constant pressure for increasing immigration levels each time a new immigrant is admitted. It is an automatic entitlement for relatives to join the immigration queue. By all means, we must have an immigration policy that encourages keeping the nuclear family intact, but beyond husbands, wives and minor children, we cannot effectively manage a policy that promises extended families that they, too, will be allowed to immigrate.

Third, how do we enforce the rules? One of the most perplexing problems we face is how to control the flood of illegal immigration. In addition to the nearly 1 million legal immigrants admitted annually many many more enter the United States illegally each year, and settle permanently. We can and we must institute effective and humane measures to control this unreasonable flow of illegal immigration. A recent Border Patrol crackdown in the El Paso, TX area has shown that our borders can be secured if adequate manpower and other resources are devoted to this effort. This will also require implementing a secure work verification system, based on the model that credit card companies use to verify the validity of credit cards, to ensure that only those who are legally here can work and receive benefits in the United States.

We must talk about comprehensive reform legislation. Today, I am introducing a comprehensive reform bill, the "Immigration Stabilization Act of 1994," and I will push hard for its enactment. This bill is a refined version of the comprehensive reform bill, S. 1351, the "Immigration Stabilization Act," which I introduced last year, and which has been cosponsored by Senators SHELBY, EXON, and FAIRCLOTH.

The provisions in my new bill would do the following:

It would limit annual admissions of immigrants, refugees, and asylees to 325,000.

This still allows for unlimited immigration for spouses and minor children of U.S. citizens. Based on previous years we expect this number to be about 170,000: 50,000 divided between parents of U.S. citizens and spouses and minor children of permanent resident aliens. 50,000 for refugees, 50,000 to be divided between the top two employment preferences; 50,000 to go to those on the existing waiting lists at the date the bill becomes effective.

It would also depoliticize and discipline the refugee admissions program.

It would also reform the asylum program by streamlining the application and decisional process.

It would exclude those individuals arriving in our country without documentation unless they indicated a fear of persecution or claimed asylum. Those who are not excluded would be immediately called to appear before a specially trained asylum officer to determine if they have a credible fear of persecution.

Those filing frivolous applications or failing to appear for asylum hearings would be ineligible for any benefits under immigration law.

The asylum status would terminate during an asylee's first 3 years here if conditions in their home country no longer justified asylum or another safe country is willing to accept them, or if the alien voluntarily returns to his or her own country.

This new legislation penalizes criminal aliens. It expands the list of serious crimes requiring deportation.

It speeds deportation proceedings.

It limits collateral attacks against final deportation orders.

It authorizes Federal incarceration of aliens convicted under State law.

It increases the maximum penalty for visa fraud from 5 to 10 years.

It requires State and local law enforcement agencies to provide the INS with certain information whenever they arrest an individual not lawfully within the country.

It prohibits violators of immigration laws from filing for immigrant status.

And it eliminates administrative discretion to waive grounds for excluding criminal aliens.

It imposes real financial responsibility.

It extends to sponsors of family-oriented immigrants financial account-

ability to ensure the immigrant will not become a public charge.

It limits federally funded benefits.

It also preserves jobs for citizens and legal residents. What it does is simply strengthen the current law's employer sanctions prohibitions on knowingly hiring illegal aliens.

It controls document fraud and removes sanctions compliance burdens by requiring issuance of counterfeit-resident Social Security-type cards and improved, machine-readable alien identification cards and establishment of a telephone verification system for work authorization.

It provides for a uniform national network of State vital statistic records to ensure a person's identity can be confirmed.

It greatly increases border security by increasing the Border Patrol at the rate of 1,000 new officers each year up to a level of 9,900 full-time positions.

It imposes a modest border crossing fee on persons or vehicles crossing the land or sea U.S. border.

It provides the fees will fund measures for preventing illegal entry of persons and contraband, for expediting lawful traffic, and for financial assistance to local law enforcement authorities.

It also increases fines against international carriers that consistently transport human cargo to the United States.

It curtails alien smuggling by organized crime by adding alien smuggling to a list of crimes subject to RICO sanctions.

It increases penalties for smuggling under the Federal Sentencing Guidelines.

It expands property that is forfeited when used in smuggling or harboring illegal aliens.

And it authorizes Federal wiretap authority for alien smuggling investigations.

Mr. President, the public is demanding that we take steps. In the coming weeks, we will be debating many of the issues involving immigration.

My grandmother was born in England, my father-in-law, my wife's father, was born in Russia. My wife's mother is of Lithuanian extraction. I believe in immigration. I think this country needs it for diversity and strength, and I am a great supporter of immigration. I just think we need to ratchet down our laws so that they are meaningful.

If we fail to take action now if we fail to carefully look at the facts, how will future generations of Americans judge us? I ask everyone involved in this debate to avoid the politics of name-calling and the politics of hate.

Mr. President, I stated earlier that our failure to act now would be intolerable. To illustrate this point I suggest we view America as we do our family dinner table. Even if the table is full and there is not that much food to go around, we would still invite a hungry stranger in and feed him or her for the night. That is part of the spirit and greatness of our country. However, if the table is full and there is no food to go around, we don't open the doors and continue to invite all others to join us. That is not ethical. That is not responsible. That is not humane. Everybody has a right to live in dignity and we in Congress are charged with the obligation of doing our most to ensure that this right is maintained.

In summary Mr. President, time has come for the Congress to deal with our immigration crisis.

I believe that the most realistic way to address this complex issue is the bill that I am introducing today.

Mr. President, I ask unanimous consent that the text of the bill be printed into the RECORD.

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

S. 1923

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 "Immigration Stabilization Act of 1994".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—ADMISSION OF IMMIGRANTS

Sec. 101. Reduction in annual immigration ceilings.
Sec. 102. Redefinition of immediate relatives.
Sec. 103. Revision of preference allocations for family-sponsored immigrants.
Sec. 104. Revision of preference allocations for employment-based immigrants.
Sec. 105. Conforming amendments.
Sec. 106. Transition.
Sec. 107. Repeals.

TITLE II—ADMISSION OF REFUGEES

Sec. 201. Numerical limitation on the admission of refugees.
Sec. 202. Congressional review.
Sec. 203. Repeal of Cuban Adjustment Act.

TITLE III—ASYLUM REFORM

Sec. 301. Inspection and exclusion by immigration officers.
Sec. 302. Asylum.
Sec. 303. Failure to appear for asylum hearing.
Sec. 304. Judicial review.
Sec. 305. Conforming amendments.
Sec. 306. Effective dates.

TITLE IV—CRIMINAL ALIENS

Sec. 401. Expansion in definition of "aggravated felony".
Sec. 402. Deportation procedures.
Sec. 403. Judicial deportation.
Sec. 404. Defenses to deportation.
Sec. 405. Enhanced penalties for reentry or failure to depart.
Sec. 406. Deportation of imprisoned aliens.
Sec. 407. Judicial order of deportation.
Sec. 408. Federal incarceration.
Sec. 409. Increased penalty for visa fraud.
Sec. 410. Notification of alien arrest.
Sec. 411. Excludability of unlawful entrants.
Sec. 412. Exclusion of immigration law violators.
Sec. 413. Miscellaneous and technical changes.

TITLE V—FINANCIAL RESPONSIBILITY

Sec. 501. Public charge defined.
Sec. 502. Guarantee of financial responsibility.
Sec. 503. Limited benefits for illegal aliens.

TITLE VI—EMPLOYER SANCTIONS

Sec. 601. Implementation of GAO recommendations.
Sec. 602. Verification by telephone.
Sec. 603. Uniform vital statistics.

TITLE VII—BORDER SECURITY

Sec. 701. Border Patrol personnel.
Sec. 702. Border crossing fee.
Sec. 703. Border Control Trust Fund.
Sec. 704. Responsibility of international carriers.

TITLE VIII—ALIEN SMUGGLING

Sec. 801. Cooperative arrangements.
Sec. 802. Coast Guard instructions.
Sec. 803. Application of RICO.
Sec. 804. Increased penalties for alien smuggling.
Sec. 805. Expanded forfeiture for smuggling or harboring.
Sec. 806. Wiretap authority for alien smuggling investigations.

TITLE IX—EFFECTIVE DATE

Sec. 901. Effective date.

TITLE I—ADMISSION OF IMMIGRANTS

SEC. 101. REDUCTION IN ANNUAL IMMIGRATION CEILINGS.

(a) FAMILY-SPONSORED IMMIGRATION.—Section 201(c)(1) of the Immigration and Nationality Act (8 U.S.C. 1151(c)(1)(A)(i)) is amended to read as follows:

"(c) WORLDWIDE LEVEL OF FAMILY-SPONSORED IMMIGRANTS.—(1) The worldwide level of family-sponsored immigrants under this subsection for a fiscal year is equal to—

"(A) 325,000, minus

"(B) the number computed under paragraph (2), plus

"(C) the number computed under paragraph (3).".

(b) EMPLOYMENT-BASED IMMIGRATION.—Section 201(d)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1151(d)(1)(A)) is amended by striking "140,000" and inserting "50,000".

(c) DIVERSITY IMMIGRATION.—(1) Section 201(a) of the Immigration and Nationality Act (8 U.S.C. 1151(a)) is amended—

(A) by inserting "and" at the end of paragraph (1);

(B) by striking "; and" at the end of paragraph (2) and inserting a period; and

(C) by striking paragraph (3).

(2) Sections 201(e) (8 U.S.C. 1151(e)) and 203(c) (8 U.S.C. 1153(c)) of the Immigration and Nationality Act are hereby repealed.

SEC. 102. REDEFINITION OF IMMEDIATE RELATIVES.

Section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)) is amended by striking "children, spouses, and parents of a citizen of the United States, except that, in the case of parents, such citizens shall be at least 21 years of age" and inserting "children and spouses".

SEC. 103. REVISION OF PREFERENCE ALLOCATIONS FOR FAMILY-SPONSORED IMMIGRANTS.

Paragraphs (1) through (4) of section 203(a) of the Immigration and Nationality Act are amended to read as follows:

"(1) SPOUSES AND CHILDREN OF PERMANENT RESIDENT ALIENS.—Qualified immigrants who

are the spouses or children of an alien lawfully admitted for permanent residence shall be allocated visas in a number equal to 40 percent of the difference between such worldwide level and the number of immediate relative visas required, plus any visas not required for the class specified in paragraph (1).

"(2) PARENTS OF ADULT UNITED STATES CITIZENS.—Qualified immigrants who are the parents of citizens of the United States who are at least 21 years of age shall be allocated visas in a number equal to 60 percent of the difference between such worldwide level and the number of immediate relative visas required, plus any visas not required for the class specified in paragraph (1).

"(3) SONS AND DAUGHTERS OF UNITED STATES CITIZENS.—Qualified immigrants holding priority dates as of the effective date of this Act who are the sons and daughters of citizens of the United States shall be allocated visas in a number equal to 75 percent of the maximum number of visas available but not issued under paragraphs (1) and (2).

"(4) SONS AND DAUGHTERS OF PERMANENT RESIDENT ALIENS.—Qualified immigrants holding priority dates as of the effective date of this Act who are the sons and daughters of permanent resident aliens shall be allocated visas in a number equal to 25 percent of the maximum number of visas available but not issued under paragraphs (1) and (2).

"(5) BROTHERS AND SISTERS OF CITIZENS.—Qualified immigrants holding priority dates as of the effective date of this Act who are the brothers or sisters of citizens of the United States, if such citizens are at least 21 years of age, shall be allocated visas in a number equal to the number of visas not required for the classes specified in paragraphs (3) and (4).".

SEC. 104. REVISION OF PREFERENCE ALLOCATIONS FOR EMPLOYMENT-BASED IMMIGRANTS.

(a) ADJUSTMENT IN ALLOCATIONS AS PERCENTAGE OF WORLDWIDE LEVEL.—(1) Section 203(b)(1) of such Act is amended by striking "28.6 percent" and inserting "50 percent".

(2) Section 203(b)(2)(A) of such Act is amended by striking "28.6 percent" and inserting "50 percent".

(3) Section 203(b)(1) of such Act is amended by striking ", plus any visas not required for the classes specified in paragraphs (4) and (5),".

(b) ALLOCATIONS FOR BACKLOGGED PREVIOUS PREFERENCES.—(1) Section 203(b)(3)(A) of such Act (8 U.S.C. 1153(b)(3)(A)), in the text above clause (i), is amended to read as follows:

"(A) IN GENERAL.—Visas shall be made available in a number equal to the number of visas not required for the classes specified in paragraphs (1) and (2) to the following classes of aliens not described in paragraph (2) who are qualified immigrants holding priority dates as of the effective date of this Act:".

(2) Section 203(b)(4) of such Act (8 U.S.C. 1153(b)(4)) is amended by striking "in a number not to exceed 7.1 percent of such worldwide level, to qualified special immigrants" and inserting "in a number equal to the number of visas not required for the classes specified in paragraphs (1) through (3), to qualified special immigrants holding priority dates as of the effective date of this Act who are".

(3) Section 203(b)(5)(A) of such Act (8 U.S.C. 1153(b)(5)(A)), in the text above clause (i), is amended to read as follows:

"(A) IN GENERAL.—Visas shall be made available in a number equal to the number of visas not required for paragraphs (1) through (4) to qualified immigrants holding priority dates as of the effective date of this Act who are seeking to enter the United States for the purpose of engaging in a new commercial enterprise—".

(4) Section 203(b)(6) of such Act (8 U.S.C. 1153(b)(6)) is repealed.

SEC. 105. CONFORMING AMENDMENTS.

Section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A), by striking "paragraph (1), (3), or (4)" and inserting "paragraph (1) or (3)";

(B) in subparagraph (D), by striking "203(b)(2), or 203(b)(3)" and inserting "or 203(b)(2)";

(C) by redesignating subparagraph (E)(ii) as subparagraph (E);

(D) by striking subparagraph (E)(i);

(E) by striking subparagraph (F); and

(F) by redesignating subparagraph (G) as subparagraph (F); and

(2) in subsection (b), by striking "or 203(b)(3)".

SEC. 106. TRANSITION.

(a) PARENTS OF CITIZENS; UNMARRIED SONS AND DAUGHTERS OF CITIZENS.—Any petition filed under section 204(a) of the Immigration and Nationality Act before the effective date of this Act for—

(1) immediate relative status as a parent of a United States citizen who is at least 21 years of age,

(2) preference status under section 203(a)(1) of such Act (as in effect before such date),

(3) preference status under section 203(a)(2) by virtue of being the spouse or child of a permanent resident alien, or

(4) preference status under section 203(a)(2) by virtue of being the son or daughter of a permanent resident alien,

shall be deemed, as of such date, to be a petition filed under such section for preference status under section 203(a)(2), section 203(a)(3), 203(a)(1), or 203(a)(4), respectively, of such Act (as amended by this Act).

(b) ELIMINATED PREFERENCE CLASSIFICATIONS.—Beginning on the effective date of this Act—

(1) the Attorney General may not accept any petition filed under section 204(a) for classification under section 203(a)(4), 203(b)(3), 203(b)(4), or 203(b)(5), as in effect before the effective date of this Act; and

(2) each priority date established before the effective date of this Act shall be maintained with respect to any petition filed under section 204(a) of the Immigration and Nationality Act before such date for preference status under paragraph (1), (2), (3), or (4) of section 203(a) (as in effect before such date) or paragraph (3), (4), or (5) of section 203(b) of such Act (as in effect before such date).

SEC. 107. REPEALS.

The following provisions of law are repealed:

(1) Section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (as contained in section 101(e) of Public Law 100-202; 101 Stat. 1329-183) (relating to the admission of Amerasians).

(2) Section 132 of the Immigration Act of 1990 (Public Law 101-649) (relating to the admission of aliens from adversely affected foreign countries).

(3) Section 301 of the Immigration Act of 1990 (Public Law 101-649) (relating to admission of dependents of legalized aliens).

TITLE II—ADMISSION OF REFUGEES

SEC. 201. NUMERICAL LIMITATION ON THE ADMISSION OF REFUGEES.

Section 207(a) of the Immigration and Nationality Act (8 U.S.C. 1157(a)) is amended—

(1) by amending paragraph (1) to read as follows: "(1) Except as provided in subsection (b), the number of refugees who may be admitted under this section in any fiscal year may not exceed 50,000.";

(2) by striking paragraph (2); and

(3) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

SEC. 202. CONGRESSIONAL REVIEW.

Section 207(b) of the Immigration and Nationality Act (8 U.S.C. 1157(b)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as clauses (A), (B), and (C), respectively;

(2) by striking "(b) If" and inserting "(b)(1) Subject to paragraph (2), if";

(3) by striking "may fix a number" and inserting "may recommend to the Congress a number"; and

(4) by adding at the end the following:

"(2)(A) The number of refugee admissions proposed under paragraph (1) shall be effective only if the Congress, within 30 days of receipt of such recommendation, enacts a joint resolution approving the number of refugees to be admitted.

"(B) The President may waive the application of subparagraph (A) if he certifies to the Congress that it is important to the national interest to do so.

"(3) A joint resolution described in paragraph (2) shall be considered in accordance with paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriation Act, 1985 (as contained in Public Law 98-473), except that references in such paragraphs to the Committee on Appropriations shall be deemed to be references to the Committee on the Judiciary.".

SEC. 203. REPEAL OF CUBAN ADJUSTMENT ACT.

Public Law 89-732, as amended by Public Law 94-571, is repealed.

TITLE III—ASYLUM REFORM

SEC. 301. INSPECTION AND EXCLUSION BY IMMIGRATION OFFICERS.

(a) INSPECTION OF ALIENS.—Section 235(b) of the Immigration and Nationality Act (8 U.S.C. 1225(b)) is amended to read as follows:

"(b) INSPECTION AND EXCLUSION BY IMMIGRATION OFFICERS.—(1) An immigration officer shall inspect each alien who is seeking entry to the United States.

"(2)(A) If the examining immigration officer determines that an alien seeking entry—

"(i) does not present the documentation required (if any) to obtain legal entry to the United States; and

"(ii) does not indicate either an intention to apply for asylum (under section 208) or a fear of persecution, the officer shall order the alien excluded from the United States without further hearing or review.

"(B) The examining immigration officer shall refer for immediate inspection at a port of entry by an asylum officer under subparagraph (C) any alien who has indicated an intention to apply for asylum or a fear of persecution.

"(C)(i) If an asylum officer determines that an alien has a credible fear of persecution, the alien shall be entitled to apply for asylum under section 208.

"(ii) If an asylum officer determines that an alien does not have a credible fear of persecution the officer shall order the alien excluded from the United States without further hearing or review.

"(3)(A) Except as provided in subparagraph (B), if the examining immigration officer de-

termines that an alien seeking entry is not clearly and beyond a doubt entitled to enter, the alien shall be detained for a hearing before a special inquiry officer.

"(B) The provisions of subparagraph (A) shall not apply—

"(i) to an alien crewman,

"(ii) to an alien described in paragraph (2)(A) or (2)(C)(ii), or

"(iii) if the conditions described in section 273(d) exist.

"(4) The decision of the examining immigration officer, if favorable to the admission of any alien, shall be subject to challenge by any other immigration officer and such challenge shall operate to take the alien, whose privilege to enter is so challenged, before a special inquiry officer for a hearing on exclusion of the alien.

"(5)(A) Subject to subparagraph (B), an alien has not entered the United States for purposes of this Act unless and until such alien has been inspected and admitted by an immigration officer pursuant to this subsection.

"(B) An alien who (i) is physically present in the United States, (ii) has been physically present in the United States for a continuous period of 1 year, and (iii) has not been inspected and admitted by an immigration officer shall be deemed to have entered the United States without inspection.".

(b) GROUNDS FOR EXCLUSION.—Section 212(a)(6) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(6)) is amended by adding at the end the following new subparagraphs:

"(G)(i) Any alien who, in seeking entry to the United States or boarding a common carrier for the purpose of coming to the United States, presents any document which is forged, counterfeit, altered, falsely made, stolen, or inapplicable to the alien presenting the document, or otherwise contains a misrepresentation of a material fact, is excludable.

"(ii) Clause (i) shall not apply to an alien if, in the determination of the asylum officer, the document or documents to which that clause refers were presented by the alien solely to enable the alien to depart directly from—

"(I) a country in which the alien had a credible fear of persecution; or

"(II) a country in which there was a significant danger that the alien would be returned to a country in which the alien would have a credible fear of persecution.

"(iii) For the purposes of this subparagraph, the term 'credible fear of persecution' means (I) that it is more probable than not that the statements made by the alien in support of his or her claim are true, and (II) that there is a significant possibility, in light of such statements and of such other facts as are known to the officer that the alien could establish eligibility for asylum under section 208.

"(H) Any alien who, in boarding a common carrier for the purpose of coming to the United States, presents a document that relates or purports to relate to the alien's eligibility to enter the United States, and fails to present such document to an immigration officer upon arrival at a port of entry into the United States, is excludable.".

(c) CONFORMING AMENDMENTS.—Section 237(a) (8 U.S.C. 1227(a)) is amended—

(1) in the second sentence of paragraph (1) by striking "Deportation" and inserting "Subject to section 235(b)(2), deportation"; and

(2) in the first sentence of paragraph (2) by striking "If" and inserting "Subject to section 235(b)(2), if".

SEC. 302. ASYLUM.

Section 208 (8 U.S.C. 1158) is amended to read as follows:

"SEC. 208. (a) ASYLUM.—

"(1) RIGHT TO APPLY.—An alien physically present in the United States or at a land border or port of entry may apply for asylum in accordance with this section.

"(2) CONDITIONS FOR GRANTING.—

"(A) GRANTS BY ATTORNEY GENERAL.—The Attorney General may grant asylum to an alien if the alien applies for asylum in accordance with the requirements of this section and establishes that it is more probable than not that in the alien's country of nationality (or, in the case of a person having no nationality, the country in which such alien last habitually resided) such alien would be arrested and incarcerated or such alien's life would be threatened on account of race, religion, nationality, membership in a particular social group, or political opinion.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to an alien if the Attorney General determines that—

"(i) the alien ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion;

"(ii) the alien, having been convicted by a final judgment of a particularly serious crime, constitutes a danger to the community of the United States;

"(iii) there are serious reasons for believing that the alien has committed a serious nonpolitical crime outside the United States prior to the arrival of the alien in the United States;

"(iv) there are reasonable grounds for regarding the alien as a danger to the security of the United States; or

"(v) a country willing to accept the alien has been identified (other than the country described in subparagraph (A)) to which the alien can be deported or returned and the alien does not establish that it is more likely than not that the alien would be incarcerated or the alien's life would be threatened in such country on account of race, religion, nationality, membership of a particular social group, or political opinion.

For purposes of clause (ii), an alien who has been convicted of an aggravated felony shall be considered to have committed a particularly serious crime. The Attorney General shall promulgate regulations that specify additional crimes that will be considered to be a crime described in clause (ii) or clause (iii).

"(3) ASYLUM STATUS.—In the case of any alien granted asylum under paragraph (2), the Attorney General, in accordance with this section—

"(A) shall not deport or return the alien to the country described under paragraph (2)(A);

"(B) shall authorize the alien to engage in employment in the United States and provide the alien with an 'employment authorized' endorsement or other appropriate work permit; and

"(C) may allow the alien to travel abroad with the prior consent of the Attorney General, except that such travel may not be authorized to the country from which the alien claimed to be fleeing persecution.

"(4) TERMINATION.—Asylum granted under paragraph (2) shall be terminated if the Attorney General, pursuant to such regulations as the Attorney General may prescribe, determines that—

"(A) the alien no longer meets the conditions described in paragraph (2) owing to a change in circumstances in the alien's country of nationality or, in the case of an alien having no nationality, in the country in which the alien last habitually resided;

"(B) the alien meets a condition described in paragraph (2)(B);

"(C) a country willing to accept the alien has been identified (other than the country described in paragraph (2)) to which the alien can be deported or returned and the alien cannot establish that it is more likely than not that the alien would be arrested or incarcerated in such country on account of race, religion, nationality, membership in a particular social group, or political opinion; or

"(D) the alien returns to the country from which the alien claimed to be fleeing persecution or makes application with the Attorney General to return to the country from which the alien claimed to fleeing persecution.

"(5) ACCEPTANCE BY ANOTHER COUNTRY.—In the case of an alien described in paragraph (2)(B)(v) or paragraph (4)(C), the alien's deportation or return shall be directed by the Attorney General in the sole discretion of the Attorney General, to any country which is willing to accept the alien into its territory (other than the country described in paragraph (2)).

"(b) ASYLUM PROCEDURE.—

"(1) APPLICATIONS.—

"(A) IN GENERAL.—

"(i) DEADLINE.—Subject to clause (ii), an alien's application for asylum shall not be considered under this section unless—

"(I) the alien has filed, not later than 30 days after entering or coming to the United States, notice of intention to file such an application, and

"(II) such application is actually filed not later than 45 days after entering or coming to the United States.

"(ii) EXCEPTION.—An application for asylum may be considered, notwithstanding that the requirements of clause (i) have not been met, only if the alien demonstrates by clear and convincing evidence changed circumstances in the alien's country of nationality (or in the case of an alien with no nationality, in the country where the alien last habitually resided) affecting eligibility for asylum.

"(B) REQUIREMENTS.—An application for asylum shall not be considered unless the alien submits to the taking of fingerprints and a photograph in a manner determined by the Attorney General.

"(C) FEES.—The Attorney General may provide for a reasonable fee for the consideration of an application for asylum or for any employment authorization under subsection (a)(3)(B).

"(D) NOTICE OF PRIVILEGE OF COUNSEL AND CONSEQUENCES OF FRIVOLOUS APPLICATION.—At the time of filing a notice of intention to apply for asylum, the alien shall be advised of the privilege of being represented (at no expense to the government) by such counsel, authorized to practice in such proceedings, as the alien shall choose and of the consequences, under subsection (d), of filing a frivolous application for asylum.

"(2) CONSIDERATION OF APPLICATIONS; HEARINGS.—

"(A) ASYLUM OFFICERS.—Applications for asylum shall be considered by officers of the Service (referred to in this Act as 'asylum officers') who are specially designated by the Service as having special training and knowledge of international conditions and human rights records of foreign countries. Pending the designation of such officers, individuals who as of the date of the enact-

ment of the Immigration Stabilization Act of 1994 are authorized to perform duties as asylum officers shall be deemed to be qualified to be asylum officers for purposes of this Act.

"(B) SCHEDULING OF HEARINGS.—

"(i) IN GENERAL.—Upon the filing of an application for asylum, an asylum officer, at the earliest practicable time and after consultation with the attorney for the Government and the attorney (if any) for the applicant, shall set the application for hearing on a day certain or list it on a weekly or other short-term calendar, so as to assure a speedy hearing.

"(ii) DEADLINE.—Unless the applicant (or an attorney for the applicant) consents in writing to the contrary, the hearing on the temporary asylum application shall commence not later than 45 days after the date the application was filed.

"(C) PUBLIC HEARINGS.—A hearing on a asylum application shall be open to the public unless the applicant requests that it be closed to the public.

"(D) RIGHTS IN HEARINGS.—The officer shall, to the extent practicable, conduct the hearing in a nonadversarial manner. During such hearing, the applicant shall have the privilege of the assistance and participation of counsel (as provided under paragraph (1)(D)) and both the government and the applicant shall be entitled to present evidence and witnesses, to examine and object to evidence, and to cross-examine all witnesses.

"(E) COUNTRY CONDITIONS.—An officer may request opinions regarding country conditions from the Secretary of State, but shall not request or consider recommendations from the Secretary of State as to whether a particular named individual should or should not be granted asylum.

"(F) TRANSCRIPT OF HEARINGS.—A complete record of the proceedings and of all testimony and evidence produced at the hearing shall be kept. The hearing shall be recorded verbatim. The Attorney General and the Service shall provide that a transcript of a hearing held under this section is made available not later than 10 days after the date of completion of the hearing.

"(G) DEADLINE FOR DETERMINATIONS ON APPLICATIONS.—The officer shall render a determination on the application not later than 30 days after the date of completion of the hearing. The determination of the officer shall be based only on the officer's knowledge of international conditions and human rights records of foreign countries, and evidence produced at the hearing.

"(H) RESOURCE ALLOCATION.—The Attorney General shall allocate sufficient resources so as to assure that applications for asylum are heard and determined on a timely basis. However, nothing in this paragraph relating to scheduling or deadlines shall be construed as creating any right or benefit, substantive or procedural, which is legally enforceable by any party against the United States, its agencies, its officers, or any other person.

"(I) SANCTIONS FOR FAILURE TO APPEAR.—

"(i) Subject to clause (ii), the application for asylum of an alien who does not appear for a hearing on such application shall be summarily dismissed unless the alien can show exceptional circumstances (as defined in section 242B(f)(2)) as determined by the asylum officer.

"(ii) Clause (i) shall not apply if written and oral notice were not provided as required by section 242B(e)(4)(B).

"(iii) Except in exceptional circumstances (as defined in section 242B(f)(2)), an application summarily dismissed in accordance with clause (i) shall not be reopened or reconsidered nor shall a new application for asylum be entertained by the Attorney General at any time.

"(J) FINALITY OF DETERMINATIONS.—

"(i) IN GENERAL.—The decision of the asylum officer shall be the final administrative determination of a claim for asylum.

"(ii) TREATMENT OF CASES IN EXCLUSION OR DEPORTATION.—If proceedings are instituted against an alien under section 235 or 242 of this Act and the alien files an application for asylum based on circumstances described in subsection (b)(1)(A)(ii), the asylum officer shall render, on an expedited basis, a decision on the application.

"(c) ASYLUM STATUS ADJUSTMENTS.—

"(1) ADJUSTMENT OF STATUS.—Under such regulations as the Attorney General may prescribe, the Attorney General shall adjust to the status of an alien granted asylum the status of any alien granted asylum under subsection (a)(2)(A) who—

"(A) applies for such adjustment;

"(B) has been physically present in the United States for at least 3 years after being granted asylum;

"(C) continues to be eligible for asylum under this section; and

"(D) is admissible under this Act at the time of examination for adjustment of status under this subsection.

"(2) TREATMENT OF SPOUSE AND CHILDREN.—A spouse or child (as defined in section 101(b)(A), (B), (C), (D), or (E)) of an alien whose status is adjusted to that of an alien granted asylum under subsection (a)(2) may be granted the same status as the alien if accompanying, or following to join, such alien.

"(3) APPLICATION FEES.—The Attorney General may impose a reasonable fee for the filing of an application for adjustment to the status of an alien granted asylum under this subsection.

"(d) DENIAL OF IMMIGRATION BENEFITS FOR FRIVOLOUS APPLICATIONS.—

"(1) IN GENERAL.—If the asylum officer determines that an alien has made a frivolous application for asylum under this section and the alien has received the notice under subsection (b)(1)(D)(i), the alien shall be permanently ineligible for any benefits under this Act, effective as of the date of a final determination on such application.

"(2) TREATMENT OF FRAUDULENT OR MATERIAL MISREPRESENTATIONS.—For purposes of this subsection, an application considered to be 'frivolous' includes, but is not limited to, an application which is fraudulent or otherwise contains a willful misrepresentation or concealment of a material fact.".

SEC. 303. FAILURE TO APPEAR FOR ASYLUM HEARING.

Section 242B(e)(4) (8 U.S.C. 1252b(e)(4)) is amended in subparagraph (A)—

(1) by inserting "and" at the end of clause (i); and

(2) by striking all after clause (iii) and inserting "shall not be eligible for any benefits under this Act.".

SEC. 304. JUDICIAL REVIEW.

Section 235 of the Immigration and Nationality Act (8 U.S.C. 1225) is amended by adding at the end thereof:

"(d) Notwithstanding any other provision of law, no court shall have jurisdiction to review, except by petition for habeas corpus, any determination made with respect to an alien found excludable pursuant to titles I or II of this Act. In any such case, review by habeas corpus shall be limited to examination of whether the petitioner (1) is an alien, and (2) was ordered excluded from the United States pursuant to the provisions of this Act. Notwithstanding the nature of the suit or claim, no court shall have jurisdiction except as provided in this subsection to consider the validity of any adjudication or determination of exclusion, to certify a class in an action challenging the exclusion provisions of this Act or any portion or implementation thereof, or to provide declaratory or injunctive relief with respect to the exclusion of any alien.

"(e) In any action brought for the assessment of penalties for improper entry or reentry of an alien under section 275, 276, 277, or 278 of this Act, no court shall have jurisdiction to hear claims collaterally attacking the validity of orders of exclusion, or deportation entered under section 235, 236, or 242 of this Act.".

SEC. 305. CONFORMING AMENDMENTS.

Section 209(b) of the Immigration and Nationality Act (8 U.S.C. 1159(b)) is amended—

(1) in paragraph (2), by striking "one year" and inserting "5 years"; and

(2) by amending paragraph (3) to read as follows:

"(3) continues to be eligible for asylum under section 208,".

SEC. 306. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided, the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) EXCEPTIONS.—(1) The amendments made by this title shall not apply to applications for asylum or withholding of deportation made before the first day of the first month that begins more than 180 days after the date of the enactment of this Act and no application for asylum under section 208 of the Immigration and Nationality Act (as amended by section 201 of this Act) shall be considered before such first day.

(2) In applying section 208(b)(1)(A) of the Immigration and Nationality Act (as amended by this title) in the case of an alien who has entered or came to the United States before the first day described in paragraph (1), notwithstanding the deadlines specified in such section—

(A) the deadline for the filing of a notice of intention to file an application for asylum is 30 days after such first day, and

(B) the deadline for the filing of the application for asylum is 45 days after the date of filing such notice.

(3) The amendments made by section 305(b) (relating to adjustment of status) shall not apply to aliens granted asylum under section 208 of the Immigration and Nationality Act, as in effect before the date of the enactment of this Act.

TITLE IV—CRIMINAL ALIENS

SEC. 401. EXPANSION IN DEFINITION OF "AGGRAVATED FELONY".

(a) EXPANSION IN DEFINITION.—Section 101(a)(43) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(43)) is amended to read as follows:

"(43) The term 'aggravated felony' means—

"(A) murder;

"(B) any illicit trafficking in any controlled substance (as defined in section 102 of the Controlled Substances Act), including any drug trafficking crime as defined in section 924(c) of title 18, United States Code;

"(C) any illicit trafficking in any firearms or destructive devices as defined in section 921 of title 18, United States Code, or in explosive materials as defined in section 841(c) of title 18, United States Code;

"(D) any offense described in (i) section 1956 of title 18, United States Code (relating to laundering of monetary instruments) or

(ii) section 1957 of such title (relating to engaging in monetary transactions in property derived from specific unlawful activity) if the value of the funds exceeded $100,000;

"(E) any offense described in—

"(i) subsection (h) or (i) of section 842, title 18, United States Code, or subsection (d), (e), (f), (g), (h), or (i) of section 844 of title 18, United States Code (relating to explosive materials offenses),

"(ii) paragraph (1), (2), (3), (4), or (5) of section 922(g), or section 922(j), section 922(n), section 922(o), section 922(p), section 922(r), section 924(b), or section 924(h) of title 18, United States Code (relating to firearms offenses), or

"(iii) section 5861 of title 26, United States Code (relating to firearms offenses);

"(F) any crime of violence (as defined in section 16 of title 18, United States Code, not including a purely political offense) for which a sentence of 5 years imprisonment or more may be imposed;

"(G) any theft offense (including receipt of stolen property) or any burglary offense, where a sentence of 5 years imprisonment or more may be imposed;

"(H) any offense described in section 875, section 876, section 877, or section 1202 of title 18, United States Code (relating to the demand for or receipt of ransom);

"(I) any offense described in section 2251, section 2251A or section 2252 of title 18, United States Code (relating to child pornography);

"(J) any offense described in—

"(i) section 1962 of title 18, United States Code (relating to racketeer influenced corrupt organizations), or

"(ii) section 1084 (if it is a second or subsequent offense) or section 1955 of such title (relating to gambling offenses), where a sentence of 5 years imprisonment or more may be imposed;

"(K) any offense relating to the bribery or attempted bribery of an official or agent of the Government of the United States or of an official or agent of any political subdivision of the United States;

"(L) any offense relating to commercial bribery, counterfeiting, forgery or trafficking in vehicles whose identification numbers have been altered, where a sentence of 5 years imprisonment or more may be imposed;

"(M) any offense—

"(i) described in section 2421, section 2422, or section 2423 of title 18, United States Code (relating to transportation for the purpose of prostitution), or

"(ii) described in section 1581 through 1585, or section 1588, of title 18, United States Code (relating to peonage, slavery, and involuntary servitude);

"(N) any offense relating to perjury or subornation of perjury where a sentence of 5 years imprisonment or more may be imposed;

"(O) any offense described in—

"(i) section 793 (relating to gathering or transmitting national defense information), section 798 (relating to disclosure of classified information), section 2153 (relating to sabotage) or section 2381 or section 2382 (relating to treason) of title 18, United States Code, or

"(ii) section 421 of title 50, United States Code (relating to protecting the identity of undercover intelligence agents);

"(P) any offense—

"(i) involving fraud or deceit where the loss to the victim or victims exceeded $200,000; or

"(ii) described in section 7201 of title 26, United States Code (relating to tax evasion), where the tax loss to the Government exceeds $200,000;

"(Q) any offense described in section 1324(a)(1) of title 8, United States Code (relating to alien smuggling) for the purpose of commercial advantage;

"(R) any violation of section 1546(a) of title 18, United States Code (relating to document fraud), for the purpose of commercial advantage;

"(S) any offense relating to failing to appear before a court pursuant to a court order to answer to or dispose of a charge of a felony, where a sentence of 2 years or more may be imposed; or any attempt or conspiracy to commit any such act; or

"(T) any felony committed by an alien on or after the date that alien had received a waiver of deportation under section 212 or 241 of this Act (8 U.S.C. 1182 or 1251) after commission of a prior felony.".

Such term applies to offenses described in this paragraph whether in violation of Federal or State law and applies to such offenses in violation of the laws of a foreign country for which the term of imprisonment was completed within the previous 15 years.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to all convictions entered before, on, or after the date of enactment of this Act.

SEC. 402. DEPORTATION PROCEDURES.

(a) ELIMINATION OF ADMINISTRATIVE HEARING FOR CERTAIN CRIMINAL ALIENS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended—

(1) in subsection (a)—

(A) by inserting "DEPORTATION OF PERMANENT RESIDENT ALIENS.—(1)" after "(a)"; and

(B) by inserting in the first sentence "permanent resident" after "correctional facilities for";

(2) in subsection (b)—

(A) by striking "(b) IMPLEMENTATION.—" and inserting "(2) IMPLEMENTATION.—"; and

(B) by striking "respect to an" and inserting "respect to a permanent resident"; and

(3) by adding the following after subsection (a), as amended herein:

"(b) DEPORTATION OF ALIENS WHO ARE NOT PERMANENT RESIDENTS.—(1) Notwithstanding section 242, and subject to paragraph (5), the Attorney General may issue a final order of deportation against any alien described in paragraph (2) whom the Attorney General determines to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony).

"(2) An alien is described in this paragraph if the alien—

"(A) was not lawfully admitted for permanent residence at the time that proceedings under this section commenced, or

"(B) had permanent resident status on a conditional basis (as described in section 216) at the time that proceedings under this section commenced.

"(3) The Attorney General may delegate the authority in this section to the Commissioner or to any District Director of the Service.

"(4) No alien described in this section shall be eligible for any relief from deportation that the Attorney General may grant in his discretion.

"(5) The Attorney General may not execute any order described in paragraph (1) until 14 calendar days have passed from the date that such order was issued, in order that the alien has an opportunity to apply for judicial review under section 106.".

(b) LIMITED JUDICIAL REVIEW.—Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended—

(1) in the first sentence of subsection (a), by inserting "or pursuant to section 242A" after "under section 242(b)";

(2) in subsection (a)(1) and subsection (a)(3), by inserting "(including an alien described in section 242(A)" after "aggravated felony"; and

(3) by adding at the end the following new subsection;

"(d) Notwithstanding subsection (c), a petition for review or for habeas corpus on behalf of an alien described in section 242A(b) may only challenge whether the alien is in fact an alien described in such section, and no court shall have jurisdiction to review any other issue.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens against whom deportation proceedings are initiated after the date of enactment of this Act.

SEC. 403. JUDICIAL DEPORTATION.

(a) JUDICIAL DEPORTATION.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a), as amended by section 402, is further amended by inserting at the end the following new subsection:

"(c) JUDICIAL DEPORTATION.—

"(1) AUTHORITY.—In any criminal case subject to the jurisdiction of any court of the United States or of any State, such court may enter a judicial order of deportation at the time of sentencing against an alien whose criminal conviction causes such alien to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony).

"(2) DENIAL OF JUDICIAL ORDER.—Denial of a request for a judicial order of deportation shall not preclude the Attorney General from initiating deportation proceedings pursuant to section 242 upon the same ground of deportability or upon any other ground of deportability provided under section 241(a).".

(b) TECHNICAL AND CONFORMING CHANGES.—The ninth sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by striking out "The" and inserting in lieu thereof, "Except as provided in section 242A(c), the".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens whose adjudication of guilt or guilty plea is entered in the record after the date of enactment of this Act.

SEC. 404. DEFENSES TO DEPORTATION.

(a) DEFENSES BASES ON SEVEN YEARS OF PERMANENT RESIDENCE.—The last sentence of section 212(c) of the Immigration and Nationality Act (8 U.S.C. 1182(c)) is amended by striking out "has served for such felony or felonies" and all that follows through the period and inserting in lieu thereof "has been sentenced for such felony or felonies to a term of imprisonment of at least 5 years if the time for appealing such conviction or sentence has expired and the sentence has become final.".

(b) DEFENSES BASED ON WITHHOLDING OF DEPORTATION.—Section 243(h)(2) of the Immigration and Nationality Act (8 U.S.C. 1253(h)(2)) is amended—

(1) in the first sentence—

(A) by striking "or" at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting "; or"; and

(C) by adding at the end the following new subparagraph:

"(E) the alien has been convicted of a felony."; and

(2) by striking the last sentence.

SEC. 405. ENHANCED PENALTIES FOR REENTRY OR FAILURE TO DEPART.

(a) FAILURE TO DEPART.—Section 242(e) of the Immigration and Nationality Act (8 U.S.C. 1252(e)) is amended—

(1) by striking out "paragraph (2), (3), or 4 of" the first time it appears; and

(2) by striking out "shall be imprisoned not more than ten years" and inserting in lieu thereof, "shall be imprisoned not more than two years, or shall be imprisoned not more than ten years if the alien is a member of any of the classes described in paragraph (2), (3), or (4) of section 241(a)".

(b) REENTRY.—Section 276(b) of the Immigration and Nationality Act (8 U.S.C. 1326(b)) is amended—

(1) in paragraph (1)—

(A) by inserting after "commission of" the following: "two or more misdemeanors or"; and

(B) by striking out "5" and inserting in lieu thereof "10";

(2) in paragraph (2), by striking out "15" and inserting in lieu thereof "20"; and

(3) by adding at the end the following sentence: "For the purposes of this subsection, the term 'deportation' includes any agreement where an alien stipulates to deportation during a criminal trial under either Federal or State law.".

(c) COLLATERAL ATTACKS ON UNDERLYING DEPORTATION ORDER.—Section 276 of the Immigration and Nationality Act (8 U.S.C. 1326) is amended by inserting after subsection (b) the following new subsection:

"(c) In any criminal proceeding under this section, no alien may challenge the validity of the deportation order described in subsection (a)(1) or subsection (b).".

SEC. 406. DEPORTATION OF IMPRISONED ALIENS.

Section 242(h) of the Immigration and Nationality Act (8 U.S.C. 1252(h)) is amended to read as follows:

"(h)(1) Except as provided in paragraph (2), an alien sentenced to imprisonment may not be deported until such imprisonment has been terminated by the release of the alien from confinement. Parole, supervised release, probation, or possibility of rearrest or further confinement in respect of the same offense shall not be a ground for deferral of deportation.

"(2) The Attorney General may deport an alien prior to the completion of a sentence of imprisonment—

"(A) in the case of an alien in the custody of the Attorney General, if the Attorney General determines that the alien has been adequately punished and that such deportation of the alien is appropriate; or

"(B) in the case of an alien in the custody of a State, if the chief State official exercising authority with respect to the incarceration of the alien determines (i) that the alien has been adequately punished and that such deportation is appropriate, and (ii) submits a written request to the Attorney General that such alien be so deported.".

SEC. 407. JUDICIAL ORDER OF DEPORTATION.

(a) IN GENERAL.—Subchapter A of chapter 227 of title 18, United States Code, is amended by adding at the end the following:

"§ 3560. Order of deportation for certain aliens

"The court, upon sentencing an individual who is an alien for an aggravated felony (as defined in section 101(a)(43) of the Immigration and Nationality Act, shall include in a sentencing order a declaration that the individual is deportable. Any presentence report required under the Rules of Criminal Procedure with respect to the sentencing of any individual for such a felony shall include whether or not such individual is an alien.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter A of chapter 227 of title 18, United States Code, is amended by adding at the end the following new item:

"3560. Order of deportation for certain aliens.".

(c) DEPORTATION PROCEDURES.—Section 242A of the Immigration and Nationality Act (18 U.S.C. 1252a) is amended by adding at the end the following:

"(f) DEPORTATION PURSUANT TO A JUDICIAL ORDER.—An alien subject to a judicial order of deportation under section 3560 of title 18, United States Code, shall be deported consistent with section 242(h).".

SEC. 408. FEDERAL INCARCERATION.

Section 242 of the Immigration and Nationality Act (8 U.S.C. 1252) is amended by adding at the end the following:

"(j)(1) The Attorney General shall take into the custody of the Federal Government, and shall incarcerate for a determinate sentence of imprisonment, a criminal alien described in paragraph (3) if—

"(A) the chief State official exercising authority with respect to the incarceration of the undocumented criminal alien submits a written request to the Attorney General;

"(B) the undocumented criminal is sentenced to a determinate term of imprisonment;

"(C) the State in which the official described in subparagraph (A) exercises authority cooperates, and requires local governments or agencies in such State to cooperate, with Federal immigration authorities with respect to the identification, location, arrest, prosecution, detention, and deportation of aliens who are not lawfully present in the United States; and

"(D) adequate Federal facilities are available for the incarceration of the criminal alien.

"(2) Criminal aliens taken into the custody of the Attorney General under paragraph (1) may be deported under subsection (h)(2)(A).

"(3) An alien is described in this paragraph if the alien—

"(A) has been convicted of a felony and sentenced to a term of imprisonment, and

"(B)(i) had entered the United States without inspection or at any time or place other than as designated by the Attorney General, or

"(ii) was the subject of exclusion or deportation proceedings at the time he or she was taken into custody by the State.".

SEC. 409. INCREASED PENALTY FOR VISA FRAUD.

(a) FALSE STATEMENT.—Section 1542 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(b) FORGERY.—Section 1543 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(c) MISUSE OF PASSPORT.—Section 1544 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(d) SAFE CONDUCT VIOLATION.—Section 1545 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than three years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(e) FRAUD AND MISUSE OF VISAS.—Section 1546(a) of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

SEC. 410. NOTIFICATION OF ALIEN ARREST.

Whenever a State or local law enforcement agency arrests an alien for the commission of a felony, that State or local law enforcement agency shall provide the District Director of the Immigration and Naturalization Service for the district in which the State or local law enforcement agency has jurisdiction the following information within 72 hours of the arrest: the name of the alien; the alien's place of birth; the alien's date of birth; the alien's alien registration number, if any; the nature of the offense for which the alien was arrested; and any available information on bond, future hearings and proceedings.

SEC. 411. EXCLUDABILITY OF UNLAWFUL ENTRANTS.

Section 204(c) of the Immigration and Nationality Act is amended—

(1) by striking "laws or" and inserting "laws,"; and

(2) by inserting the following before the period: ", or (3) the petition was submitted by or on behalf of any alien who entered or attempted to enter the United States unlawfully, who entered or attempted to enter with fraudulent, forged or stolen documents, who failed to present the immigration officer any document produced when the alien boarded a common carrier for travel to the United States, or who entered the United States lawfully as a nonimmigrant but violated the terms of his or her nonimmigrant visa".

SEC. 412. EXCLUSION OF IMMIGRATION LAW VIOLATORS.

(a) EXCLUSION OF CRIMINAL ALIEN.—Section 212(a)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)(A)(i)) is amended—

(1) by striking "or" at the end of subclause (I);

(2) by inserting "or" at the end of subclause (II); and

(3) by inserting after subclause (II) the following:

"(III) any violation of any immigration law or any violation of any federal or State statute prohibiting fraud, including any statutes prohibiting income tax evasion,".

(b) EXCLUSION REFORM.—Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by amending subsection (c) to read as follows:

"(c) Aliens lawfully admitted for permanent residence who temporarily proceeded abroad voluntarily and not under an order of deportation shall not be admitted if that alien is excludable under subsection (a), without regard to the purpose or duration of the alien's presence outside the United States.".

SEC. 413. MISCELLANEOUS AND TECHNICAL CHANGES.

(a) FORM OF DEPORTATION HEARINGS.—The second sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D);

(2) by striking "(b) A special" and inserting "(b)(1) Except as provided in paragraph (2), a special"; and

(3) by adding at the end the following:

"(2) Nothing in this subsection shall preclude the Attorney General from authorizing

proceedings by electronic or telephonic media (with or without the consent of the alien) or, where waived or agreed to by the parties, in the absence of the alien.".

(b) CONSTRUCTION OF EXPEDITED DEPORTATION REQUIREMENTS.—No amendment made by this Act and nothing in section 242(i) of the Immigration and Nationality Act (8 U.S.C. 1252(i)), shall be construed to create any right or benefit, substantive or procedural, which is legally enforceable by any party against the United States, its agencies, its officers, or any other person.

TITLE V—FINANCIAL RESPONSIBILITY

SEC. 501. PUBLIC CHARGE DEFINED.

Section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) is amended to read as follows:

"(4) PUBLIC CHARGE.—Any alien who cannot demonstrate to the consular officer at the time of application for a visa, or to the Attorney General at the time of application for admission or adjustment of status, that, taking into account the alien's age and medical condition, he or she has assets, education, skills, or a combination thereof that make it very unlikely that he or she will become eligible for means-tested public assistance of any kind (including, but not limited to, medical care or food and housing assistance) or will otherwise become a public charge is excludable.".

SEC. 502. GUARANTEE OF FINANCIAL RESPONSIBILITY.

Section 213 of the Immigration and Nationality Act (8 U.S.C. 1183) is amended to read as follows:

"FINANCIAL RESPONSIBILITY OF SPONSORS

"SEC. 213. (a) An alien excludable under paragraph (4) of section 212(a) may, if otherwise admissible, be admitted in the discretion of the Attorney General upon the giving of a suitable and proper bond and a guarantee of financial responsibility by an individual (hereafter in this section referred to as the alien's 'sponsor') who is not less than 21 nor more than 60 years of age, is of good moral character, has never been convicted of a felony, has never filed for bankruptcy or been adjudicated a bankrupt, and is a citizen of the United States or an alien lawfully admitted for permanent residence.

"(b) The guarantee of financial responsibility in subsection (a) must provide (1) that the sponsor, and the sponsor's spouse if the sponsor is married, agree in the case of an alien under 21 years of age, to assume legal custody for the alien after the alien's departure to the United States and until the alien becomes 21 years of age, in accordance with the law of the State where the sponsor resides, and (2) that the sponsor agrees to furnish, during the 5-year period beginning on the date of the alien's acquiring the status of an alien lawfully admitted for permanent residence, or during the period beginning on the date of the alien's acquiring the status of an alien lawfully admitted for permanent residence and ending on the date on which the alien becomes 21 years of age, whichever period is longer, such financial support as is necessary to prevent the alien's becoming a public charge.

"(c) A guarantee of financial responsibility given under subsection (a) may be enforced with respect to an alien by a civil suit against his sponsor by the Attorney General or by any Federal or State agency that has provided the alien means-tested public assistance of any kind, including but not limited to medical, food, and housing assistance.

"(d) Civil suits under subsection (c) shall be brought in the United States district court for the district in which the defendant resides and may be brought at any time on or before the date that is 5 years after the date on which the sponsor's period of financial responsibility under subsection (a) expired.

"(e) The bond required of an alien's sponsor by subsection (a) shall be in favor of the United States and all States, territories, countries, towns, municipalities, and districts within the United States and shall hold them harmless against the alien's becoming a public charge. The bond shall be in such amount and shall contain such conditions as the Attorney General may prescribe. The bond shall terminate upon (1) the alien's permanent departure from the United States, (2) the death of an alien, or (3) the expiration of the period of financial responsibility described in subsection (b), whichever occurs first, and any sums or other security held to secure performance thereof, except to the extent forfeited for violation of the terms thereof, shall be returned to the person by whom furnished, or to his legal representative.".

SEC. 503. LIMITED BENEFITS FOR ILLEGAL ALIENS.

(a) DIRECT FEDERAL FINANCIAL BENEFITS.—(1) Notwithstanding any other provision of law, no direct Federal financial benefit or social insurance benefit may be paid, conferred, or otherwise given, on or after the date of enactment of this Act, to any alien not lawfully admitted to the United States as a permanent resident or a refugee except pursuant to a provision of the Immigration and Nationality Act.

(2) Federal reimbursement of emergency medical care provided to such an alien may be provided under such regulations as the Secretary of Health and Human Services may in his or her discretion prescribe.

(b) UNEMPLOYMENT BENEFITS.—No alien who has not been granted employment authorization pursuant to Federal law shall be eligible for unemployment compensation under an unemployment compensation law of a State or the United States.

TITLE VI—EMPLOYER SANCTIONS

SEC. 601. IMPLEMENTATION OF GAO RECOMMENDATIONS.

(a) WORK ELIGIBILITY DOCUMENTS.—Effective January 1, 1995, section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a) is amended by striking subparagraphs (A) through (D) of subsection (b)(1) and inserting:

"(A) IN GENERAL.—The person or entity must attest, under penalty of perjury and on a form designated or established by the Attorney General by regulation, that it has verified that the individual is not an unauthorized alien by—

"(i) examining the document described in subparagraph (B) in the case of an individual claiming to be a United States citizen, United States national, or a permanent resident alien,

"(ii) examining the document described in paragraph (C) in the case of an individual not claiming to be a United States citizen, a United States national, or a permanent resident alien, and

"(iii) reporting the individual's Social Security account number to the Social Security Administration through the telephone verification system established pursuant to section 602 of the Immigration Stabilization Act of 1994.

"(B) DOCUMENTS OF CITIZENS AND NATIONALS.—The document described in this subparagraph is an individual's Social Security account number card issued pursuant to section 601(c) of the Immigration Stabilization Act of 1994.

"(C) DOCUMENTS OF ALIENS.—The document described in this subparagraph is an alien's identification card issued by the Immigration and Naturalization Service pursuant to section 601(b) of the Immigration Stabilization Act of 1994.".

(b) IMPROVEMENT OF ALIEN IDENTITY CARDS.—

(1) PERMANENT RESIDENT ALIENS.—The Attorney General shall cause to be issued to every alien acquiring lawful permanent residence in the United States after June 30, 1994, and, upon application, to any alien who acquired lawful permanent residence before July 1, 1994, an alien identification card that shall—

(A) be uniform in appearance,

(B) be as tamperproof and counterfeit-resistant as practicable,

(C) contain a photograph and fingerprint,

(D) display the name, sex, date of birth, and such other identifying information as the Attorney General shall determine, and

(E) incorporate a machine-readable encoding of the information displayed on the card.

(2) OTHER ALIENS.—The Attorney General shall cause to be issued to every alien who becomes authorized to work in the United States after June 30, 1994, other than by reason of lawful admission for permanent residence, and shall cause to be issued, upon application, to any other alien who is authorized to work in the United States other than by reason of lawful admission for permanent residence an alien identification card that shall—

(A) be uniform in appearance,

(B) be as tamperproof and counterfeit-resistant as practicable,

(C) contain a photograph and fingerprint,

(D) display the alien's name, sex, date of birth, place of birth, and such other identifying information as the Attorney General shall determine,

(E) show an expiration date that shall be determined in accordance with regulations issued by the Attorney General, but shall not in any case be later than 3 calendar years after the date of issuance, and

(F) incorporate a machine-readable encoding of the information displayed on the card.

(c) IMPROVEMENT OF SOCIAL SECURITY CARDS.—

(1) IMPROVED CARD FOR CITIZENS.—The Secretary shall cause to be issued improved Social Security account number cards to United States citizens and United States nationals upon application, proof of identity, proof of citizenship or nationality, and payment of a reasonable fee.

(2) IMPROVED CARD FOR ALIENS.—The Secretary shall cause to be issued improved Social Security account number cards to aliens lawfully admitted for permanent residence upon application, proof of identity, verification of status by the Immigration and Naturalization Service, and payment of a reasonable fee.

(3) REQUIREMENTS.—The cards described in paragraphs (1) and (2) shall—

(A) be uniform in appearance,

(B) be as tamperproof and counterfeit-resistant as practicable,

(C) contain a photograph and fingerprint,

(D) display the name, sex, date of birth, place of birth, and Social Security account number of the issuee, and such other identifying information as the Secretary shall determine, and

(E) incorporate a machine-readable encoding of the information displayed on the card.

(4) SECRETARY DEFINED.—For purposes of this subsection, Secretary means the Secretary of Health and Human Services.

(d) REASONABLE FEE.—The amount of the fee that is to be charged under subsections (b) and (c) shall be the amount (rounded to the nearest whole dollar), not exceeding $50, required to cover the costs of issuing the card.

(e) NO OTHER CARDS.—No Social Security account number card or alien identification card shall be issued after June 30, 1994, whether as an original card or as a replacement, that does not satisfy the requirements of this section.

(f) DEFINITIONS.—For purposes of this section—

(1) "State" means one of the United States, the District of Columbia, or Puerto Rico, and

(2) "place of birth" means, for an individual—

(A) born in a State, the two-letter symbol used by the United States Post Office to identify that State, or

(B) not born in a State, such two-letter symbol as the Secretary shall determine by regulations.

SEC. 602. VERIFICATION BY TELEPHONE.

(a) SOCIAL SECURITY DATABASE.—By September 30, 1994, the Secretary of Health and Human Services shall make such modifications to the Social Security account number data base (NUMIDENT) as are practicable and enable confirmation through the telephone verification system described in subsection (d) that a Social Security account number has been issued to an individual identified by last name, sex, year of birth, and place of birth and that such individual is not known to the Secretary of Health and Human Services to be an alien not authorized to work in the United States. At a minimum the data base shall be modified to enable confirmation that a Social Security account number is not assigned to an individual authorized to work in the United States because the number—

(1) has not been issued,

(2) was issued to an individual known by the Secretary of Health and Human Services as not authorized to work,

(3) was issued to a person that is deceased and has not been reissued, or

(4) was issued to an alien that any data base of the Immigration and Naturalization Service shows is not authorized to work in the United States.

The Attorney General shall provide such assistance as the Secretary of Health and Human Services may require to merge or otherwise make use of any data base of the Immigration and Naturalization Service for the purposes of this section.

(b) EXCHANGE OF INFORMATION.—The Attorney General shall notify the Secretary of Health and Human Services of the expiration of an alien's authorization to work in the United States not later than 14 calendar days after the date of expiration. The Secretary of Health and Human Services shall furnish the Attorney General with a list of any aliens for whom confirmation of work eligibility has been requested not later than 5 calendar days after such request. Such list shall include the telephone number from which the request was made and the employer identification number of the requester.

(c) ADULT APPLICANTS.—The Secretary of Health and Human Services shall furnish to the Attorney General a copy of any application (including supporting documentation) for a Social Security account number by an alien or by an individual over 16 years of age who claims to be a United States citizen or national and shall not issue a number before the earlier of the following dates:

(1) The date on which the Attorney General confirms in writing that his records do not show that the applicant is an alien unauthorized to work in the United States.

(2) 60 days after a copy of the application and supporting documentation has been delivered to the Attorney General.

(d) TELEPHONE VERIFICATION SYSTEM.—Before January 1, 1995, the Secretary of Health and Human Services shall test and place in operation a system whereby an employer can report by touch-tone telephone his employer identification number and the Social Security account number, last name, sex, year of birth, and place of birth of any individual who is to be employed and can receive immediate confirmation that the number was issued to the individual having that identity and that such person is not identified within the Social Security account number data base as an individual who is not a United States citizen, a United States national, or an alien authorized to work in the United States. The charge for each call will be sufficient to cover the costs of operating the system, except that it shall not exceed $2 plus any line charges payable to the telephone carrier. The system shall provide for access to a live operator if an entry is not accepted or confirmed, shall provide a verification code to the caller, and shall accommodate devices that read the magnetic strip incorporated by a card issued under section 601.

(e) ABUSE OF SYSTEM.—The use of the telephone verification system established by subsection (d) by a person other than—

(1) an employer acting pursuant to section 274A(b)(1) of the Immigration and Nationality Act, or

(2) an officer or employee of an agency of the United States or of any State acting in the performance of official duties,

shall be punishable by a fine of not more than $1,000 per occurrence.

SEC. 603. UNIFORM VITAL STATISTICS.

The Secretary of Health and Human Services shall consult with the State agency responsible for registration and certification of births and deaths and, within 2 years of the date of enactment of this Act, shall establish a national electronic network linking the vital statistics records of such States. The network shall provide, where practical, for the matching of deaths with births and shall enable the confirmation of births and deaths of citizens of the United States, or of aliens within the United States, by any Federal or State agency or official in the performance of official duties. The Secretary shall institute measures to achieve uniform and accurate reporting of vital statistics into the national network, to protect the integrity of the registration and certification process, and to prevent fraud against the Government and other persons through the use of false birth or death certificates.

TITLE VII—BORDER SECURITY

SEC. 701. BORDER PATROL PERSONNEL.

The number of full-time officer positions authorized for the Border Patrol of the Immigration and Naturalization Service shall be increased to 5,900 in fiscal year 1994, 6,900 in fiscal year 1995, 7,900 in fiscal year 1996, 8,900 in fiscal year 1997, and 9,900 in fiscal year 1998.

SEC. 702. BORDER CROSSING FEE.

The Commissioner of Immigration and Naturalization shall collect a user fee for each entry into the United States by land or by sea after December 31, 1993. The fee shall be $3 for each person entering other than by private automobile, van, or truck and $5 for each private automobile, van, or truck. The Commissioner by regulation may establish a reduced fee or a multiple-crossing fee for frequent border crossers.

SEC. 703. BORDER CONTROL TRUST FUND.

There is established a Border Control Trust Fund ("Fund") under the control of the Commissioner of Immigration and Naturalization. The fees collected under section 702 shall be deposited into the Fund. Amounts deposited into the Fund and the earnings thereon shall be expended by the Commissioner exclusively on (1) measures, personnel, structures, and devices to deter and prevent illegal entry of persons and contraband into the United States by land or by sea, (2) construction and operation of facilities to expedite lawful border traffic and reduce, where practical, extensive delays in the time required for lawful entry of goods and persons, and (3) financial and other assistance to State and local law enforcement agencies that have entered into cooperative arrangements with the Immigration and Naturalization Service. Not less than 80 percent of the sum of—

(1) amounts deposited into the Fund during a fiscal year; and

(2) the earnings of the Fund during that fiscal year,

shall be expended during that or the subsequent fiscal year.

SEC. 704. RESPONSIBILITY OF INTERNATIONAL CARRIERS.

(a) IN GENERAL.—Section 273 of the Immigration and Nationality Act (8 U.S.C. 1323) is amended—

(1) in subsection (a), by striking "(other than from foreign contiguous territory)";

(2) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively;

(3) by inserting after subsection (b) the following:

"(c) RECORDS.—The Attorney General shall maintain a record of each undocumented alien arriving on or after the date of enactment of this subsection at a United States port of entry and of the carrier which brought such alien to that port of entry.";

(4) by inserting after subsection (c) (as added by paragraph (4)), the following:

"(d) REPEAT OFFENSES.—(1)(A) If the Attorney General determines that, during the preceding calendar year, any carrier has delivered an average of more than 0.5 undocumented aliens per arrival at United States ports of entry then, for the next calendar year, in lieu of the penalty of $3,000 specified in subsection (b), such carrier shall pay to the Attorney General a penalty of $10,000 for each alien brought in violation of subsection (a) or, alternatively, such carrier may choose to participate in a 1-year pilot program intended to reduce the number of undocumented aliens arriving at United States ports of entry via international carriers.

"(B) If such international carrier chooses to participate in the 1-year pilot program, that carrier will be subject to the penalty levels prescribed in subsection (b), rather than the increased penalty levels specified in this subsection, for each alien brought in violation of subsection (a).

"(C) The 1-year pilot program, which can be extended for multiple years at the discretion of the Attorney General, shall consist of a program whereby the international carrier collects the travel documents necessary for entry into the United States from all passengers upon their entry to the carrier and physically returns them to the passengers on

an individual basis only at the actual point of inspection at the United States port of entry by United States immigration officials.

"(2) If the Attorney General determines that, during the preceding calendar year, any carrier has delivered an average of more than 1.5 undocumented aliens per arrival at United States ports of entry, then, for the next calendar year, in lieu of the penalties specified in subsection (b) and in paragraph (1) of this subsection, such carrier shall pay to the Attorney General a penalty of $20,000 for each alien brought in violation of subsection (a).

"(3) If the Attorney General determines that, in the preceding calendar year, any carrier has delivered an average of more than 2 undocumented aliens per arrival at United States ports of entry, then such carrier shall forfeit all landing rights in the United States for the next calendar year."; and

(5) subsection (e) (as redesignated) is amended—

(A) by inserting after "refunded," the following: "unless the alien transported is granted asylum status in the United States or"; and

(B) by inserting before the period at the end thereof "or that the visa or other immigration documentation presented to the carrier was forged, counterfeit, altered, falsely made, stolen, or inapplicable to the alien presenting the document".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(4) shall take effect on January 1 of the second calendar year following the date of enactment of this Act.

TITLE VIII—ALIEN SMUGGLING

SEC. 801. COOPERATIVE ARRANGEMENTS.

The Secretary of State shall undertake to enter into, on behalf of the United States, cooperative arrangements with appropriate foreign governments for the purpose of preventing the unlawful entry of aliens by land, air, or sea.

SEC. 802. COAST GUARD INSTRUCTIONS.

The Secretary of Defense, in consultation, when appropriate, with the Attorney General and the Secretary of State, shall instruct the Coast Guard to deter and prevent the unlawful entry of aliens into the United States by sea. Such instructions shall include directives providing for stopping and boarding vessels, making inquiries of persons and inspecting documents and property on board such vessels, and returning a vessel to the country from which it came or to another country. In the case of vessels outside the territorial sea of the United States, such instructions shall be limited to vessels of the United States, vessels without nationality, vessels assimilated to vessels without nationality, and vessels of foreign nations with which the United States has arrangements authorizing the United States to stop and board such vessels. Except as otherwise provided in the preceding sentence, actions pursuant to this section are authorized to be undertaken both within and beyond the territorial sea of the United States.

SEC. 803. APPLICATION OF RICO.

Section 1961(1) of title 18, United States Code, is amended by striking "or" immediately prior to "(E)", and by adding: "or (F) any act which is indictable under any of the following provisions of the Immigration and Nationality Act: section 274(a)(i) (relating to prohibitions on bringing in or harboring certain aliens), section 275 (relating to illegal entry, marriage fraud, or establishing a commercial enterprise for the purpose of evading the immigration laws), section 277 (relating to aiding or assisting certain aliens to enter the United States), or section 1328 (relating to the importation of aliens for immoral purpose).".

SEC. 804. INCREASED PENALTIES FOR ALIEN SMUGGLING.

Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall promulgate guidelines, or amend existing guidelines, to provide that a defendant convicted of violating, or conspiring to violate section 274(a) of the Immigration and Nationality Act, shall be assigned not less than offense level 25 under section 2L1.1 of the United States Sentencing Guidelines if any of the following factors exist—

(1) if the offense involved five or more aliens in a single scheme or otherwise;

(2) if the offense involved other criminal activity including, but not limited to, violations of the Controlled Substances Act, prostitution, importation of aliens for immoral purposes, trafficking in firearms, money laundering, illegal gang activities, kidnapping or ransom demands, fraudulent documents, or extortion;

(3) if the offense involves smuggling of persons under the age of 18 years for the purposes of illegal adoption or of sexual or commercial exploitation;

(4) if the offense involves the smuggling of known or suspected terrorists or persons involved in organized crime;

(5) if the offense involves dangerous or inhumane treatment of the persons smuggled; or

(6) if death or serious bodily harm occurs to persons smuggled.

Otherwise, the base offense level shall be 13, except for an offense described in section 274(a)(2)(A) of the Immigration and Nationality Act.

SEC. 805. EXPANDED FORFEITURE FOR SMUGGLING OR HARBORING.

Subsection 274(b) of the Immigration and Nationality Act (8 U.S.C. 1324(b)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Any property, real or personal, which facilitates or is intended to facilitate, or which has been used in or is intended to be used in the commission of a violation of subsection (a) or of sections 274A(a)(1) or 274A(a)(2), or which constitutes or is derived from or traceable to the proceeds obtained directly or indirectly from a commission of a violation of subsection (a), shall be subject to seizure and forfeiture, except that—

"(A) no property, used by any person as a common carrier in the transaction of business as a common carrier shall be forfeited under the provisions of this section unless it shall appear that the owner or other person in charge of such property was a consenting party or privy to the illegal act;

"(B) no property shall be forfeited under the provisions of this section by reason of any act or omission established by the owner thereof to have been committed or omitted by any person other than such owner while such property was unlawfully in the possession of a person other than the owner in violation of the criminal laws of the United States or of any State; and

"(C) no property shall be forfeited under this paragraph to the extent of an interest of any owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of the owner, unless such action or omission was committed by an employee or agent of the owner, and facilitated or was intended to facilitate, or was used in or intended to be used in, the commission of a violation of subsection (a) or of section 274A(a)(1) or 274A(a)(2) which was committed by the owner or which intended to further the business interests of the owner, or to confer any other benefit upon the owner.";

(2) by striking from paragraph (2)—

(A) "conveyance" both places it appears and inserting in lieu thereof "property"; and

(B) "is being used in" and inserting in lieu thereof "is being used in, is facilitating, has facilitated, or was intended to facilitate";

(3) by striking from paragraphs (4) and (5) "a conveyance" and "conveyance" each place such phrase or word appears and inserting in lieu thereof "property";

(4) by striking from paragraph (4)—

(A) "or" at the end of subparagraph (C), and

(B) the period at the end of subparagraph (D) and inserting "; or"; and

(5) by adding at the end the following:

"(E) transfer custody and ownership of forfeited property to any Federal, State, or local agency pursuant to the Tariff Act of 1930, as amended (19 U.S.C. 1616a(c)).".

SEC. 806. WIRETAP AUTHORITY FOR ALIEN SMUGGLING INVESTIGATIONS.

(a) Section 2516(1) of title 18, United States Code, is amended—

(1) in paragraph (c), by inserting after "weapons)," the following: "or a felony violation of section 1028 (relating to production of false identification documentation), section 1546 (relating to fraud and misuse of visas, permits, and other documents),";

(2) by striking "or" after paragraph (l) and redesignating paragraphs (m), (n), and (o) as paragraphs (n), (o), and (p), respectively;

(3) by inserting after paragraph (l) the following new paragraph:

"(m) a violation of section 274 of the Immigration and Nationality Act (8 U.S.C. 1324) (relating to alien smuggling), of section 277 of the Immigration and Nationality Act (8 U.S.C. 1327) (relating to the smuggling of aliens convicted of aggravated felonies or of aliens subject to exclusion on grounds of national security), or of section 278 of the Immigration and Nationality Act (8 U.S.C. 1328) (relating to smuggling of aliens for the purpose of prostitution or other immoral purpose);"; and

(4) by striking "or any Deputy Assistant Attorney General in the Criminal Division specially designated by the Attorney General" and inserting "or any Deputy Assistant Attorney General or acting Deputy Assistant Attorney General in, or one other officer or employee of, the Criminal Division specially designated by the Attorney General".

(b) Section 2518(5) of title 18, United States Code, is amended by inserting "(including personnel of a foreign government or of a State or subdivision of a State)" after "Government personnel".

(c) Section 2510(7) of title 18, United States Code, is amended by inserting before the semicolon "and additionally, for purposes of paragraphs (1) and (2) of section 2517, any person authorized to perform investigative, law enforcement, or prosecutorial functions by a foreign government".

TITLE IX—EFFECTIVE DATE

SEC. 901. EFFECTIVE DATE.

Except where otherwise specifically provided, this Act, and the amendments made by this Act, shall take effect on October 1, 1994.

By Mr. HATCH (for himself, Mr. EXON, and Mr. LIEBERMAN):

S. 1924. A bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home; to the Committee on Finance.

HOME OFFICE DEDUCTION ACT OF 1994

Mr. HATCH. Mr. President, I rise today to introduce the Home Office Deduction Act of 1994. I am joined in this effort by my friends and colleagues, Senator EXON and Senator LIEBERMAN. Companion legislation (H.R. 3407) has already been introduced in the House of Representatives by Representatives PETER HOAGLAND, NANCY JOHNSON, KWEISI MFUME, PHIL CRANE, and others.

This bill is designed to reverse an inequity for hundreds of thousands of taxpayers that was created by last year's Supreme Court decision in Commissioner versus Soliman. That decision effectively closed the door to legitimate home office deductions for many taxpayers. Moreover, the decision unfairly penalizes many small businesses simply because they operate from a home rather than from a store front, office building, or industrial park.

Mr. President, until the Soliman decision, small business owners and professionals who dedicated a space in their homes to use for business activities were allowed to deduct the expenses of the home office if the following factors applied: First, the space in the home was used solely and exclusively as an office; second, the taxpayer had no other office for the business; and third, the deduction claimed was not greater than the income earned by the business. Through the Soliman case, the Supreme Court has narrowed significantly the availability of this deduction by adding two more requirements: First, the owner of the business physically meet clients or customers in the home office; and second, the revenue of the business is actually earned in the home office.

The ironic effect of the Supreme Court's decision is that a taxpayer who rents office space outside of the home is allowed a full deduction, but one who tries to economize by working at home is penalized. This makes no sense to me.

The Home Office Deduction Act of 1994 is designed to restore the deduction for home office expenses to pre-Soliman law. Rather than requiring taxpayers to meet the new criteria set out by the Court, the bill allows a home office to meet the definition of a principal place of business if it is the location where essential administrative or management activities are conducted on a regular and systematic basis by the taxpayer. To avoid possible abuses, the bill requires that the taxpayer have no other location for the performance of the administrative or management activities of the business.

Our economy is presently in a state of flux. Many corporations are downsizing. This restructuring of the job market is generally a progressive and beneficial move for the long-term health of our economy. In the short term, however, this change is causing many Americans to rethink, retrain, and redream. Many workers who have been laid off or forced from the job market are helping to restructure our Nation's job market by starting new businesses with their limited resources. For many, this means the fledgling business is based in the home of the entrepreneur. For these individuals, the Soliman decision could not have come at a worse time.

In most cases, Mr. President, startup businesses are very short on cash. Yet, for many, ultimate success depends on the ability to hold out for just a few more months. In these situations, even a relatively small tax deduction for the expenses of the home office can make a critical difference. It is important to note that some of America's fastest growing and dynamic corporations originated in the home or garage of the founder. Our tax policies should support those who dare to risk everything to bring their ideas to the marketplace. In today's changing world, many of tomorrow's jobs will come from entrepreneurs who are struggling to survive in a home-based business.

We should also recognize the family impact that a home-based business can have. Mothers and fathers, whether single or married, are more often choosing to work at home to be with their children. Having a parent at home who can help supervise children, while earning a living, can have a tremendous positive effect on the well being of our families and of society. This can also be very important when a taxpayer must stay at home to care for elderly or disabled relatives. This legislation supports these choices by treating a home-based business on a more equal footing with one away from home.

Recent improvements in computer and telecommunications technology have now made it possible for many individuals to do much of their work at home. In many cases, a home office can be just as technologically competitive as any commercial office space. Our tax policy should not discriminate against home businesses simply because a taxpayer makes the choice, often based on economic or family considerations, to operate his or her business out of the home.

This legislation can also have an important effect on rural areas, such as in my home State of Utah. Many small business owners and professionals in rural areas must spend a great deal of time on the road, meeting clients, customers, or patients. It is likely that many of my rural constituents will be unable to meet the new requirements for the home office deduction.

Mr. President, the Home Office Deduction Act of 1994 has the support of the American Institute of Certified Public Accountants, the National Federation of Independent Businesses, the Family Research Council, the Small Business Legislative Council, the National Association of the Self-Employed, the National Association of the Remodeling Industry, the National Association of Small Business Investment Companies, the Direct Selling Association, the Promotional Products Association International, the Illinois Women's Economic Development Summit, the Alliance of Independent Store Owners and Professionals, the American Veterinary Medical Association, the Bureau of Wholesale Sales Representatives, the National Association of Home Builders, the International Home Furnishings Representatives Association, the National Association of Women Business Owners, Communicating for Agriculture, and the National Society of Public Accountants.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

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

S. 1924

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 "Home Office Deduction Act of 1994".

SEC. 2. CLARIFICATION OF DEFINITION OF PRINCIPAL PLACE OF BUSINESS.

Subsection (f) of section 280A of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) PRINCIPAL PLACE OF BUSINESS.—For purposes of subsection (c), a home office shall in any case qualify as the principal place of business if—

"(A) the office is the location where the taxpayer's essential administrative or management activities are conducted on a regular and systematic (and not incidental) basis by the taxpayer, and

"(B) the office is necessary because the taxpayer has no other location for the performance of the administrative or management activities of the business."

SEC. 3. TREATMENT OF STORAGE OF PRODUCT SAMPLES.

Paragraph (2) of section 280A(c) of the Internal Revenue Code of 1986 is amended by striking "inventory" and inserting "inventory or product samples".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1991.

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS,
Washington, DC, March 8, 1994.

Hon. ORRIN G. HATCH,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: On behalf of the American Institute of Certified Public Accountants (AICPA), I would like to take this opportunity to express our support for the

Home Office Deduction Act. We believe your proposal will be well received among the many home-based businesses in our country.

The recent Supreme Court decision, Commissioner v. Soliman, (113 S. Ct. 701 (1993)) curtails or at least throws into question a legitimate business expense deduction for many taxpayers. It penalizes certain home-based businesses solely because they operate from their homes rather than from a store front, industrial park or office building, even though these businesses may be practically identical.

Prior to Soliman, home office expenses were deductible if: (1) space in the home was used "solely and exclusively" as an office; (2) the taxpayer had no other office for the business; and (3) the business generated enough income to cover the deduction. (In addition, for employees the office at home had to be established for the convenience of the employer.) Soliman, at the very least, has now raised serious questions as to whether a deduction is allowable unless: (1) the customers of the home-based business physically visit the home office; and (2) the business revenue is produced within the home office.

Without passage of legislation to liberalize the rules for the eligibility of the home-office deduction some home-based business owners are likely to lose this deduction. We believe your bill upholds the original intent of the home office deduction, but provides standards that reflect the realities of the business world. It would maintain the three criteria, prior to Soliman, for the deduction, while making clear that essential administrative and management activities, such as tax preparation, bookkeeping and billing, and soliciting business, are legitimate uses of business time and office space for the purpose of deducting the expenses of a home office.

In the interest of tax simplification, we generally do not support retroactive legislation. However, since the IRS has announced in Notice 93-12 (1993-8 I.R.B. 46), that Soliman would be effective for 1993 and later years, we support the effective date in your proposal.

As you know, the AICPA is comprised of 310,000 members whose clients include many small business owners. We commend you for your advocacy on behalf of small business and look forward to working with you toward enactment of this legislation.

Sincerely,

HARVEY L. COUSTAN,
Chairman, Tax Executive Committee.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, DC, March 10, 1994.

Hon. ORRIN HATCH,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: On behalf of the over 600,000 members of the National Federation of Independent Business (NFIB), thank you for introducing legislation to clarify who is eligible for the home office deduction.

Millions of business owners work out of their homes. The vast majority of these businesses are new entities and their owners lack the resources to rent office space. Many of these businesses will grow into larger, more successful firms, providing jobs and tax revenue for their local communities. Other home-based businesses will remain small, but will allow their owners to stay close to their families while they work.

Unfortunately, the Supreme Court has interpreted current law in such a way that very few home offices will be able to take the home office deduction. Eliminating the deduction for these businesses makes it more expensive for those with entrepreneurial spirit to go into business for themselves.

NFIB supports enact of legislation to allow business owners who are working out of their homes to utilize the deduction if a room of their house is used exclusively for business purposes and if no other location in available.

Sincerely,

JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

MARCH 10, 1994.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATCH: The undersigned associations strongly support the Home Office Deduction Act of 1994, legislation which recognizes the growing importance of home-based businesses to the nation's economy.

In striving to ameliorate the economic hardships caused by the recent U.S. Supreme Court decision in Commissioner v. Soliman, your legislation will do much to promote economic growth and create prosperity for the American work force. The proposal is an excellent response to the current spate of corporate downsizings which have resulted in the layoffs of tens of thousands of workers. They, like many other people, are now attempting to live the American dream by starting businesses out of their homes.

The legislation is a clear recognition of the convenience that home-based businesses offer American families. A home-based business provides a spouse (including a single parent) with the emotional benefits of taking care of his or her children at home while earning money at the same time.

Your proposal is also in tune with the fact that modern telecommunications equipment (such as personal computers, facsimile machines, and modems) make home-based businesses technologically competitive with any commercially leased space. Unfortunately, without enactment of your initiative, tens of thousands of persons stand to lose the home office deduction based on the Soliman decision—such as independent sales persons, plumbers, electricians, remodeling contractors, rural veterinarians, and others. Your proposal reaches for the right result by ensuring that these people continue to be eligible for the deduction even though they (a) visit customers outside the home and (b) generate the revenues of the business outside the home.

Thank you for introducing your home office deduction initiative. We will strongly support your efforts to obtain enactment of this very important piece of legislation for small business.

Sincerely,

Alliance of Independent Store Operators and Professionals, American Veterinary Medical Association, Bureau of Wholesale Sales Representatives, Communicating for Agriculture, Direct Selling Association, Family Research Council, Illinois Women's Economic Development Summit, International Home Furnishings Representatives Association, National Association for the Self-Employed, National Association of Home Builders, National Association of the Remodeling Industry, National Association of Small Business Investment Companies, National Association of Women Business Owners, National Society of Public Accountants, Promotional Products Association International, Small Business Legislative Council.

Mr. LIEBERMAN. Mr. President, I am pleased to join in the introduction of this important bill to restore the home office deduction.

After being turned down by two tax courts, the IRS succeeded in narrowing the definition of the home office deduction by taking their case to the Supreme Court. In essence, the early 1993 decision narrows the home office deduction test to businesses where income is generated in the home and to businesses where customers come to the home.

These new tests are flawed. They disallow the deduction for a whole host of legitimate home businesses. Take plumbers or house painters. Both plumbers and painters may run virtually all aspects of their businesses from the home but in the end they must travel to the customer. A plumber simply cannot insist that a bathtub be brought to the office. There is a clear and compelling reason for a house painter to make house calls.

Mr. President, this issue is of particular importance to my home state of Connecticut where laid-off workers are using severance packages to start businesses out of their homes where underemployed workers are making ends meet through part-time home businesses. These are the forced entrepreneurs I have been talking about for some time. These are the people who have struck out on their own in such numbers that they appear to be showing up in labor statistics. To quote an October 1993 report by the New England Economic Project,

> Households have been reporting more buoyant employment conditions than establishments have. The number of New Englanders now indicating they are working is 2 percent higher than a year earlier. This upturn appears to reflect a rise in self-employment and the emergence of small young businesses that are not yet tabulated in the establishment survey. In other words, people may be adjusting to shrinking job opportunities at the region's traditional employers by becoming entrepreneurs.

Mr. President, these new rules are truly a step backward. They ignore the trend toward home-based businesses by those who have lost traditional office jobs, they ignore those who are working second jobs to make ends meet, and they ignore those parents who choose to stay at home with the children while still earning a much-needed income.

In the past, there have undoubtedly been abuses of this deduction. I believe there has been cause to tighten these rules. But the solution to these abuses has clearly not been found. To exclude whole sectors of legitimate home office businesses is hardly the answer to the problem of abuse. I should also point out that in this economy, the last thing we should be doing is hurting legitimate businesses.

I encourage my colleagues to join me as a sponsor of this legislation.

ADDITIONAL COSPONSORS

S. 70

At the request of Mr. COCHRAN, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 70, a bill to reauthorize the National Writing Project, and for other purposes.

S. 208

At the request of Mr. BUMPERS, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 208, a bill to reform the concessions policies of the National Park Service, and for other purposes.

S. 446

At the request of Mr. ROTH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 446, a bill to extend until January 1, 1996, the existing suspension of duty on tamoxifen citrate.

S. 1224

At the request of Mr. METZEMBAUM, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1224, a bill to prohibit an agency, or entity, that receives Federal assistance and is involved in adoption or foster care programs from delaying or denying the placement of a child based on the race, color, or national origin of the child or adoptive or foster parent or parents involved, and for other purposes.

S. 1288

At the request of Mr. AKAKA, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1288, a bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture commercialization research program, and for other purposes.

S. 1329

At the request of Mr. D'AMATO, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1329, a bill to provide for an investigation of the whereabouts of the United States citizens and others who have been missing from Cyprus since 1974.

S. 1405

At the request of Mr. KERRY, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1405, a bill to strengthen the National Flood Insurance Program and to reduce risk to the flood insurance fund by increasing compliance, providing incentives for community floodplain management, providing for mitigation assistance, and for other purposes.

S. 1485

At the request of Mr. DECONCINI, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 1485, a bill to extend certain satellite carrier compulsory licenses, and for other purposes.

S. 1669

At the request of Mrs. HUTCHISON, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1669, a bill to amend the Internal Revenue Code of 1986 to allow homemakers to get a full IRA deduction.

S. 1715

At the request of Mrs. HUTCHISON, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1715, a bill to provide for the equitable disposition of distributions that are held at a bank or other intermediary as to which the beneficial owner are unknown or whose addresses are unknown, and for other purposes.

S. 1805

At the request of Mr. WARNER, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1805, a bill to amend title 10, United States Code, to eliminate the disparity between the periods of delay provided for civilian and military retiree cost-of-living adjustments in the Omnibus Budget Reconciliation Act of 1993.

S. 1819

At the request of Mrs. KASSEBAUM, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 1819, a bill to prohibit any Federal department or agency from requiring any State, or political subdivision thereof, to convert highway signs to metric units.

S. 1915

At the request of Mr. SHELBY, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1915, a bill to require certain Federal agencies to protect the rights of private property owners.

SENATE JOINT RESOLUTION 146

At the request of Mr. WOFFORD, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Joint Resolution 146, a joint resolution designating May 1, 1994, through May 7, 1994, as "National Walking Week."

SENATE JOINT RESOLUTION 157

At the request of Mr. SASSER, the names of the Senator from Alabama [Mr. HEFLIN] the Senator from Alabama [Mr. SHELBY], the Senator from Michigan [Mr. LEVIN], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Joint Resolution 157, a joint resolution to designate 1994, as "The Year of Gospel Music."

SENATE RESOLUTION 182

At the request of Mr. D'AMATO, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of Senate Resolution 182, a resolution entitled "A Call for Humanitarian Assistance to the Pontian Greeks."

SENATE RESOLUTION 185

At the request of Mr. D'AMATO, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of Senate Resolution 185, a resolution to congratulate Phil Rizzuto on his induction into the Baseball Hall of Fame.

AMENDMENT NO. 1486

At the request of Mr. BOND, his name was added as a cosponsor of Amendment No. 1486 proposed to S. 4, a bill to promote the industry competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovative Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National institute of Standards and Technology, and for other purposes.

AMENDMENTS SUBMITTED

NATIONAL COMPETITIVENESS ACT

WALLOP (AND OTHERS) AMENDMENT NO. 1487

Mr. WALLOP (for himself, Mr. COATS, Mr. MACK, Mr. SIMPSON, Mr. PRESSLER, and Mr. NICKLES) proposed an amendment to the bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes; as follows:

DEFINITIONS

SECTION 1. Section 601 of title 5, United States Code is amended—

(1) in paragraph (2) by inserting "any rule of the Internal Revenue Service" before "or any other law, including";

(2) in paragraph (5) by striking out "and" at the end thereof;

(3) in paragraph (6) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraph:

"(7) the term 'impact' means effects of a proposed or final rule which an agency can anticipate at the time of publication, and includes those effects which are directly and indirectly imposed by the proposed or final rule and are beneficial and negative.".

INITIAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 2. Section 603 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence by inserting "as defined under section 601(2)" after "any proposed rule"; and

(B) in the second sentence by striking out "the impact" and inserting in lieu thereof "both the direct and indirect impacts";

(2) in subsection (b)(3) by striking out "apply" and inserting in lieu thereof "directly apply and an estimate of the number of small entities to which the rule will indirectly apply"; and

(3) in subsection (c) in the first sentence by inserting before the period "either directly or indirectly effected".

FINAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 3. Section 604(a) of title 5, United States Code, is amended in the first sentence by striking out "under section 553 of this title, after being required by that section or any other law to publish a general notice of proposed rulemaking" and inserting in lieu thereof "as defined under section 610(2)".

JUDICIAL REVIEW

SEC. 4. Section 611(b) of title 5, United States Code, is repealed.

McCONNELL AMENDMENT NO. 1488

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 4, supra;

NOTICE TO SUSPEND RULE XXVI

Mr. McCONNELL submitted the following notice in writing:

Mr. President, it is my intention to move to amend the Standing Rules of the Senate. An amendment to be proposed by myself would amend Rule XXVI of the Standing Rules of the Senate by adding the following:

MC CONNELL AMENDMENT NO. 1488

At the end of the bill, add the following new section:

SEC. . LITIGATION IMPACT STATEMENT.

Paragraph 11 of rule XXVI of the Standing Rules of the Senate is amended by—

(1) in subparagraph (c), by striking "paragraphs (a) and (b)" and inserting "paragraphs (a), (b), and (c)";

(2) by redesignating subparagraph (c) as subparagraph (d); and

(3) by adding after subparagraph (b) the following:

"(c) Each such report (except those by the Committee on Appropriations) shall also contain a litigation impact evaluation made by such committee which shall include—

"(1) an estimate of any increase in litigation which would result from the enactment of the bill or joint resolution;

"(2) an estimate of any increase in private liability which would result from the enactment of the bill or joint resolution; and

"(3) an estimate of any increase in liability insurance costs which would result from the enactment of the bill or joint resolution.".

COHEN (AND BOREN) AMENDMENT NO. 1489

Mr. COHEN (for himself and Mr. BOREN) proposed an amendment to the bill S. 4, supra; as follows:

At the end of the bill, insert the following new title:

SECTION 01. SHORT TITLE.

This Act may be cited as the "Counterintelligence Improvements Act of 1991".

SEC. 02. AMENDMENT TO THE NATIONAL SECURITY ACT OF 1947.

The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by inserting at the end thereof the following new title:

"TITLE VIII—ACCESS TO TOP SECRET INFORMATION

"ELIGIBILITY FOR ACCESS TO TOP SECRET INFORMATION

"SEC. 801. (a) The President and Vice President, Members of the Congress, Justices of the Supreme Court and judges of other courts of the United States established pursuant to Article III of the Constitution, shall, by virtue of their elected or appointed positions, be entitled to access to Top Secret information needed for the performance of their governmental functions without regard to the other provisions of this title.

"(b) Among employees of the United States Government, access to Top Secret information shall be limited to employees;

(1) who have been granted access to such information pursuant to this title;

(2) who are citizens of the United States who require routine access to such information for the performance of official governmental functions; and

(3) who have been determined to be trustworthy based upon a background investigation and appropriate reinvestigations and have otherwise satisfied the requirements of section 802, below.

(c) Access to Top Secret information by persons other than those identified in subsections (a) and (b) shall be permitted only in accordance with the regulations issued by the President pursuant to section 802 below.

IMPLEMENTING REGULATIONS

"Sec. 802. The President shall, within 180 days of enactment of this title, issue regulations to implement this title which shall be binding upon all departments, agencies, and offices of the Executive branch. These regulations shall, at a minimum provide that—

(A) no employee of the United States Government shall be given access to Top Secret information owned, originated or possessed by United States, after the effective date of this title, by any department, agency, or entity of the United States Government unless such person has been subject to an appropriate background investigation and has—

"(1) provided consent to the investigative agency responsible for conducting the security investigation of such person, during the initial background investigation and for such times as access to such information is maintained, and for 5 years thereafter, permitting access to—

(a) financial records concerning the subject pursuant to section 1104 of the Right to Financial Privacy Act of 1978;

"(b) consumer reports concerning the subject pursuant to section 1681b of the Consumer Credit Protection Act; and

"(c) records maintained by commercial entities within the United States pertaining to any travel by the subject outside the United States: *Provided*, That—

"(i) no information may be requested by an authorized investigative agency pursuant to this section for any purpose other than making a security determination;

"(ii) where the person concerned no longer has access to Top Secret information, no information may be requested by an authorized investigative agency pursuant to this section unless such agency has reasonable grounds to believe, based upon specific and articulable facts available to it, that such person may pose a threat to the continued security of the information to which he or she had previously had access; and

"(iii) any information obtained by an authorized investigative agency pursuant to this section shall not be disseminated to any other department, agency, or entity for any purpose other than for making a security determination, or for foreign counterintelligence or law enforcement purposes;

"(2) agreed, during the period of his or her access, to report to the department, agency, or entity granting such access in accordance with applicable regulations, any travel to foreign countries which has not been authorized as part of the subject's official duties;

"(3) agreed to report to the Federal Bureau of Investigation, or to appropriate investigative authorities of the department, agency, or entity concerned, any unauthorized contacts with persons known to be foreign nationals or persons representing foreign nationals, where an effort to acquire classified information is made by the foreign national, or where such contacts appear intended for this purpose. For purposes of this subsection, the term 'unauthorized contacts' does not include contacts made within the context of an authorized diplomatic relationship. Failure by the employee to comply with any of the requirements of this subsection shall constitute grounds for denial or termination of access to the Top Secret information concerned.

"(B) all employees granted access to Top Secret information pursuant to this subsection shall also be subject to—

"(1) additional background investigations by appropriate governmental authorities during the period of access at no less frequent interval than every 5 years, except that any failure to satisfy this requirement that is not solely attributable to the subject of the investigation shall not result in a loss or denial of access; and

"(2) investigation by appropriate governmental authority at any time during the period of access to ascertain whether such persons continue to meet the requirements for access.

"(C) access to Top Secret information by categories of persons who do not meet the requirements of subsections (A) and (B) of this section may be permitted only where the President, or officials designated by the President for this purpose, determine that such access is essential to protect or further the national security interests of the United States.

"(D) a single office within the Executive branch shall be designated to monitor the implementation and operation of this title within the Executive branch. This office shall submit an annual report to the President and appropriate committees of the Congress, describing the operation of this title and recommending needed improvements. A copy of the regulations implementing this title shall be provided to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives thirty days prior to their effective date.

"WAIVERS FOR INDIVIDUAL CASES

"SEC. 803. In extraordinary circumstances, when essential to protect or further the national security interests of the United States, the President (or officials designated by the President for this purpose) may waive the provisions of this title, or the provisions of the regulations issued pursuant to section 802, above, in individual cases involving persons who are citizens of the United States or are persons admitted into the United States for permanent residence: *Provided*, That all such waivers shall be made a matter of record and reported to the office designated pursuant to section 802(D), above, and shall be available for review by the Select Committee on Intelligence of the Senate and the

Permanent Select Committee of the House of Representatives.

"DEFINITIONS

"SEC. 804. For purposes of this title—

"(a) the term 'national security' refers to the national defense and foreign relations of the United States;

"(b) the phrases 'information classified in the interest of national security' or 'classified information' means any information originated by or on behalf of the United States Government, the unauthorized disclosure of which would cause damage to the national security, which has been marked and is controlled pursuant to the Executive Order 12356 of April 2, 1982, or successor orders, or the Atomic Energy Act of 1954;

"(c) the term 'Top Secret information' means information classified in the interests of national security, the unauthorized disclosure of which would cause exceptionally grave damage to the national security;

"(d) the term 'employee' includes any person who receives a salary or compensation of any kind from the United States Government, is a contractor of the United States Government, is an unpaid consultant of the United States Government, or otherwise acts for or on behalf of the United States Government, but does not include the President or Vice President of the United States, Members of the Congress of the United States, Justices of the Supreme Court or judges of other federal courts established pursuant to Article III of the Constitution; and

"(e) the term "authorized investigative agency" means an agency authorized by law or regulation to conduct investigations of persons who are proposed for access to Top Secret information to ascertain whether such persons satisfy the criteria for obtaining and retaining access to such information.

"EFFECTIVE DATE

"SEC. 805. This title shall take effect 180 days after the date of its enactment.".

SEC. 03. PROTECTION OF CRYPTOGRAPHIC INFORMATION.

The National Security Act of 1947 (50 U.S.C. 401 et seq.), as amended by section 02, is further amended by inserting at the end the following new title:

"TITLE IX—PROTECTION OF CRYPTOGRAPHIC INFORMATION

"SEC. 901. (a) REQUIREMENTS FOR ACCESS TO CRYPTOGRAPHIC INFORMATION.—(1) Any employee of a department or agency within the Executive branch who is granted access to classified cryptographic information or routine, recurring access to any space in which classified cryptographic key is produced or processed, or is assigned responsibilities as a custodian of classified cryptographic key, shall, as a condition of receiving such access, or being assigned such responsibilities, and at a minimum:

"(A) meet the requirements applicable to persons having access to Top Secret information, as defined in subsection 804(c) of this Act, [as added by Section 02 of this Act]; and

"(B) be subject to periodic polygraph examinations conducted by appropriate governmental authorities, limited in scope to questions of a counterintelligence nature, during the period of access.

"(2) Failure to submit to an examination required under paragraph (1) shall be grounds for removal from access to cryptographic information or spaces.

"(3) No person shall be removed from access to cryptographic information or spaces based solely upon the interpretation of the results produced by a polygraph instrument, measuring physiological resources, unless, after further investigation, the head of the department or agency concerned determines the risk to the national security in permitting such access to be so potentially grave that access must nonetheless be denied.

"(b) DEFINITIONS.—For purposes of this section—

"(1) the term 'classified cryptographic information' means any information classified by the United States Government pursuant to law or Executive order concerning the details of (A) the nature, preparation, or use of any code, cipher, or cryptographic system of the United States; or (B) the design, construction, use, maintenance, or repair of any cryptographic equipment; *Provided, however,* That the term does not include information concerning the use of cryptographic systems or equipment required for personal or office use;

"(2) the phrase 'custodian of classified cryptographic key' means positions that require access to classified cryptographic key beyond that required to use or operate cryptographic equipment for personal or office use, future editions of classified cryptographic key, or classified cryptographic key used for multiple devices;

"(3) the term 'classified cryptographic key' means any information (usually a sequence of random binary digits), in any form, classified by the United States Government pursuant to law or Executive order that is used to set up and periodically change the operations performed by any cryptographic equipment;

"(4) the term 'cryptographic equipment' means any device, apparatus or appliance used, or prepared, or planned for use by the United States for the purpose of authenticating communications or disguising or concealing the contents, significance, or meanings of communications;

"(5) the term 'employee' includes any person who receives a salary or compensation of any kind from a department or agency of the Executive branch, or is a contractor or unpaid consultant of such department or agency;

"(6) the term 'head of a department or agency' refers to the highest official who exercises supervisory control over the employee concerned, and does not include any intermediate supervisory officials who may otherwise qualify as heads of agencies within departments; and

"(7) the phrase 'questions of a counterintelligence nature' means questions specified to the subject in advance of a polygraph examination solely to ascertain whether the subject is engaged in, or planning, espionage against the United States on behalf of a foreign government or knows persons who are so engaged.

"SEC. 902. IMPLEMENTING REGULATIONS.—The President shall, within 180 days of the date of enactment of this title, promulgate regulations to implement the provisions of this title. The President shall provide copies of such regulations to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.".

SEC. 04. AMENDMENT THE RIGHT TO FINANCIAL PRIVACY ACT.

Section 1104 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3404) is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the provisions of subsection (a), a customer who is the subject of a personnel security investigation conducted by an authorized investigative agency of the U.S. Government as a condition of being granted or maintaining access to Top Secret information, as defined by section 804(c) of the National Security Act of 1947 (as added by section 02 of this Act), may authorize nonrevokable disclosure of all financial records maintained by financial institutions for the period of the customer's access to such information and for up to 5 years after access to such information has been terminated, by the investigative agency responsible for the conduct of such investigation, for an authorized security purpose.

"(2) Such authority shall be contained in a signed and dated statement of the customer which identifies the financial records which are authorized to be disclosed. Such statement may also authorize the disclosure of financial records of accounts opened during the period covered by the consent agreement which are not identifiable at the time such consent is provided. A copy of such statement shall be provided by the investigative agency concerned to the financial institution from which disclosure is sought, together with the certification required pursuant to section 1103(b) (12 U.S.C. 3403(b)).

"(3) The rights of the customer established by subsection (c), above, shall pertain to any disclosures made pursuant to this subsection.

"(4) On an annual basis, the office designated by President pursuant to section 802(D) of the National Security Act of 1947 (as added by section 02 of this Act), shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning the number of requests for financial records made pursuant to this section.".

SEC. 05. NEW CRIMINAL OFFENSE FOR THE POSSESSION OF ESPIONAGE DEVICES.

(a) IN GENERAL.—Chapter 37 of title 18, United States Code, is amended by inserting at the end thereof the following new section:

"POSSESSION OF ESPIONAGE DEVICES

"SEC. 799a. Whoever knowingly maintains possession of any electronic, mechanical, or other device or equipment the design and capability of which renders it primarily useful for the purpose of surreptitiously collecting or communicating information, with the intent of utilizing such device or equipment to undertake actions which would violate section 793, 794, 794a (as added by section 06 of this Act), or 798 of this title, or section 783(b) of title 50, United States Code, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.".

(b) AMENDMENTS TO TABLE OF SECTIONS.—The table of sections for chapter 37 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"799a. Possession of espionage devices.".

SEC. 06. NEW OFFENSE FOR SALE OR TRANSFER TO FOREIGN GOVERNMENTS DOCUMENTS AND OTHER MATERIALS DESIGNATED AS TOP SECRET.

(a) IN GENERAL.—Chapter 37 of title 18, United States Code, is amended by inserting after section 794 the following new section:

"SALE OR TRANSFER OF DOCUMENTS OR MATERIALS MARKED AS 'TOP SECRET'

"SEC. 794a. (a)(1) No person shall knowingly sell or otherwise transfer for any valuable consideration to any person whom he knows or has reason to believe to be an agent or representative of a foreign government—

"(A) any document, writing, code book, sketch, photograph, map, model, instrument, equipment, electronic storage media, or

other material, or portion thereof, knowing that it is marked or otherwise designated in any manner, pursuant to applicable law and Executive order, as 'Top Secret', or

"(B) any such document, writing, code book, sketch, photograph, map, model, instrument, equipment, electronic storage media, or other material, or portion thereof, which has had such marking or designation removed without authority and the person making the sale or transfer is aware of such removal.

"(2) Paragraph (1) shall not be deemed to be violated by a person who makes such transfer pursuant to applicable law or executive branch authority.

"(b) In any prosecution under this section, whether or not the information or material in question has been properly marked or designated as "TOP SECRET" pursuant to applicable law or Executive order shall not be an element of the offense: *Provided, however,* That it shall be a defense to any prosecution under this section that the information or document in question has been officially released to the public by an authorized representative of the United States prior to the sale or transfer in question.

"(c) Violation of this section shall be punishable by imprisonment for a maximum of 15 years.".

(b) AMENDMENTS TO TABLE OF SECTIONS.—The table of sections of chapter 37 of title 18, United States Code, is amended by inserting after the item relating to section 794 the following new item:

"794a. Sale or transfer of documents or materials marked as 'Top Secret'."

SEC. 07. LESSER CRIMINAL OFFENSE FOR THE REMOVAL OF TOP SECRET DOCUMENTS BY GOVERNMENT EMPLOYEES AND CONTRACTORS.

(A) IN GENERAL.—Chapter 93 of title 18, United States Code, is amended by inserting at the end thereof the following new section:

"REMOVAL AND RETENTION OF 'TOP SECRET' DOCUMENTS OR MATERIAL

"SEC. 1924. Whoever, being an officer, employee, contractor or consultant of the United States, and having, by virtue of his office, employment, position, or contract, becomes possessed of documents or materials classified at the level of 'Top Secret' pursuant to applicable law or Executive order, knowingly removes such documents or materials without authority and retains such documents or materials at an unauthorized location shall be fined not more than $1,000, or imprisoned for not more than one year, or both.".

(b) AMENDMENT TO TABLE OF SECTIONS.—The table of sections for chapter 93 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1924. Removal of 'Top Secret' documents or material."

SEC. 08. JURISDICTION OF UNITED STATES COURTS TO TRY CASES INVOLVING ESPIONAGE OUTSIDE THE UNITED STATES.

(a) Chapter 211 of title 18 of the United States Code is amended by adding a new section 3239 as follows:

"§ 3239. Jurisdiction for espionage and related offenses

"The trial for any offense involving a violation of—

"(a) section 793, 794, 794a (as added by section 06 of this Act), 798, 798a (as added by section 05 of this Act), or subsection 1030(a)(1) of this title;

"(b) section 601 of the National Security Act of 1947 as added by the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421); or

"(c) subsections 4(b) or 4(c) of the Subversive Activities Control Act of 1950 (U.S.C. 783(b) or 783(c));

begun or committed upon the high seas or elsewhere out of the jurisdiction of any particular state or district, may be prosecuted in the District of Columbia, or in the Eastern District of Virginia, or in any other district authorized by law.".

(b) The chapter analysis for chapter 211 of title 18 of the United States Code is amended by striking out

"[3239. Repealed.]"

and inserting in lieu thereof:

"3239. Jurisdiction for espionage and related offenses."

SEC. 9. EXPANSION OF EXISTING STATUTE REGARDING FORFEITURE OF COLLATERAL PROFITS OF CRIME TO ADDITIONAL ESPIONAGE OFFENSES.

Section 3681 of title 18, United States Code, is amended—

(1) in subsection (a), by striking out "section 794 of this title" and inserting in lieu thereof "sections 793, 794, 794a (as added by section 06 of this Act), 798, and 799a (as added by section 05 of this Act) of this title and section 783 of title 50, United States Code"; and

(2) by adding at the end thereof the following new subsection:

"(e) For purposes of this section, convictions pursuant to military courts-martial for offenses comparable to violations of sections 793, 794, 794a (as added by section 06 of this Act), 798, and 799a (as added by section 05 of this Act) of this title, or a violation of section 783 of title 50, or convictions by foreign courts for offenses which, if perpetrated within the United States, would constitute offenses under section 793, 794, 794a (as added by section 06 of this Act), 798, and 799a (as added by section 05 of this Act) of this title, or a violation of section 783 of title 50 shall be considered as convictions for which actions may be ordered pursuant to this section.".

SEC. 10. DENIAL OF ANNUITIES OR RETIRED PAY TO PERSONS CONVICTED OF ESPIONAGE IN FOREIGN COURTS INVOLVING UNITED STATES INFORMATION.

Section 8312 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) For purposes of subsections (b)(1) and (c)(1), an offense within the meaning of such subsections is established if the Attorney General certifies to the agency employing or formerly employing the person concerned—

"(i) than an individual subject to this chapter has been convicted by an impartial court of appropriate jurisdiction within a foreign country in circumstances in which the conduct violates the provisions of law enumerated in subsections (b)(1) and (c)(1), or would violate such provisions, had such conduct taken place within the United States, and that such conviction is not being appealed or that final action has been taken on such appeal;

"(2) that such conviction was obtained in accordance with procedures that provided the defendant due process rights comparable to such rights provided by the United States Constitution, and such conviction was based upon evidence which would have been admissible in the courts of the United States; and

"(3) that such conviction occurred after the date of enactment of this subsection:

Provided, That any certification made pursuant to this paragraph shall be subject to review by the United States Court of Claims based upon the application of the individual concerned, or his or her attorney, alleging that any of the conditions set forth in subsections (1), (2), (3), herein, as certified by the Attorney General, have not been satisfied in his or her particular circumstances. Should the court determine that any of these conditions has not been satisfied in such case, the court shall order any annuity or retirement benefit to which the person concened is entitled to be restored and shall order that any payments which may have been previously denied or withheld to be paid by the department or agency concerned.

SEC. 11. AUTHORIZING THE FBI TO OBTAIN CONSUMER REPORTS ON PERSONS BELIEVED TO BE AGENTS OF FOREIGN POWERS.

Section 608 of the Consumer Credit Protection Act (15 U.S.C. 1681f) is amended—

(1) by inserting "(a)" before "Notwithstanding"; and

(2) by inserting at the end thereof the following new subsections:

"(b) Notwithstanding the provisions of section 604, a consumer reporting agency shall, upon request, furnish a consumer report to the Federal Bureau of Investigation, if the Director of the Federal Bureau of Investigation, or the Director's designee, certifies in writing to the consumer reporting agency that such records are sought in connection with an authorized foreign counterintelligence investigation and that there are specific and articulable facts giving reason to believe that the person to whom the requested consumer report relates is an agent of a foreign power, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

"(c) Notwithstanding the provisions of section 604, a consumer reporting agency shall furnish identifying information respecting any consumer, limited to name, address, former addresses, places of employment, or former places of employment, to a representative of the Federal Bureau of Investigation when presented with a written request signed by the Director of the Federal Bureau of Investigation, or the Director's designee, stating that the information is necessary to the conduct of an authorized foreign counter-intelligence investigation.

"(d) No consumer reporting agency, or officer, employee, or agent of such institution shall disclose to any person that the Federal Bureau of Investigation has sought or obtained a consumer report or identifying information respecting any consumer under this section.

"(e) On an annual basis the Director of the Federal Bureau of Investigation shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all requests made under subsections (b) and (c).".

SEC. 12. TO PROVIDE FOR REWARDS FOR INFORMATION CONCERNING ESPIONAGE.

(a) IN GENERAL.—Chapter 204 of title 18, United States Code, is amended—

(1) by inserting at the end of the chapter heading "AND ESPIONAGE";

(2) in section 3071, by inserting "(a)" immediately before "With respect to";

(3) in section 3071, adding at the end thereof the following new subsection:

"(b) With respect to acts of espionage involving or directed at United States information classified in the interest of national security, the Attorney General may reward any individual who furnishes information—

"(1) leading to the arrest or conviction, in any country, of any individual or individuals for commission of an act of espionage against the United States;

"(2) leading to the arrest or conviction, in any country, of any individual or individuals for conspiring or attempting to commit an act of espionage against the United States; or

"(3) leading to the prevention or frustration of an act of espionage against the United States.".

(b) AMOUNT OF REWARDS.—Section 3072 of title 18, United States Code, is amended by striking out "$500,000" and inserting in lieu thereof "$1,000,000".

(c) DEFINITIONS.—Section 3077 of title 18, United States Code, is amended by inserting at the end thereof the following new paragraphs:

"(8) 'act of espionage' means an activity that is a violation of sections 794, 794a (as added by section 06 of this Act), 798, or 799a (as added by section 05 of this Act) of this title or section 783 of title 50, United States Code.

"(9) 'United States information classified in the interests of national security' means information originated, owned, or possessed by the United States Government concerning the national defense and foreign relations of the United States that has been determined pursuant to law or Executive order to require protection against unauthorized disclosure and that has been so designated.".

SEC. 13. TO PROVIDE A COURT ORDER PROCESS FOR PHYSICAL SEARCHES UNDERTAKEN FOR FOREIGN INTELLIGENCE PURPOSES.

The Foreign Intelligence Surveillance Act of 1978 is amended by inserting at the end thereof the following new title:

"TITLE IV—PHYSICAL SEARCHES WITHIN THE UNITED STATES FOR FOREIGN INTELLIGENCE PURPOSES

"AUTHORIZATION OF PHYSICAL SEARCHES FOR FOREIGN INTELLIGENCE PURPOSES

"SEC. 401. (a) Applications for a court order under this title are authorized if the President has, in writing, empowered the Attorney General to approve applications to the Foreign Intelligence Surveillance Court, and a judge of that court to whom application is made may, notwithstanding any other law, grant an order, in conformity with section 403, approving a physical search in the United States, for the purpose of collecting foreign intelligence information of—

"(1) the property, information or material of a foreign power as defined in section 101(a)(1), (2), and (3) of this Act, or

"(2) the premises, property, information or material of an agent of a foreign power or a foreign power as defined in section 101 (a) (4), (5), and (6) of this Act.

"(b) The Foreign Intelligence Surveillance Court shall have jurisdiction to hear applications for and grant orders approving a physical search for the purpose of obtaining foreign intelligence information anywhere within the United States under the procedures set forth in this title, except that no judge shall hear the same application which has been denied previously by another judge. If any judge denies an application for an order authorizing a physical search under this title, such judge shall provide immediately for the record a written statement of each reason for his decision and, on motion of the United States, the record shall be transmitted, under seal, to the Court of Review.

"(c) The Court of Review shall have jurisdiction to review the denial of any application made under this title. If such court determines that the application was properly denied, the Court shall immediately provide for the record a written statement of each reason for its decision and, on petition of the United States for a writ of certiorari, the record shall be transmitted under seal to the Supreme Court, which shall have jurisdiction to review such decision.

"(d) Judicial proceedings under this title shall be concluded as expeditiously as possible. The record of proceedings under this title, including applications made and orders granted, shall be maintained under security measures established by the Chief Justice of the United States in consultation with the Attorney General and the Director of Central Intelligence.

"APPLICATION FOR AN ORDER

"SEC. 402. (a) Each application for an order approving a physical search under this title shall be made by a Federal officer in writing upon oath or affirmation to a judge of the Foreign Intelligence Surveillance Court. Each application shall require the approval of the Attorney General based upon the Attorney General's finding that it satisfied the criteria and requirements for such application as set forth in this title. It shall include—

"(1) the identity, if known, or a description of the target of the search;

"(2) the authority conferred on the Attorney General by the President of the United States and the approval of the Attorney General to make the application;

"(3) the identity of the Federal officer making the application and a detailed description of the premises or property to be searched and of the information, material, or property to be seized, reproduced, or altered;

"(4) a statement of the facts and circumstances relied upon by the applicant to justify the applicant's belief that—

"(A) the target of the physical search is a foreign power or an agent of a foreign power;

"(B) the premises or property to be searched contains foreign intelligence information;

"(C) the premises or property to be searched is owned, used, possessed by, or is in transit to or from a foreign power or an agent of a foreign power;

"(5) a statement of the proposed minimization procedures;

"(6) a statement of the manner in which the physical search is to be conducted;

"(7) a statement of the facts concerning all previous applications that have been made to any judge under this title involving any of the persons, premises, or property specified in the application, and the action taken on each previous applications;

"(8) a statement of the facts concerning any search described in section 406(b), below, which involves any of the persons, premises, or property specified in the application; and

"(9) a statement that the purpose of the physical search is to obtain foreign intelligence information.

"(b) The judge may require the applicant to furnish such other information as may be necessary to make the determinations required by section 403.

"ISSUANCE OF AN ORDER

"SEC. 403. (a) Upon an application made pursuant to section 402, the judge shall enter an ex parte order as requested or as modified approving the physical search if the judge finds that—

"(1) the President has authorized the Attorney General to approve applications for physical searches for foreign intelligence purposes;

"(2) the application has been made by a Federal officer and approved by the Attorney General;

"(3) on the basis of the facts submitted by the applicant there is probable cause to believe that—

"(A) the target of the physical search is a foreign power or an agent of a foreign power: *Provided*, That no United States person may be considered an agent of a foreign power solely upon the basis of activities protected by the first amendment to the Constitution of the United States;

"(B) the premises or property to be searched are owned, used, possessed by, or is in transit to or from an agent of a foreign power or a foreign power; and

"(C) physical search of such premises or property can reasonably be expected to yield foreign intelligence information which cannot reasonably be obtained by normal investigative means; and

"(4) the proposed minimization procedures meet the definition of minimization contained in this title; and

"(5) the application which has been filed contains all statements required by section 402.

"(b) An order approving a physical search under this section shall—

"(1) specify—

"(A) the Federal officer or officers authorized to conduct the physical search and the identity, if known, or a description of the target of the physical search;

"(B) the premises or property to be searched and the information, material, or property to be seized, altered, or reproduced;

"(C) the type of foreign intelligence information sought to be acquired; and

"(D) a statement of the manner in which the physical search is to be conducted and, whenever more than one physical search is authorized under the order, the authorized scope of each search and what minimization procedures shall apply to the information acquired by each search;

"(2) direct—

"(A) that the minimization procedures be followed;

"(B) that, upon the request of the applicant, a specified landlord, custodian, or other specified person furnish the applicant forthwith all information, facilities, or assistance necessary to accomplish the physical search in such a manner as will protect its secrecy and produce a minimum of interference with the activities of the landlord, custodian, or other person; and that such landlord, custodian or other person maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the search or the aid furnished that such person wishes to retain;

"(C) that the physical search be undertaken within 30 days of the date of the order, or, if the physical search is of the property, information or material of a foreign power as defined in section 101(a)(1), (2), or (3) of this Act, that such search be undertaken within one year of the order; and

"(D) that the federal officer conducting the physical search promptly report to the court the circumstances and results of the physical search.

"(c) At any time after a physical search has been carried out, the judge to whom the return has been made may assess compliance with the minimization procedures by reviewing the circumstances under which information concerning United States persons was acquired, retained, or disseminated.

"(d) Application made and orders granted under this title shall be retained for a period of at least ten years from the date of the application.

"(e) Not more than 60 days after a physical search of the residence of a United States person authorized by this title, or such a search in the circumstances described in section 406(b), has been conducted, the Attorney General shall provide the United States person with an inventory which shall include—

"(1) existence or not of a court order authorizing the physical search and the date of the order;

"(2) the date of the physical search and an identification of the premises or property searched; and

"(3) a list of any information, material, or property seized, altered, or reproduced.

"(f) On an ex parte showing of good cause by the Attorney General to a judge of the Foreign Intelligence Surveillance Court the provision of the inventory required by subsection (e) may be postponed for a period not to exceed 90 days. At the end of such period the provision of the inventory may, upon a similar showing, be postponed indefinitely. The denial of a request for such postponements may be reviewed as provided in section 401.

"USE OF INFORMATION

"SEC. 404. (a) Information acquired from a physical search conducted pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the minimization procedures required by this title. No information acquired from a physical search pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

"(b) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used in a criminal proceeding with the advance authorization of the Attorney General.

"(c) Whenever the United States intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, against an aggrieved person, any information obtained or derived from a physical search of the premises or property of that aggrieved person pursuant to the authority of this title, the United States shall, prior to the trial, hearing, or the other proceeding or at a reasonable time prior to an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the United States intends to so disclose or so use such information.

"(d) Whenever any State or political subdivision thereof intends to enter into evidence or otherwise use of disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of a State or a political subdivision thereof against an aggrieved person any information obtained or derived from a physical search of the premises or property of that aggrieved person pursuant to the authority of this title, the State or political subdivision thereof shall notify the aggrieved person, the court or other authority in which the information is to be disclosed or used, and the Attorney General that the State or political subdivision thereof intends to so disclose or so use such information.

"(e) Any person against whom evidence obtained or derived from a physical search to which he is an aggrieved person is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or a political subdivision thereof, may move to suppress the evidence obtained or derived from such search on the grounds that—

"(1) the information was unlawfully acquired; or

"(2) the physical search was not made in conformity with an order of authorization or approval.

Such a motion shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the person was not aware of the grounds of the motion.

"(f) Whenever a court of other authority is notified pursuant to subsection (c) or (d), or whenever a motion is made pursuant to subsection (e), or whenever any motion or request is made by an aggrieved person pursuant to any other statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain applications or orders or other materials relating to a physical search authorized by this title or to discover, obtain, or suppress evidence or information obtained or derived from a physical search authorized by this title, the United States district court or, where the motion is made before another authority, the United States district court in the same district as the authority shall, notwithstanding any other law, if the Attorney General files an affidavit under oath that disclosure or an adversary hearing would harm the national security of the United States, review in camera and ex parte the application, order, and such other materials relating to the physical search as may be necessary to determine whether the physical search of the aggrieved person was lawfully authorized and conducted. In making this determination, the court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials relating to the physical search only where such disclosure is necessary to make an accurate determination of the legality of the physical search.

"(g) If the United States district court pursuant to subsection (f) determines that the physical search was not lawfully authorized or conducted, it shall, in accordance with the requirements of law, suppress the evidence which was unlawfully obtained or derived from the physical search of the aggrieved person or otherwise grant the motion of the aggrieved person. If the court determines that the physical search was lawfully authorized or conducted, it shall deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

"(h) Orders granting motions or requests under subsection (g), decisions under this section that a physical search was not lawfully authorized or conducted, and orders of the United States district court requiring review or granting disclosure of applications, orders or other materials relating to the physical search shall be final orders and binding upon all courts of the United States and the several States except a United States court of appeals and the Supreme Court.

"(i) The provisions of this section regarding the use or disclosure of information obtained or derived from a physical search shall apply to information obtained or derived from a search conducted without a court order to obtain foreign intelligence information which is not a physical search as defined in this title solely because the existence of exigent circumstances would require a warrant for law enforcement purposes.

"OVERSIGHT

"SEC. 405. (a) On a semiannual basis the Attorney General shall fully inform the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence concerning all physical searches conducted pursuant to this title, and all other searches, except those reported under section 108 of this Act, conducted in the United States for foreign intelligence purposes. On an annual basis the Attorney General shall also provide to those committees a report setting forth with respect to the preceding calendar year—

"(1) the total number of applications made for orders approving physical searches under this title; and

"(2) the total number of such orders either granted, modified, or denied.

"(b) Whenever a search is conducted without a court order to obtain foreign intelligence information which is not a physical search as defined in this title solely because the existence of exigent circumstances would not require a warrant for law enforcement purposes, a full report of such search, including a description of the exigent circumstances, shall be maintained by the Attorney General. Each such report shall be transmitted to the Foreign Intelligence Surveillance Court promptly after the search is conducted.

"AUTHORITY FOR INTELLIGENCE SEARCHES

"SEC. 406. (a) The procedures contained in this title shall be the exclusive means by which a physical search, as defined in this title, may be conducted in the United States for foreign intelligence purposes, and an order issued under this title authorizing a physical search shall constitute a search warrant authorized by law for purposes of any other law.

"(b) Searches conducted in the United States to collect foreign intelligence information, other than physical searches as defined in this title and electronic surveillance as defined in this Act, and physical searches conducted in the United States without a court order to collect foreign intelligence information may be conducted only pursuant to regulations issued by the Attorney General. Such regulations, and any changes thereto, shall be provided to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives at least 14 days prior to the taking effect. Any regulations issued by the Attorney General regarding such searches which were in effect as of June 1, 1990, shall be deemed to be regulations required by this subsection.

"PENALTIES

"SEC. 407. (a) OFFENSE.—A person is guilty of an offense if he intentionally—

"(1) under color of law for the purpose of obtaining foreign intelligence information, engages in physical search within the United States except as authorized by statute; or

"(2) discloses or uses information obtained under color of law by physical search within the United States, knowing or having reason to know that the information was obtained through physical search not authorized by statute, for the purposes of obtaining intelligence information.

"(b) DEFENSE.—It is a defense to a prosecution under subsection (a) that the defendant

was a law enforcement or investigative officer engaged in the course of his official duties and the physical search was authorized by and conducted pursuant to a search warrant or court order of a court of competent jurisdiction.

"(c) PENALTY.—An offense described in this section is punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both.

"(d) JURISDICTION.—There is Federal jurisdiction over an offense under this section if the person committing the offense was an officer or employee of the United States at the time the offense was committed.

"CIVIL LIABILITY

"SEC. 408. CIVIL ACTION.—An aggrieved person, other than a foreign power or an agent of a foreign power, as defined in section 101 (a) or (b)(1)(A), respectively, of this Act, whose premises, property information, or material has been subjected to a physical search within the United States or about whom information obtained by such a physical search has been disclosed or used in violation of section 407 shall have a cause of action against any person who committed such violation and shall be entitled to recover—

"(a) actual damages;

"(b) punitive damages; and

"(c) reasonable attorney's fees and other investigative and litigation costs reasonably incurred.

"DEFINITIONS

"SEC. 409. As used in this title:

"(a) The terms 'foreign power,' 'agent of a foreign power,' 'international terrorism,' 'sabotage,' 'foreign intelligence information,' 'Attorney General,' 'United States person,' 'United States',' 'person,' and 'State' shall have the same meaning as in Section 101 of this Act.

"(b) 'Physical search' means any physical intrusion into premises or property (including examination of the interior of property by technical means) or any seizure, reproduction by technical means) or any seizure, reproduction or alteration of information, material or property, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, but does not include 'electronic surveillance' as defined in subsection 101(f) of this Act.

"(c) 'Minimization procedures' with respect to physical search, means—

"(1) specific procedures, which shall be adopted by the Attorney General, that are reasonably designed in light of the purposes and technique of the particular physical search, to minimize the acquisition and retention, and prohibit the dissemination, of non-publicly available information concerning unconsenting United States persons consistent with the need of the United States persons consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information;

"(2) procedures that require that non-publicly available information, which is not foreign intelligence information, as defined in subsection 101(e)(1) of this Act, shall not be disseminated in a manner that identifies any United States person, without such person's consent, unless such person's identity is necessary to understand such foreign intelligence information or assess its importance; and

"(3) notwithstanding paragraphs (1) and (2), procedures that allow for the retention and dissemination of information that is evidence of a crime which has been, is being, or is about to be committed and that is to be retained or disseminated for law enforcement purposes."

"(d) 'Aggrieved person' means a person whose premises, property, information, or material is the target of physical search or any other person whose premises, property, information, or material was subject to physical search.

"(e) 'Foreign Intelligence Surveillance Court' means the court established by section 103(a) of this Act.

"(f) 'Court of Review' means the court established by section 103(b) of this Act.

"EFFECTIVE DATE

"SEC. 410. The provisions of this title shall become effective 90 days after the date of enactment of this title, except that any physical search approved by the Attorney General to gather foreign intelligence information shall not be deemed unlawful for failure to follow the procedures of this title, if that search is conducted within 180 days following the date of enactment of this title pursuant to regulations issued by the Attorney General, which are in the possession of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives prior to the date of enactment.".

HATFIELD AMENDMENT NOS. 1490–1491

Mr. HATFIELD proposed two amendments to the bill S. 4, supra; as follows:

AMENDMENT NO. 1490

At the appropriate place, insert the following section:

SEC. ___. URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.

(a) URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.—

(1) AUTHORIZATION.—The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to make grants to eligible institutions in accordance with this section.

(2) APPLICATION.—

(A) IN GENERAL.—An eligible institution seeking assistance under this section shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

(B) CONTENTS.—Except as provided in subparagraph (C), each application submitted pursuant to subparagraph (A) shall include—

(i) a description of the activities and services for which assistance is sought;

(ii) evidence of coordination with any small business development centers in existence in the community; and

(iii) documentation of the formation of a consortium that includes, in addition to eligible institutions, one or more of the following entities:

(I) A nonprofit organization.

(II) A business or other employer.

(C) WAIVER.—The Secretary may waive the requirements of subparagraph (B)(iii) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan that otherwise meets the requirements of this section.

(3) SELECTION PROCEDURES.—Not later than 120 days after the date of enactment of this section, the Secretary shall, by regulation, develop a formal procedure for the submission of applications under this section and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this section.

(b) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds provided under this section shall be used to design and implement programs to assist businesses, especially those in lower income urban communities, to become more productive and able to compete in the global marketplace.

(2) SPECIFIC AUTHORIZED ACTIVITIES.—Activities conducted with funds made available under this section may include research on, or planning and implementation of technology transfer, technical training, the delivery of services, or technical assistance in—

(A) business development;

(B) business creation;

(C) business expansion; and

(D) human resource management.

(c) PEER REVIEW PANEL.—

(1) ESTABLISHMENT.—Not later than 90 days after the date on which the Secretary publishes the announcement in the Federal Register in accordance with subsection (a)(3), the Secretary shall appoint a peer review panel (hereafter in this section referred to as the "panel").

(2) MEMBERSHIP.—In appointing the panel under paragraph (1), the Secretary shall consult with officials of other Federal agencies and with non-Federal organizations in order to ensure that—

(A) the panel membership is geographically balanced; and

(B) the panel is composed of representatives from public and private institutions of higher education, labor, business, and nonprofit organizations having expertise in business development in lower income urban communities.

(3) DUTIES.—The panel shall—

(A) review applications submitted under this section; and

(B) make recommendations to the Secretary concerning the selection of grant recipients.

(d) DISBURSEMENT OF FUNDS.—

(1) LIMITATION ON AMOUNT.—The Secretary shall not provide assistance under this section to any recipient which exceeds $400,000 during any 1-year period.

(2) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this section in a manner that achieves equitable geographic distribution of such grants.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) LOWER INCOME URBAN COMMUNITY.—The term "lower income urban community" means an urban area in which the percent of residents living below the Federal poverty level is not less than 115 percent of the statewide average.

(2) URBAN AREA.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "urban area" means a primary metropolitan statistical area of the United States Department of Commerce, Bureau of the Census.

(B) EXCEPTION.—With respect to a State that does not contain an urban area, as defined in subparagraph (A), the Secretary shall designate 1 area in the State as an urban area for purposes of this section.

(3) ELIGIBLE INSTITUTION.—

(A) INSTITUTION OR CONSORTIUM.—The term "eligible institution" means a nonprofit institution of higher education that meets the requirements of subparagraph (B), or a consortium of such institutions, any 1 of which meets the requirements of subparagraph (B).

(B) REQUIREMENTS.—An institution meets the requirements of this subparagraph if the institution—

(i) is located in an urban area;

(ii) draws a substantial portion of its undergraduate students from the urban area in which such institution is located, or from contiguous areas;

(iii) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas;

(iv) has the present capacity to provide resources responsive to the needs and priorities of such urban area and contiguous areas;

(v) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources;

(vi) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and the people of such areas; and

(vii) has a school of business accredited by the American Assembly of Collegiate Schools of Business (or similar organization) with faculty experienced in conducting research on issues of immediate concern to small and emerging businesses.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $10,000,000, for fiscal year 1995; and

(2) such sums as may be necessary, for fiscal years 1996, 1997, 1998, and 1999.

AMENDMENT NO. 1491

Add at the end of the bill the following new title:

TITLE VIII—LOCAL EMPOWERMENT AND FLEXIBILITY

SEC. 801. SHORT TITLE.

This title may be cited as the "Local Empowerment and Flexibility Act of 1994".

SEC. 802. FINDINGS.

The Congress finds that—

(1) historically, Federal social service programs have addressed the Nation's social problems by providing categorical assistance with detailed requirements relating to the use of funds;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some program requirements may inadvertently impede the effective delivery of social services;

(3) the Nation's local governments and private, nonprofit organizations are dealing with increasingly complex social problems which require the delivery of many kinds of social services;

(4) the Nation's communities are diverse, and different social needs are present in different communities;

(5) it is more important than ever to provide programs that—

(A) promote local delivery of social services to meet the full range of needs of individuals and families;

(B) respond flexibly to the diverse needs of the Nation's communities;

(C) reduce the barriers between programs that impede local governments' ability to effectively deliver social services; and

(D) empower local governments and private, nonprofit organizations to be innovative in creating programs that meet the unique needs of the people in their communities while continuing to address national social service goals; and

(6) many communities have innovative planning and community involvement strategies for social services, but Federal, State, and local regulations often hamper full implementation of local plans.

SEC. 803. PURPOSES.

The purposes of this title are to—

(1) enable more efficient use of Federal, State, and local resources;

(2) place less emphasis in Federal social service programs on measuring resources and procedures and more emphasis on achieving Federal, State, and local social services goals;

(3) enable local governments and private, nonprofit organizations to adapt programs of Federal assistance to the particular needs of low income citizens and the operating practices of recipients, by—

(A) drawing upon appropriations available from more than one Federal program; and

(B) integrating programs and program funds across existing Federal assistance categories; and

(4) enable local governments and private, nonprofit organizations to work together and build stronger cooperative partnerships to address critical social service problems.

SEC. 804. DEFINITIONS.

For purposes of this Act—

(1) the term "approved local flexibility plan" means a local flexibility plan that combines funds from Federal, State, local government or private sources to address the social service needs of a community (or any part of such a plan) that is approved by the Community Enterprise Board under section 806;

(2) the term "community advisory committee" means such a committee established by a local government under section 808;

(3) the term "Community Enterprise Board" means the board established by the President that is composed of the—

(A) Vice President;

(B) Assistant to the President for Domestic Policy;

(C) Assistant to the President for Economic Policy;

(D) Secretary of the Treasury;

(E) Attorney General;

(F) Secretary of the Interior;

(G) Secretary of Agriculture;

(H) Secretary of Commerce;

(I) Secretary of Labor;

(J) Secretary of Health and Human Services;

(K) Secretary of Housing and Urban Development;

(L) Secretary of Transportation;

(M) Secretary of Education;

(N) Administrator of the Environmental Protection Agency;

(O) Director of National Drug Control Policy;

(P) Administrator of the Small Business Administration;

(Q) Director of the Office of Management and Budget; and

(R) Chair of the Council of Economic Advisers.

(4) the term "covered Federal assistance program" means an eligible Federal assistance program that is included in a local flexibility plan of a local government;

(5) the term "eligible Federal assistance program"—

(A) means a Federal program under which assistance is available, directly or indirectly, to a local government or a qualified organization to carry out a program for—

(i) economic development;

(ii) employment training;

(iii) health;

(iv) housing;

(v) nutrition;

(vi) other social services; or

(vii) rural development; and

(B) does not include a Federal program under which assistance is provided by the Federal Government directly to a beneficiary of that assistance or to a State as a direct payment to an individual;

(6) the term "eligible local government" means a local government that is eligible to receive assistance under 1 or more covered Federal programs;

(7) the term "local flexibility plan" means a comprehensive plan for the integration and administration by a local government of assistance provided by the Federal Government under 2 or more eligible Federal assistance programs;

(8) the term "local government" means a subdivision of a State that is a unit of general local government (as defined under section 6501 of title 31, United States Code);

(9) the term "low income" means having an income that is not greater than 200 percent of the Federal poverty income level;

(10) the term "priority funding" means giving higher priority (including by the assignment of extra points, if applicable) to applications for Federal assistance submitted by a local government having an approved local flexibility program, by—

(A) a person located in the jurisdiction of such a government; or

(B) a qualified organization eligible for assistance under a covered Federal assistance program included in such a plan;

(11) the term "qualified organization" means a private, nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986; and

(12) the term "State" means the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

SEC. 805. DEMONSTRATION PROGRAM.

The Community Enterprise Board shall—

(1) establish and administer a local flexibility demonstration program by approving local flexibility plans in accordance with the provisions of this title;

(2) no later than 180 days after the date of the enactment of this Act, select no more than 30 local governments from no more than 6 States to participate in such program, of which—

(A) 3 States shall each have a population of 3,500,000 or more as determined under the most recent decennial census; and

(B) 3 States shall each have a population of 3,500,000 or less as determined under the most recent decennial census.

SEC. 806. PROVISION OF FEDERAL ASSISTANCE IN ACCORDANCE WITH APPROVED LOCAL FLEXIBILITY PLAN.

(a) PAYMENTS TO LOCAL GOVERNMENTS.—Notwithstanding any other provision of law, amounts available to a local government or a qualified organization under a covered Federal assistance program included in an approved local flexibility plan shall be provided to and used by the local government or organization in accordance with the approved local flexibility plan.

(b) ELIGIBILITY FOR BENEFITS.—An individual or family that is eligible for benefits or services under a covered Federal assistance program included in an approved local flexibility plan may receive those benefits only in accordance with the approved local flexibility plan.

SEC. 807. APPLICATION FOR APPROVAL OF LOCAL FLEXIBILITY PLAN.

(a) IN GENERAL.—A local government may submit to the Community Enterprise Board in accordance with this section an application for approval of a local flexibility plan.

(b) CONTENTS OF APPLICATION.—An application submitted under this section shall include—

(1) a proposed local flexibility plan that complies with subsection (c);

(2) certification by the chief executive of the local government, and such additional assurances as may be required by the Community Enterprise Board, that—

(A) the local government has the ability and authority to implement the proposed plan, directly or through contractual or other arrangements, throughout the geographic area in which the proposed plan is intended to apply;

(B) amounts are available from non-Federal sources to pay the non-Federal share of all covered Federal assistance programs included in the proposed plan; and

(C) low income individuals and families that reside in that geographic area participated in the development of the proposed plan;

(3) any comments on the proposed plan submitted under subsection (d) by the Governor of the State in which the local government is located;

(4) public comments on the plan including the transcript of at least 1 public hearing and comments of the appropriate community advisory committee established under section 810; and

(5) other relevant information the Community Enterprise Board may require to approve the proposed plan.

(c) CONTENTS OF PLAN.—A local flexibility plan submitted by a local government under this section shall include—

(1) the geographic area to which the plan applies and the rationale for defining the area;

(2) the particular groups of individuals, by age, service needs, economic circumstances, or other defining factors, who shall receive services and benefits under the plan;

(3)(A) specific goals and measurable performance criteria, a description of how the plan is expected to attain those goals and criteria;

(B) a description of how performance shall be measured; and

(C) a system for the comprehensive evaluation of the impact of the plan on participants, the community, and program costs;

(4) the eligible Federal assistance programs to be included in the plan as covered Federal assistance programs and the specific benefits that shall be provided under the plan under such programs, including—

(A) criteria for determining eligibility for benefits under the plan;

(B) the services available;

(C) the amounts and form (such as cash, in-kind contributions, or financial instruments) of nonservice benefits; and

(D) any other descriptive information the Community Enterprise Board considers necessary to approve the plan;

(5) except for the requirements under section 809(b)(3), any Federal statutory or regulatory requirement applicable under a covered Federal assistance program included in the plan, the waiver of which is necessary to implement the plan;

(6) fiscal control and related accountability procedures applicable under the plan;

(7) a description of the sources of all non-Federal funds that are required to carry out covered Federal assistance programs included in the plan;

(8) written consent from each qualified organization for which consent is required under section 806(b)(2); and

(9) other relevant information the Community Enterprise Board may require to approve the plan.

(d) PROCEDURE FOR APPLYING.—(1) To apply for approval of a local flexibility plan, a local government shall submit an application in accordance with this section to the Governor of the State in which the local government is located.

(2) A Governor who receives an application from a local government under paragraph (1) may, by no later than 30 days after the date of that receipt—

(A) prepare comments on the proposed local flexibility plan included in the application;

(B) describe any State laws which are necessary to waive for successful implementation of a local plan; and

(C) submit the application and comments to the Community Enterprise Board.

(3) If a Governor fails to act within 30 days after receiving an application under paragraph (2), the applicable local government may submit the application to the Community Enterprise Board.

SEC. 808. REVIEW AND APPROVAL OF LOCAL FLEXIBILITY PLANS.

(a) REVIEW OF APPLICATIONS.—Upon receipt of an application for approval of a local flexibility plan under this title, the Community Enterprise Board shall—

(1) approve or disapprove all or part of the plan within 45 days after receipt of the application;

(2) notify the applicant in writing of that approval or disapproval by not later than 15 days after the date of that approval or disapproval; and

(3) in the case of any disapproval of a plan, include a written justification of the reasons for disapproval in the notice of disapproval sent to the applicant.

(b) APPROVAL.—(1) The Community Enterprise Board may approve a local flexibility plan for which an application is submitted under this title, or any part of such a plan, if a majority of members of the Board determines that—

(A) the plan or part shall improve the effectiveness and efficiency of providing benefits under covered Federal programs included in the plan by reducing administrative inflexibility, duplication, and unnecessary expenditures;

(B) the applicant local government has adequately considered, and the plan or part of the plan appropriately addresses, any effect that administration of each covered Federal program under the plan or part of the plan shall have on administration of the other covered Federal programs under that plan or part of the plan;

(C) the applicant local government has or is developing data bases, planning, and evaluation processes that are adequate for implementing the plan or part of the plan;

(D) the plan shall more effectively achieve Federal assistance goals at the local level and shall better meet the needs of local citizens;

(E) implementation of the plan or part of the plan shall adequately achieve the purposes of this title and of each covered Federal assistance program under the plan or part of the plan;

(F) the plan and the application for approval of the plan comply with the requirements of this title;

(G) the plan or part of the plan is adequate to ensure that individuals and families that receive benefits under covered Federal assistance programs included in the plan or part shall continue to receive benefits that meet the needs intended to be met under the program;

(H) the qualitative level of those benefits shall not be reduced for any individual or family; and

(I) the local government has—

(i) waived the corresponding local laws necessary for implementation of the plan; and

(ii) sought any necessary waivers from the State.

(2) The Community Enterprise Board may not approve any part of a local flexibility plan if—

(A) implementation of that part would result in any increase in the total amount of obligations or outlays of discretionary appropriations or direct spending under covered Federal assistance programs included in that part, over the amounts of such obligations and outlays that would occur under those programs without implementation of the part; or

(B) in the case of a plan or part that applies to assistance to a qualified organization under an eligible Federal assistance program, the qualified organization does not consent in writing to the receipt of that assistance in accordance with the plan.

(3) The Community Enterprise Board shall disapprove a part of a local flexibility plan if a majority of the Board disapproves that part of the plan based on a failure of the part to comply with paragraph (1).

(4) In approving any part of a local flexibility plan, the Community Enterprise Board shall specify the period during which the part is effective. An approved local flexibility plan shall not be effective after the date of the termination of effectiveness of this title under section 813(a).

(5) Disapproval by the Community Enterprise Board of any part of a local flexibility plan submitted by a local government under this title shall not affect the eligibility of a local government, a qualified organization, or any individual for benefits under any Federal program.

(c) MEMORANDA OF UNDERSTANDING.—(1) The Community Enterprise Board may not approve a part of a local flexibility plan unless each local government and each qualified organization that would receive assistance under the plan enters into a memorandum of understanding under this subsection with the Community Enterprise Board.

(2) A memorandum of understanding under this subsection shall specify all understandings that have been reached by the Community Enterprise Board, the local government, and each qualified organization that is subject to a local flexibility plan, regarding the approval and implementation of all parts of a local flexibility plan that are the subject of the memorandum, including understandings with respect to—

(A) all requirements under covered Federal assistance programs that are to be waived by the Community Enterprise Board under section 809(b);

(B)(i) the total amount of Federal funds that shall be provided as benefits under or used to administer covered Federal assistance programs included in those parts; or

(ii) a mechanism for determining that amount, including specification of the total amount of Federal funds that shall be provided or used under each covered Federal assistance program included in those parts;

(C) the sources of all non-Federal funds that shall be provided as benefits under or used to administer those parts;

(D) measurable performance criteria that shall be used during the term of those parts to determine the extent to which the goals and performance levels of the parts are achieved; and

(E) the data to be collected to make that determination.

(d) LIMITATION ON CONFIDENTIALITY REQUIREMENTS.—The Community Enterprise Board may not, as a condition of approval of any part of a local flexibility plan or with respect to the implementation of any part of an approved local flexibility plan, establish any confidentiality requirement that would—

(1) impede the exchange of information needed for the design or provision of benefits under the parts; or

(2) conflict with law.

SEC. 809. IMPLEMENTATION OF APPROVED LOCAL FLEXIBILITY PLANS; WAIVER OF REQUIREMENTS.

(a) PAYMENTS AND ADMINISTRATION IN ACCORDANCE WITH PLAN.—Notwithstanding any other law, any benefit that is provided under a covered Federal assistance program included in an approved local flexibility plan shall be paid and administered in the manner specified in the approved local flexibility plan.

(b) WAIVER OF REQUIREMENTS.—(1) Notwithstanding any other law and subject to paragraphs (2) and (3), the Community Enterprise Board may waive any requirement applicable under Federal law to the administration of, or provision of benefits under, any covered Federal assistance program included in an approved local flexibility plan, if that waiver is—

(A) reasonably necessary for the implementation of the plan; and

(B) approved by a majority of members of the Community Enterprise Board.

(2) The Community Enterprise Board may not waive a requirement under this subsection unless the Board finds that waiver of the requirement shall not result in a qualitative reduction in services or benefits for any individual or family that is eligible for benefits under a covered Federal assistance program.

(3) The Community Enterprise Board may not waive any requirement under this subsection—

(A) that enforces any constitutional or statutory right of an individual, including any right under—

(i) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

(ii) section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(iii) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

(iv) the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); or

(v) the Americans with Disabilities Act of 1990;

(B) for payment of a non-Federal share of funding of an activity under a covered Federal assistance program; or

(C) for grants received on a maintenance of effort basis.

(c) SPECIAL ASSISTANCE.—To the extent permitted by law, the head of each Federal agency shall seek to provide special assistance to a local government or qualified organization to support implementation of an approved local flexibility plan, including expedited processing, priority funding, and technical assistance.

(d) EVALUATION AND TERMINATION.—(1) A local government, in accordance with regulations issued by the Community Enterprise Board, shall—

(A) submit such reports on and cooperate in such audits of the implementation of its approved local flexibility plan; and

(B) periodically evaluate the effect implementation of the plan has had on—

(i) individuals who receive benefits under the plan;

(ii) communities in which those individuals live; and

(iii) costs of administering covered Federal assistance programs included in the plan.

(2) No later than 90 days after the end of the 1-year period beginning on the date of the approval by the Community Enterprise Board of an approved local flexibility plan of a local government, and annually thereafter, the local government shall submit to the Community Enterprise Board a report on the principal activities and achievements under the plan during the period covered by the report, comparing those achievements to the goals and performance criteria included in the plan under section 807(c)(3).

(3)(A) If the Community Enterprise Board, after consultation with the head of each Federal agency responsible for administering a covered Federal assistance program included in an approved local flexibility plan of a local government, determines—

(i) that the goals and performance criteria included in the plan under section 807(c)(3) have not been met; and

(ii) after considering any experiences gained in implementation of the plan, that those goals and criteria are sound;

the Community Enterprise Board may terminate the effectiveness of the plan.

(B) In terminating the effectiveness of an approved local flexibility plan under this paragraph, the Community Enterprise Board shall allow a reasonable period of time for appropriate Federal, State, and local agencies and qualified organizations to resume administration of Federal programs that are covered Federal assistance programs included in the plan.

(e) FINAL REPORT; EXTENSION OF PLANS.—(1) No later than 45 days after the end of the effective period of an approved local flexibility plan of a local government, or at any time that the local government determines that the plan has demonstrated its worth, the local government shall submit to the Community Enterprise Board a final report on its implementation of the plan, including a full evaluation of the successes and shortcomings of the plan and the effects of that implementation on individuals who receive benefits under those programs.

(2) The Community Enterprise Board may extend the effective period of an approved local flexibility plan for such period as may be appropriate, based on the report of a local government under paragraph (1).

SEC. 810. COMMUNITY ADVISORY COMMITTEES.

(a) ESTABLISHMENT.—A local government that applies for approval of a local flexibility plan under this title shall establish a community advisory committee in accordance with this section.

(b) FUNCTIONS.—A community advisory committee shall advise a local government in the development and implementation of its local flexibility plan, including advice with respect to—

(1) conducting public hearings;

(2) representing the interest of low income individuals and families; and

(3) reviewing and commenting on all community policies, programs, and actions under the plan which affect low income individuals and families, with the purpose of ensuring maximum coordination and responsiveness of the plan in providing benefits under the plan to those individuals and families.

(c) MEMBERSHIP.—The membership of a community advisory committee shall—

(1) consist of—

(A) low income individuals, who shall—

(i) comprise at least one-third of the membership; and

(ii) include minority individuals who are participants or who qualify to participate in eligible Federal assistance programs;

(B) representatives of low income individuals and families;

(C) persons with leadership experience in the private and voluntary sectors;

(D) local elected officials;

(E) representatives of participating qualified organizations; and

(F) the general public; and

(2) include individuals and representatives of community organizations who shall help to enhance the leadership role of the local government in developing a local flexibility plan.

(d) OPPORTUNITY FOR REVIEW AND COMMENT BY COMMITTEE.—Before submitting an application for approval of a final proposed local flexibility plan, a local government shall submit the final proposed plan for review and comment by a community advisory committee established by the local government.

(e) COMMITTEE REVIEW OF REPORTS.—Before submitting annual or final reports on an approved assistance plan, a local government or private nonprofit organization shall submit the report for review and comment to the community advisory committee.

SEC. 811. TECHNICAL AND OTHER ASSISTANCE.

(a) TECHNICAL ASSISTANCE.—(1) The Community Enterprise Board may provide, or direct that the head of a Federal agency provide, technical assistance to a local government or qualified organization in developing information necessary for the design or implementation of a local flexibility plan.

(2) Assistance may be provided under this subsection if a local government makes a request that includes, in accordance with requirements established by the Community Enterprise Board—

(A) a description of the local flexibility plan the local government proposes to develop;

(B) a description of the groups of individuals to whom benefits shall be provided under covered Federal assistance programs included in the plan; and

(C) such assurances as the Community Enterprise Board may require that—

(i) in the development of the application to be submitted under this title for approval of the plan, the local government shall provide adequate opportunities to participate to—

(I) low income individuals and families that shall receive benefits under covered Federal assistance programs included in the plan; and

(II) governmental agencies that administer those programs; and

(ii) the plan shall be developed after considering fully—

(I) needs expressed by those individuals and families;

(II) community priorities; and

(III) available governmental resources in the geographic area to which the plan shall apply.

(b) DETAILS TO BOARD.—At the request of the Chairman of the Community Enterprise Board and with the approval of an agency head who is a member of the Board, agency staff may be detailed to the Community Enterprise Board on a nonreimbursable basis.

SEC. 812. COMMUNITY ENTERPRISE BOARD.

(a) FUNCTIONS.—The Community Enterprise Board shall—

(1) receive, review, and approve or disapprove local flexibility plans for which approval is sought under this title;

(2) upon request from an applicant for such approval, direct the head of an agency that administers a covered Federal assistance

program under which substantial Federal assistance would be provided under the plan to provide technical assistance to the applicant;

(3) monitor the progress of development and implementation of local flexibility plans;

(4) perform such other functions as are assigned to the Community Enterprise Board by this title; and

(5) issue regulations to implement this title within 180 days after the date of its enactment.

(b) REPORTS.—No less than 18 months after the date of the enactment of this Act, and annually thereafter, the Community Enterprise Board shall submit a report on the 5 Federal regulations that are most frequently waived by the Community Enterprise Board for local governments with approved local flexibility plans to the President and the Congress. The President shall review the report and determine whether to amend or terminate such Federal regulations.

SEC. 813. TERMINATION AND REPEAL; REPORT.

(a) TERMINATION AND REPEAL.—This title is repealed on the date that is 5 years after the date of the enactment of this Act.

(b) REPORT.—No later than 4 years after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress, a report that—

(1) describes the extent to which local governments have established and implemented approved local flexibility plans;

(2) evaluates the effectiveness of covered Federal assistance programs included in approved local flexibility plans; and

(3) includes recommendations with respect to continuing local flexibility.

BROWN AMENDMENT NO. 1492–1494

Mr. BROWN proposed three amendments to the bill S. 4, supra, as follows:

AMENDMENT NO. 1492

At the appropriate place in the amendment, insert the following section:

SEC. . PROHIBITION ON SOLICITATION OF CAMPAIGN CONTRIBUTIONS BY PERSONS AWARDING CONTRACTS.

(a) IN GENERAL.—Chapter 29 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 610. Solicitation of political contributions by persons awarding contracts

"Any person who awards any contract or grant under any provision of, or any amendment made by, the National Competitiveness Act of 1994 who, during the 5-year period beginning on the date the contract or grant is awarded, knowingly solicits a political contribution (within the meaning of section 7322(3) of title 5, United States Code) from any person who was awarded such contract or grant (or any owner, officer, employee, or agent thereof) shall be imprisoned for 1 year or fined not more than $10,000, or both."

(b) CONFORMING AMENDMENT.—The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end the following new item:

"610. Solicitation of political contributions by persons awarding contracts."

AMENDMENT NO. 1493

On page 49, strike line 19 to line 7 on page 50, and insert the following:

"(B) strike paragraph (1)(B)(ii) and replace with: participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the business agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

"(C) Strike paragraph (2) and replace with: enter into contracts and cooperative agreements, and subject to the last sentence of this subsection, other transactions with United States businesses and independent research organizations, especially small businesses and independent research organizations, *Provided*, That the business or independent research organization agrees to pay at least half of the total costs of a project during the project period, which shall not extend beyond 5 years and *Provided further*, That the emphasis is placed on applying the Institute's research, research techniques, and expertise to those organizations' research programs;"

AMENDMENT NO. 1494

At the end of the committee substitute as modified, insert the following new section:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,500,000,000.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on the Small Business Administration's Microloan Program and the SBA's Business Development Program. The hearing will take place on Thursday, March 17, 1994, at 2:30 p.m., in room 428A of the Russell Senate Office Building. For further information, please call Patricia Forbes, counsel to the Small Business Committee at 224–5175.

NOTICE OF RESCHEDULING OF TIME FOR HEARING COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that the hearing on the domestic and international implications of energy demand growth in China and the developing countries of the Pacific rim will take place on March 16, 1994, in room SD–366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC, and will begin at 10 a.m. instead of 9:30 a.m., as originally scheduled.

For further information, please contact Shirley Neff of the committee staff at 202/224–7865.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet jointly with the Committee on Governmental Affairs on Thursday, March 10, 1994 at 2 p.m., in open session, to receive testimony on S. 1587, the Federal Acquisition Streamlining Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, March 10, 1994, at 9:30 a.m., in open session to consider the nomination of John M. Deutch to be Deputy Secretary of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today at 10 a.m. to hear testimony on the subject of the health care cost containment.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 10 at 10 a.m. to hold a hearing on the administration's proposal to seek modification of the 1972 Anti-Ballistic Missile Treaty (ex. L. 92–2).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Thursday, March 10, 1994, at 2 p.m., for a joint hearing with the Armed Services Committee on the legislation: S. 1587, the Federal Acquisition Streamlining Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, March 10, 1994 to hold a hearing on the nomination of Deval L. Patrick, to be Assistant Attorney General.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, March 10, 1994, at 9:30 a.m., to hold a hearing to receive testimony from Senators on Title I, Reform of the Senate, of S. 1824, the "Legislative Reorganization Act of 1994".

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Small Business

Committee be authorized to meet during the session of the Senate on Thursday, March 10, 1994, at 9:30 a.m. The committee will hold a full committee hearing on the impact of health care reform on the small business sector.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veteran's Affairs would like to request unanimous consent to hold a hearing on the budget for veterans programs for fiscal year 1995 at 2 p.m. on Thursday, March 10, 1994. The hearing will be held in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, March 10, 1994, at 2:30 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGING

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Aging be authorized to meet for a hearing on Women's Health Under the President's Health Care Plan, during the session of the Senate on March 10, 1994, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity be authorized to meet for a hearing on Creating a National Employment Training System, during the session of the Senate on March 10, 1994, at 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

IDAMAE GARROTT

• Mr. SARBANES. Mr. President, Maryland State Senator Idamae Garrott has announced that when her current term in office expires this year she will not be a candidate for reelection, after more than 25 years of distinguished public service to the people of Montgomery County and indeed all of Maryland and the National Capital region.

A dedicated and committed legislator and community leader, Senator Garrott's career has indeed reflected her success as an informed and independent voice for the people she represents. Long active in a wide range of important public service leadership positions, she has served in the Maryland Legislature since 1979, and as senator since 1986; as a member and later president of the Montgomery County Council; president of the Washington Metropolitan Council of Governments; member and chairman of the Washington Suburban Transit Commission, and later a board member of Metro; and as first chairman of the Solid Waste Management agency of Metropolitan Washington.

During this outstanding career, Senator Garrott has accomplished a substantial list of important achievements. Among those she lists as the successes of which she is most proud are the legislation establishing fair housing in Montgomery County in 1967; her sponsorship of the county consumer protection law, the child safety seat legislation and a measure banning corporal punishment in Maryland public schools. Mr. President, these are but a few of Idamae Garrott's most important accomplishments during her career.

In announcing her decision not to seek reelection, Senator Garrott demonstrated the depth of her commitment to public service and the graciousness that has been the hallmark of her life when she said "I feel that the work I have done in government has been challenging, rewarding, and productive. Now I hope to lead a healthy, productive retired life."

Mr. President, I ask all of our colleagues to join in wishing Maryland State Senator Idamae Garrott every success in achieving that wish.•

A TRIBUTE TO TAD LANGLOIS, OLYMPIAN FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, today I would like to pay tribute to a young Olympian from Newport, NH, who participated in the 1994 Winter Olympics in Lillehammer, Norway.

Tad Langlois was a member of the U.S. ski jumping team where he placed 33d in the normal hill competition and 35th in the large hill competition. The Granite State is proud of his representation at this historic sporting event.

Tad is in his 8th year as a member of the U.S. ski team where he has been a competitive skier since the mid-1980's. In 1986, in his first Europa Cup in Tarvisio, Italy, Tad led after his first jump and wound up fifth. He finished 11th at the 1986 World Juniors where he won the U.S. junior title and was third in the 1986 large hill championship.

Tad, who made his first Olympic team as a teenager, was competing in his third Olympics at Lillehammer. He missed the 1993 World Championships after suffering a leg injury in a pickup basketball game at the Subaru U.S. championships and has been determined to do well this season.

In addition to skiing, Tad is an avid golfer. He has sponsored 1-day tournaments to raise funds for local jumping. He was a baseball infielder before trying ski jumping in the eighth grade. New Hampshire will continue to cheer on Tad as he continues his skiing career.•

A TRIBUTE TO TIM TETREAULT, OLYMPIAN FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, today I would like to pay tribute to an Olympian from Lebanon, NH, who participated in the 1994 winter Olympics in Lillehammer, Norway.

Tim Tetreault was a member of the U.S. ski team where he placed 30th in the Nordic Combined competition. The Granite State is proud of his representation at this historic sporting event.

Tim is the reigning U.S. champion who had an outstanding season in 1992. On leave from the University of Vermont, Tim posted three World Cup top 15 placements, made the Olympics and won his first U.S. title. In 1993, he successfully defended his U.S. title.

Tim commented that he has learned a lot last season and his cross country is getting better as he spends more time on it. He was a high school soccer player and the youngest of four children. He is an engineering major in college, which is on hold until he finishes competing. New Hampshire will continue to cheer on Tim as he continues his skiing career.•

COMBATING TELEVISION VIOLENCE

• Mr. SIMON. Mr. President, many of my colleagues have heard me express my concerns about the television violence that plagues our society. A recent article in the Chronicle of Higher Education, by Ronald G. Slaby, a senior scientist at the Education Development Center and pediatric lecturer at Harvard Medical School, describes how, by design or by default, television serves as an educator for our children. Viewers can learn values, skills, and positive behaviors from watching television. They also learn about violence. Unfortunately, the violence they watch is often glamorized, legitimized, and rewarded, communicating a distorted yet influential message to our vulnerable children, who lack the critical judgment and real world experience necessary to differentiate distortion from reality.

Mr. Slaby's article provides an interesting discussion about this complex problem, and offers some helpful suggestions. I urge my colleagues to read it.

Mr. President, I ask that the full text of this article be printed at this point in the RECORD.

The article follows:

COMBATING TELEVISION VIOLENCE

(By Ronald G. Slaby)

"Who killed him?" asked the four-year-old girl when her parents told her of the death of her playmate's father. The parents were prepared to discuss the many concerns that a child might have about the death of a parent, but not the question that she asked. After explaining that her playmate's father had died of a disease, they asked why she thought that someone had killed him. "Isn't that the way people die?" the girl asked. "That's the way people die on TV."

The depiction of violence on television not only fosters such misunderstanding, but also contributes to the rising tide of violent death and injury in our society. The research evidence is very clear on these harmful effects, a conclusion that was reinforced last year in Violence and Youth: Psychology's Response, the report of a commission appointed by the American Psychological Association to conduct a broad review of the scientific evidence.

First and foremost, the research demonstrates that television is a teacher—whether by design or by default. All viewers, and particularly children, learn skills, values, and behaviors from television. As Yogi Berra has been quoted as saying: "You can observe a lot—just by watching." Indeed, television is one of the most pervasive and effective teachers ever created. Unfortunately, American television teaches many misleading and harmful lessons about violence.

"Entertainment violence" (a strange term that many industry observers have come to accept) commonly teaches us that violence is legitimate, justified, rewarded, effective, and clean. Sometimes violence is portrayed as heroic, manly, funny, and even pleasurable. Exposure to these unrealistic and glorified portrayals of violence on television has increased dramatically recently with the greater availability of satellite, cable, video, and interactive video-game technologies.

Particularly high levels of unrealistic television violence are presented to those most vulnerable to its distorting effects—children. Children are generally more susceptible than adults because they lack the real-world experience and the critical judgment necessary to evaluate how unrealistic and irrelevant to their own lives the distorted portrayals of violence may be.

Newcomers to the research evidence on violence generally ask the question that the scientific community answered clearly and conclusively more than a decade ago. "Does viewing violence on television affect people?" This question is usually accompanied by a comment that indicates the expected answer: "I understand that the research is not clear on this point."

The simple answer is that several effects of viewing television violence have been conclusively documented. Serious concerns derived from this research have been voiced repeatedly by professional organizations such as the American Medical Association, the American Psychological Association, the American Academy of Pediatrics, and the American Public Health Association in publications, resolutions, and policy recommendations. Nevertheless, a huge education gap still exists between what is known from the research and what is understood by the general public.

Until recently, researchers' voices have been drowned out in the din of denial and disinformation coming from executives of the television and movie industries, whose self-serving defense of violent programming has prevailed. The question that scholars should be asking themselves now is, What can we do about this education gap?

Television violence produces several different harmful effects on viewers, documented by a large and diverse body of independently replicated findings. Although not all of these effects occur in all viewers and some viewers are more susceptible than others, it appears that no viewer is immune.

Research has shown that some viewers of television violence, particularly those who strongly identify with the aggressor, manifest what is called the "aggressor effect." They are more likely than non-viewers to display meanness, aggressive behavior, and even serious violence toward others. In longitudinal research that has followed individuals over major portions of their lives—in some cases for up to 22 years—we see that viewing large quantities of television violence when they were children is one of the best predictors of violent criminal behavior among the adult males studied, even when major demographic differences are factored in.

We have also documented the "victim effect." Some viewers of television violence, particularly those who identify with the victim, are more likely to show fear, mistrust, and self-protective behavior such as carrying a gun. They display an exaggerated belief that they are extremely vulnerable to violence by strangers. In reality, one's risk of violence comes mainly from families, partners, and acquaintances.

Viewers of television violence who demonstrate the "bystander effect" are more likely than other people to be callous toward victims of violence and to be apathetic toward others who engage in violence, because they have been desensitized into accepting it. The "increased-appetite effect" occurs when viewers, particularly those who have repeatedly seen violence portrayed in glorified ways, begin to seek out more-violent material.

The television industry has argued, "We are only giving you what you want," without owning up to the fact that viewers' appetites have been cultivated by television itself through repeated portrayals of violence glorified in many different ways.

We can better understand the gap between public understanding and the research evidence on violence by looking at similar situations in the past. Such gaps frequently exist when a powerful industry or organization is more interested in making dollars than in making sense. When the U.S. Surgeon General first warned that cigarette smoking was harmful to people's health, the tobacco industry denied it, misrepresented the evidence, and promoted unsupported counterclaims in response to each new scientific finding.

Although the television industry at first resisted giving up a major source of advertising revenue from tobacco companies, it eventually was forced to do so by federal regulatory pressure on stations to comply with the "fairness doctrine." That required giving public-service announcements about the dangers of smoking the same amount of time given to tobacco advertisements. The television industry eventually capitulated and adopted a voluntary ban on all advertising for tobacco products.

Once its financial ties with the tobacco companies were broken, TV began to use its powerful educational potential to help educate the public about the dangers of smoking. New scientific findings were reported on television, the number of smokers portrayed in shows was reduced, and TV reporters confronted tobacco-company executives and poked holes in their self-serving arguments in front of millions of American viewers. Major health benefits for American citizens have resulted from television's realistic presentation of the damaging effects of smoking and publicity about strategies to help smokers stop.

Television's presentation of the issue of television violence, however, has been shameful. As Marvin Kitman, TV critic for Newsday, testified before a Congressional committee: "You could put the amount of social responsibility the networks and cable have shown in the navel of a gnat and still have room left over for the Bill of Rights." Executives of the television industry generally have dealt with the scientific evidence on TV violence by ignoring, denying, misrepresenting, or attacking it with unsupported counterclaims. Attacks and misrepresentations of the evidence became so extreme in the early 1980's that Surgeon General C. Everett Koop sent one of the TV networks a letter of reprimand.

Much of the American public, informed primarily by television's own self-serving presentation of this issue, has given credence to the many misleading assertions made over the last four decades by the television industry. These included contentions that viewing TV violence is a means of draining off our aggressive energy, a non-issue, a mere reflection of our society, a simple response to popular demand, a problem of parental irresponsibility, or a problem for only a few crazies.

Much of the American public also has come to believe misleading claims by the television industry—that remedies are not needed, that the industry has already fixed the problem, that citizens who call for changes in television practices are simply "special-interest groups," and that all proposed remedies are equivalent to "censorship."

In the 1960's and 1970's, top television executives uniformly testified before Congress that TV violence reduced aggression in viewers through "catharsis," a process purported to drain off viewers' aggressive motivations. A better label for this notion, which has been unequivocally discredited among scientists, might have been "wishful thinking."

Then, in the 1980's and early 1990's, the top television executives uniformly dropped their claims of catharsis in favor of another line of defense. They repeatedly and vehemently have told Congress and the American public that television violence has no effect on viewers. This claim comes from the same executives whose businesses collectively earn several billion dollars a year precisely because television does, through advertising, affect viewers' behavior.

Meanwhile, four decades of denial have permitted TV violence to continue undisturbed and to proliferate into many new forms and delivery systems. The denial has delayed the important task of developing responsible remedies for the effects of TV violence. Worse yet, the education gap has led us to overlook TV's potential to contribute to solving the problem of violence throughout society—much as television finally helped educate us about the dangers of smoking.

The time has come for scholars to help close the education gap and to enlist the participation of the television industry in helping to solve some of the problems to which it has contributed. Pressure on the TV and movie industries to generate their own remedies has been applied by Sen. Paul Simon of Illinois, former Surgeon General Koop, Attorney General Janet Reno, and even Presi-

dent Clinton. The recent decision by a federal appeals court overturning the Federal Communications Commission's "indecency" regulations for TV programming further increases the importance of self-imposed regulation by the industry.

Several regulatory and legislative strategies friendly to the First Amendment also have been introduced. Rep. Joseph Kennedy, Jr., of Massachusetts has introduced a bill that would establish an 800 telephone number so that citizens could send the FCC comments, suggestions, and criticisms regarding television violence. This record would be made available to the public, summarized periodically for Congress, and sent to individual television stations for their responses.

Rep. Edward Markey of Massachusetts is sponsoring a bill that would require each new television set to be outfitted with a "V-chip" that would allow parents to block violent programming coded with an electronic warning signal. Rep. Charles Schumer of New York has introduced a bill that would establish a Presidential commission with representatives from TV, the public, and experts on television violence to propose ways to reduce broadcast violence.

William Abbott, president of the National Foundation to Improve Television, a nonprofit organization, has filed a rule-making petition with the FCC that proposes a variety of regulatory remedies that have been endorsed by First Amendment scholars. For example, the petition proposes that broadcasters and other telecasters be required to provide programming designed to educate children about ways to prevent violence. A number of scholars have been working with the sponsors of these proposals.

Such efforts and proposed remedies do have an impact. Last July, top television-industry executives finally took a step in the right direction. They admitted in a national press conference that television violence does contribute to the problems of violence in our society, and they promised to present parental advisories at the beginning of violent programs and in program listings. This, of course, is merely a baby step on a long journey that industry leaders need to take to own up to their responsibility for contributing to the problem.

Scholars must support a broad range of efforts to close the gap between what they and the public know about television violence. The advice of scholars in education, communications, the behavioral sciences, criminal justice, and public health is needed now more than ever before. Above all, we must make sure that the important question remains before the American public: What kind of teacher will we allow television to be? The teacher of misleading, even deadly, lessons about violence? Or the teacher of a broad variety of accurate and potentially effective solutions to society's violence? The time to act is upon us.•

CELEBRATING THE TOWN OF CLARKSON

• Mr. D'AMATO. Mr. President, I rise today to speak in celebration of the town of Clarkson on the occasion of it's 175th birthday. On April 2, 1994, the town of Clarkson will celebrate this landmark. I take pride in the anniversary of this great town and ask my colleagues to join me in celebrating its longevity and success. The entire town of Clarkson will celebrate this momentous occasion with appropriate fanfare and festivities.

A monumental celebration of this nature provides a golden opportunity to look back on the protracted history of one of the many great towns in our country. As we look back through the decades at Clarkson we see that the area was originally referred to as Murray Corners. The 19th century was marked by the development of dirt roads and later, when traffic increased and the stagecoach began stopping in Clarkson, the "Plank Road" was built by placing hemlock planks side by side. The War of 1812 was a very eventful period in Clarkson history, troops and a temporary depository for supplies and munitions of war were strategically placed here. The corners served as a stopping place where horses were exchanged and travelers could quench their thirst at the Wallbridge and Houston Tavern.

Today, if you visit Clarkson you will be able to see some of the landmarks of its rich history. The Presbyterian Congregational Society's house of worship built in 1825 is now the Clarkson Community Church with Paul Davis as pastor. Many taverns and inns have remained along the old stagecoach route. The town hall which was built in 1899 and remodeled in 1936 remains one of the most picturesque landmarks in the town. Some of the original planks from the "Plank Road," now Lake Road, can still be found in Clarkson.

Clarkson, NY, has bloomed, blossomed, and flowered into a viable community that has been shaped and reshaped by many individuals collectively contributing to many historical watersheds that have endowed Clarkson with much more than mere survival over the past 175 years.

Mr. President, I ask my colleagues in the Senate to join me in honoring the great history of Clarkson. As a Senator from New York, I am proud to represent this town and others like it. It is the good people of Clarkson who make up the very fabric of our American life and history. It is only right that we acknowledge the value of our history as exemplified by this American town. I salute the town of Clarkson and congratulate its citizenry on their special birthday.•

MISSION TO FIND THE MISSING

• Mr. DURENBERGER. Mr. President, an article appeared in the Washington Post today about grassroots organizations that have sprung up to search for missing children and prevent child abductions. The article caught my eye because it was accompanied by a picture of a dear friend of mine—a friend that I feel I know very well even though I have never had the privilege of meeting him.

Three weeks ago today, my friend turned 16 years old. His name is Jacob Wetterling, and he was abducted from St. Joseph, MN, by an armed stranger when he was 11 years old. No one has heard from Jacob or his abductor since that day. But we all continue to hope and pray for Jacob's safe return to us.

Jacob's parents, Jerry and Patty Wetterling, have been incredible examples of the power of hope. They labored to set up the Jacob Wetterling Foundation, an organization dedicated to preventing and responding to child abductions. Patty spends countless hours traveling to speak to kids and adults about child protection. Her advocacy for kids has been felt throughout Minnesota and nationwide.

Patty's efforts to pass a State child protection law in Minnesota led me to introduce Federal legislation in 1991, which I named the Jacob Wetterling bill. This legislation would require those convicted of a sexual offense against a child to register a current address with law enforcement officials, for a period of 10 years after being released.

This legislation was passed in 1991, and again in 1993, as a provision in the Senate crime bill. It was also passed at the end of last year by the House of Representatives as a separate bill. Since both the House and Senate have now overwhelmingly spoken their support, I hope that we can move toward swift enactment of the Jacob Wetterling bill.

Mr. President, I ask that the article that appeared in the Post this morning be printed at the conclusion of my remarks.

Anyone with information about Jacob's case, or any other missing child, should contact the Jacob Wetterling Foundation at 1-800-325-HOPE. May we all keep hope alive in our hearts for Jacob and America's kids.

The article follows:

[From the Washington Post, Mar. 10, 1994]

GRASS-ROOTS CRUSADERS EMBRACE A MISSION TO FIND THE MISSING

(By Christine Spolar and Barbara Vobejda)

Less than 10 hours after Polly Klass was dragged from her home last October, the people of Petaluma, Calif., were already learning how to make the 12-year-old girl the nation's most wanted child.

As a radio station blared the news that she had been abducted—taken from her bedroom by a knife-wielding stranger—neighbors drove to the police station, to her school and to a local printer's office to offer their help. By mid-morning, hundreds of posters were printed and dozens of people had abandoned their Saturday chores to distribute them.

Before a full day had passed, national groups concerned with missing children sent representatives. By the next day, a volunteer search troop had spread across the little Northern California town and into the foothills of Sonoma County. By midweek, volunteers began cutting back on their work hours to spend time at a make-shift research center, to mail out fliers and punch information into computer bulletin boards.

"None of us had ever done anything like this before," said Leslie Ronsheimer, who

worked in a local dental office and called patients she knew to help. "We didn't always know what we were doing—but we kept calling and people kept giving."

This frenzy of activity embodied the most sophisticated of what has become a common response in child abductions, a grass-roots crusade dedicated to one cause: finding the missing child. No longer do parents and neighbors wait patiently for police to bring home news. Now, dozens of times a year when a child is kidnapped, a neighborhood enterprise springs to life, blanketing the community with information, raising money, prodding police and setting up hot lines.

Such groups have become a phenomenon—part sleuthing, part marketing, part community healing. In some cases, they are encouraged and supported by police investigators. In others, there is a mutual distrust, frustration that police seem to be moving too slowly, anger that volunteers are trying to take matters into their own hands.

But even when police officials are exasperated, they acknowledge that these community groups have generated renewed public interest in a relatively infrequent, but horrifying problem.

"If there's any legacy from this . . . it was a wake-up call for a lot of people," said Joanne Gardner, a California video director who helped search for Polly Klaas.

The day after the kidnapping, Gardner arrived with her laptop computer after watching news broadcasts that showed chaos among the volunteers. She riffled her Rolodex, calling the press and celebrities to ask that they publicize Polly's abduction. By day's end, Gardner was the media coordinator.

Others gave what they could: A community center donated tables and chairs. Pacific Bell, which intended to install one phone line, kept workers there until 11 lines were up and running. Local businesses donated computers, office supplies and fax machines for volunteers to trade and track search tips.

Cases like that of Polly Klaas—known as "stereotypical" abductions by strangers—happen about 200 to 300 times a year, according to a Justice Department study. They make up a small portion of the more than 100,000 American children abducted each year, the vast majority by a family member.

The neighborhood committees formed in the aftermath of abductions have often flourished, then faded away. But dozens of these and other groups with similar missions—at least 60 and perhaps many more—have continued, creating a network of local groups that rally when news of a missing child surfaces.

When 12-year-old Sara Anne Wood disappeared last August in upstate New York, hundreds of volunteers poured into a local church to print and distribute posters, raise money and answer phones. Months later, after a suspect told police where they could find the girl's body, her parent shifted the focus of their volunteer effort to search for other missing children.

Friends and neighbors who organized around the 1989 abduction of 11-year-old Jacob Wetterling in St. Joseph, Minn., still search for the boy, but have widened their focus to prevention, educating parents and children about safety.

Patty Wetterling, Jacob's mother, spends a great deal of time talking with the parents of other missing children, advising them on a wide range of subjects including how to organize search efforts and basic do's and don'ts: Don't use frantic energy after your child disappears to clean every inch of the house, for example. The child's clothes and hairbrush may be needed for hair analysis, and for tracking dogs who can pick up a scent.

But does all of this poster-printing, phone-calling and networking help find missing children?

In many cases, like those of Polly Klaas, Sara Anne Wood and Jacob Wetterling, it has not. It did not when 5-year-old Melissa Brannen disappeared in Lorton in December 1989.

Most children abducted by strangers have not been found alive—of the 1,543 cases complied over about 10 years by the National Center for Missing & Exploited Children, 393 were found alive, 211 were found dead and the rest are still missing.

Still, the intense volunteer efforts have had an effect. The congressional testimony of John and Reve Walsh, whose son Adam was kidnapped and murdered 13 years ago in Florida, helped pass legislation creating the national center, which serves as a central repository for information and helps local police in missing-children cases.

Experts say neighborhood watches and other types of citizen activism have reduced crime in some communities. And volunteer efforts have helped parents relatives and neighbors work through their sense of outrage and victimization.

"It helps parents deal with their kids' fears; it helps parents deal with their own fears," said Patty Wetterling. In Petaluma, many who volunteered found they could not walk away from the crime that, as one volunteer said, "crossed the line."

"This wasn't a carjacking or an abduction from a mall, the kind of crime, as a parent, you can think: 'Oh, that couldn't happen to me,' " said Gardner, a single mother of a 14-year-old daughter. "This crime was the bogyman come true. It said: No matter what you do as a parent, your child wasn't safe."

The Polly Klaas volunteer effort, which evolved into a foundation, was a remarkable coalition of talent. Real estate salesmen who knew the territory headed search teams. Lawyers became map makers and delivery truck drivers. Gary French, an out-of-work computer analyst, developed an unprecedented network to put Polly's image and information about her abduction on line with four different national computer links.

As Gardner said, the group "shamelessly courted the media," calling "America's Most Wanted," the "Today" show, any national broadcast that could show Polly's face to the public. The publicity brought out the good and the bad in people. Movie actress Winona Ryder, who grew up in Petaluma, offered a $200,000 reward for Polly's return and spent days volunteering.

Others among the hundreds who showed up at the local search center weren't as altruistic. In the first few weeks of the search, about a dozen people who said they were psychics approached the volunteers with visions. Marc Klaas, Polly's father, said the volunteer group felt compelled to follow up all those tips.

"I really have no belief in those but it's all we had," Klaas said. "I've since come to the conclusion that psychics are predators themselves."

The volunteers also found themselves in conflict with the official investigators. The FBI, which was in charge of the investigation, approached the case methodically, not readily accepting the family's story that a total stranger had taken Polly away. But the volunteers never doubted the story and many felt annoyed at the delay as the FBI investigated family members.

Then the FBI got riled when the volunteer group, frustrated that police had not followed up on a tip, interviewed a man and passed the information on to another police agency in Northern California.

Kelby Jones, who headed the volunteer search effort, said he was told that he could face obstruction of justice charges for that mistake.

"We tried to go as far as we could go," Jones said. "I think in the case of that tip, we unintentionally embarrassed the FBI because we were following up something they should have already done."

The result of that tension, however, was a police decision to provide daily updates to the volunteers.

"With these cases, you have to take law enforcement off the pedestal and sit down at a desk with them and work on something that's happened in your community," said French, the computer expert.

Mark J. Mershon, the FBI agent who headed the Klaas investigation, said the volunteer group was sometimes "misguided" but well-intentioned.

"As far as how this community galvanized, I've never seen anything like it," said Mershon, a 19-year veteran of the bureau.

The woman who found clothing on her property linking Polly and a suspect benefited from the tenacity of the volunteers. "I think if there had not been the intense community investigation and intense media interest, she would have probably ignored [the clothing] or wrinkled her nose and threw it out," Mershon said.

Eventually, the Klaas Foundation, the police and the FBI formed a strong alliance. The FBI in San Francisco is creating a special task force to address child kidnapping and molestation and both the law enforcement agencies and the community are using what they learned from the abduction.

Two weeks ago, a small child was reported missing around midnight by a distraught mother from Petaluma. The police responded quickly and alerted officials from the Klaas Foundation. A teletype was issued. FBI agents and volunteers were on the scene within two hours.

Then the effort had an abrupt happy ending. The woman found that her child was being cared for by a family friend, police said.

The Klaas Foundation is working on a reaction plan to share with other communities, an educational program for schools and tougher criminal legislation. Marc Klaas was in Washington recently to testify before Congress on proposals to revise prison sentencing for serious offenders.

The new efforts are part of an evolution for the Klaas Foundation. It is shifting from a crisis-management group to an institution in the community. Last month, it hired its first paid employee, an executive director who once guided Sonoma County's Special Olympics program.

"It's good to have a fresh face and new energy," French said. "Because this was draining for all of us."•

A TRIBUTE TO LIZ McINTYRE, OLYMPIAN FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, today I would like to pay tribute to an Olympian from Hanover, NH who participated in the 1994 winter Olympics in Lillehammer, Norway.

Liz McIntyre was a member of the U.S. women's freestyle ski team where she earned a silver medal in women's moguls for her outstanding performance in a field of tough competitors. The Granite State is proud of her achievement at this historic sporting event.

Liz was new to freestyle skiing. Skiing as a youngster at the Dartmouth Skiway, Liz learned to ski in the Ford Sayre Program near her hometown of Lyme, NH. She then turned to freestyle and her efforts gained national attention. As a student at Dartmouth College in Hanover, Liz began balancing Ivy League studies with soccer and ski training.

In 1991, Liz finished second again in the U.S. Championships and was back on the World Cup swirl. She opened the 1992 season with back-to-back top-fives, earned an Olympic berth, and was sixth in the Albertville Olympics. Liz stepped up to become the team's leader and turned in the finest international results of her career last season. She collected her second World Cup victory in Tignes, was second at Lake Placid, and was third in the next two events.

Liz's coach Wayne Hilterbrand described her as a quiet leader. She cut back on mountain bike racing this past summer to concentrate on improving her skiing. She enjoys soccer, reading, cooking, and telemark skiing. New Hampshire will continue to support Liz as she continues her skiing career.●

HEALTH COVERAGE

● Mr. DASCHLE. Mr. President, there are only three ways to guarantee that all Americans have health coverage. First, we can increase taxes and let the Federal Government pay for health care. Second, we could shift the entire burden onto families, through an individual mandate, leaving a middle-class family to pay roughly 17 percent of its after-tax income on health care. According to one analysis, this type of family mandate would impose a marginal tax rate of 47 percent for families between 100 percent and 200 percent of poverty. Finally, we could build on the current system and require that all employers share with their employees the responsibility for paying premiums. The last option makes the most sense, since 84 percent of the uninsured live in families where the head of the household is employed, but does not receive coverage through the workplace.

Currently, two-thirds of all nonelderly Americans receive their coverage through the workplace. It is a system that has worked well for many Americans for decades, and one Americans know and support. Why not build on a system that works, rather than start a completely new one that shifts costs entirely onto families?

The majority of employers who do provide health coverage for the workers are paying right now for the employers who do not. In 1991, employers who sponsored health insurance for their employees footed a bill totaling $10.8 billion for uncompensated care and also paid $26.4 billion to cover spouses, and other dependents, who are employed by noninsuring firms. We must put an end to this type of unfair cost shifting.

Coupling strong cost containment with a requirement that employers share responsibility for health coverage will not result in job loss. In fact, according to the nonpartisan Employee Benefits Research Institute, implementation of the Health Security Act could result in a net gain of up to 660,000 jobs. Further, the CBO estimated that businesses would save $90 billion in 1 year under the Clinton plan, with larger gains in subsequent years.

This debate is not about whether or not we should have a mandate. We have a mandate right now—the status quo mandate that those who pay for their health care pay for those who do not. This is the most inefficient and unacceptable mandate of all.

According to a Washington Post survey, 73 percent of Americans support an employer requirement for full-time workers and 69 percent for part-time employees. A Wall Street Journal poll found that 65 percent of Americans support shared responsibility for small firms.

Support for workplace based benefits continues to gain momentum around the country. I am releasing today a letter signed by 110 national organizations, businesses, and unions supporting employer mandates as a fair, effective, and practical means for achieving universal coverage. The letter represents millions of working American families that believe all employers should share the responsibility for the well-being of their employees.

The 115 signatures on the letter represent a broad base of support among a wide variety of groups. The signers include the AARP and the National Council on the Aging, American Hospital Association, Children's Defense Fund, a number of unions including the UAW, American Federation of State, County, and Municipal Employees, and the SEIU, consumers, like Families USA and the Consumer Union. Lane Kirkland from the AFL-CIO sends his support for the employer shared responsibility, as well. Large corporations have also pledged their support with the National Leadership Coalition for Health Care Reforms endorsement of employer responsibility. The coalition represents over 100 businesses, industries, and unions.

American workers want a health care system that guarantees universal coverage for every American and the cost be shared between employers and employees. Today's letter sends a clear message to all members of the House and Senate, that shared responsibility is a must-do in our health care debate.

Mr. President, I ask that the organizational letter of support and the March 9, 1994, letter from the AFL-CIO be printed in its entirety in the RECORD as follows:

The material follows:

MARCH 9, 1994.

DEAR MEMBER/SENATOR: Health security for all Americans, that guarantees that no one lacks or loses high-quality health care coverage, is an essential element of health care reform. We believe that this objective should be achieved for working families by requiring all employers to provide and help subsidize health care coverage for their employees. We believe that such an employer mandate should be enacted for several reasons.

An employer mandate builds on our current employer-based insurance system and would be the least disruptive way to achieve universal coverage. It would be fair in that all employers and employees would be responsible for contribution towards coverage. It would level the playing field among different employers, most of whom provide such coverage today. And it would eliminate large, unpredictable and inequitable cost shifts that employers bear today for the uninsured workers of other employers. We recognize that some employers (and employees) will need financial help to meet their obligations. We, of course, support providing necessary subsidies.

We believe that an employer mandate is a fair, effective and practical means for achieving universal coverage. We, therefore, urge its adoption.

ORGANIZATIONS ENDORSING EMPLOYER-BASED INSURANCE

ACME Steel Company.
AIDS Action Council.
Amalgamated Clothing and Textile Workers Union.
Ambulatory Pediatric Association.
American Association for Partial Hospitalization.
American Association of Pastoral Counselors.
American Association of Retired Persons.
American Association of University Professors.
American Association on Mental Retardation.
American College of Nurse-Midwives.
American College of Obstetricians and Gynecologists.
American College of Physicians.
American Counseling Association.
American Federation of Government Employees.
American Federation of Teachers.
American Federation of State, County, Municipal Employees.
American Federation of State, County, Municipal Employees Retiree Program.
American Geriatrics Society.
American Hospital Association.
American Lung Association.
American Medical Student Association.
American Medical Women's Association.
American Nurses Association.
American Postal Workers Union, AFL-CIO.
American Psychological Association.
American Speech-Language-Hearing Association.
American Thoracic Society.
Amputee Coalition of America.

Asociacion Nacional Pro Personas Mayores.
Association for Gerontology in Higher Education.
Association of Community Action Agencies.
Association of Community Organizations for Reform Now (ACORN).
Association of Schools and Public Health.
Association of Letter Carriers, AFL-CIO.
Association of Maternal and Child Health Program.
Bakery, Confectionery & Tobacco Workers International Union.
Bazelon Center for Mental Health Law.
Bethlehm Steel.
Catholic Health Association of the United States.
Center for Community Changes.
Center for Science in the Public Interest.
Center for Women Policy Studies.
Center on Disability and Health.
Ceridian Association.
Children's Defense Fund.
Chrysler Corporation.
Coalition on Human Needs.
Consumers Union.
Eldercare America, Inc.
Epilepsy Foundation of America.
Families USA.
Health Care for the Homeless Project, Inc.
Independent Federation of Flight Attendants.
International Association of Psychosocial Rehabilitation Services.
International Association of Fire Fighters.
International Ladies' Garment Workers' Union.
International Union, UAW.
International Union of Bricklayers and Allied Craftsmen.
International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, AFL-CIO (IUE).
Jesuit Social Ministries, National Office.
Laborers International Union.
League of Women Voters of the U.S.
Legal Action Center.
National Asian Pacific Center on Aging.
National Association of Alcoholism and Drug Abuse Counselors.
National Association of Area Agencies on Aging.
National Association of Child Advocates.
National Association of Children's Hospitals and Related National Institutions.
National Association of Community Action Agencies.
National Association of Community Health Centers.
National Association of Homes and Services for Children.
National Association of Professional Geriatric Care Managers.
National Association of Public Hospitals.
National Association of Social Workers.
National Caucus and Center on Black Aged.
National Community Mental Healthcare Council.
National Consumers League.
National Council of Senior Citizens.
National Education Association.
National Federation of Societies for Clinical Social Work.
National Hispanic Council on Aging.
National Leadership Coalition for Health Care Reform.[1]
National Mental Health Association.
National Multiple Sclerosis Society.
National Organization for Rare Disorders (NORD).
National Urban Coalition.
National Parent Network on Disabilities.
National Women's Health Network.
National Women's Law Center.
NETWORK: A National Catholic Social Justice Lobby.
New Ways to Work.
Older Women's League.
Project Vote Fund.
Rohm & Haas Company.
Rural Advancement Fund.
Save Our Security.
Service Employees International Union.
Society of Adolescent Medicine.
Southern California Edison Company.
The American State of the Art Prosthetic.
The Arc.
The Children's Foundation.
The Federation of Families for Children's Mental Health.
The National Council on the Aging, Inc.
United Auto Workers.
United Cerebral Palsy Association.
United Food and Commercial Workers Union.
United Auto Workers Retired and Older Workers Department.
United Mine Workers of America.
United Steelworkers.
Washington Ethical Action Office/AEU.
Women's Legal Defense Fund.
World Association for Psychosocial Rehabilitation-U.S. Branch.
YWCA of the U.S.A.

MEMBERS OF THE NATIONAL LEADERSHIP COALITION FOR HEALTH CARE REFORM

Acme Steel Company.
Amalgamated Clothing & Textile Workers Union, AFL-CIO.
American Academy of Family Physicians.
American Academy of Pediatrics.
American Association of Retired Persons.
American Automobile Manufacturers' Association.
American College of Physicians.
American Federation of Teachers, AFL-CIO.
American Iron & Steel Institute.
American Nurses Association, Inc.
American Physical Therapy Association.
American Psychological Association.
Association of Academic Health Centers.
Association of Minority Health Professional Schools.
B.C. Enterprises.
Bank South Corporation.
Bannon Research.
Bethlehem Steel Corporation.
Blue Diamond Growers.
Brown & Cole Stores.
Burlington Coat Factory.
Caterpillar Inc.
Ceridian Corporation.
Christian Children's Fund.
Chrysler Corporation.
Cold Finished Steel Bar Institute.
Communications Workers of America.
CoreStates Financial Corp.
Del Monte Foods.
Drummond Company Inc.
Families USA Foundation.
Filter Materials.
First Interstate Bancorp.
Ford Motor Company.
General Motors Corporation.
Georgia-Pacific Corporation.
Giant Food Inc.
The Great Atlantic & Pacific Tea Company, Inc.
Gross Electric Inc.
The Heights Group.
H.J. Heinz Co.
Hunt-Wesson Inc.
Inland Steel Company.
INSIGHT Treatment Services, Inc.
International Brotherhood of Electrical Workers.
International Multifoods.
International Union of Bricklayers and Allied Craftsmen.
James River Corporation.
Johnstown Corporation.
Keebler Company.
Keller Glass Company.
Lincoln Telephone & Telegraph Co.
Lockheed Corporation.
LTV Steel Company.
Lukens Inc.
Maternity Center Association.
Maytag and Admiral Products.
National Association of Childbearing Centers.
National Association of State Boards of Education.
National Easter Seal Society.
National Education Association.
National Steel Corporation.
Norwest Corporation.
Olympia West Plaza, Inc.
Pacific Gas & Electric.
PAR Associates.
Pella Corporation.
Preferred Benefits.
R.R. Donnelley & Sons Co.
Ralphs Grocery Company
Regis Corporation.
Rohm & Haas Company.
Safeway Inc.
Sara Lee Corporation.
Scott Paper Co.
Service Employees International Union, AFL-CIO.
Sokolov Strategic Alliance.
Southern California Edison Company.
Strategic Marketing Information, Inc.
Texas Heart Institute.
Time Warner Inc.
United Air Lines, Inc.
United Food and Commerical Workers International Union, AFL-CIO.
United Paperworkers International Union, AFL-CIO
United States Catholic Conference.
United Steelworkers of America, AFL-CIO
U.S. Bancorp.
The Vons Companies, Inc.
Westinghouse Electric Corporation.
Wheat, First Securities, Inc.
Wheeling-Pittsburgh Steel Corp.
The Whitment Group.
Wisconsin Public Service Corporation.
Xerox Corporation.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, March 9, 1994.

DEAR SENATOR: Universal coverage that guarantees that no one lacks or loses high-quality health care coverage is the cornerstone of comprehensive health care reform. The AFL-CIO believes the best way to achieve this objective is by requiring all employers to provide and help subsidize health care coverage for their employees.

An employer mandate builds on our current employer-based insurance system and would be the least disruptive way to achieve universal coverage. It would level the playing field among different employers, most of whom provide such coverage today. And it would eliminate large, unpredictable and inequitable cost shifts that employers bear today for the uninsured workers of other employers. We recognize that some employers

[1] The National Leadership Coalition for Health Care Reform is made up of over 100 organizational members—corporations, industrial companies, unions, consumer groups and health care providers.

(and employees) will need financial help to meet their obligations. We, of course, support providing necessary subsidies.

The AFL-CIO believes that an employer mandate is a fair, effective and practical means for achieving universal coverage. We believe it is essential to any acceptable health care package.

Sincerely,

ROBERT M. MCGLOTTEN,
Director, Department of Legislation.●

THE SITUATION IN THE MIDDLE EAST

● Mr. BIDEN. Mr. President, the recent massacre of Moslems praying in a mosque in the West Bank city of Hebron was a despicable act. I condemn it in the strongest terms, and I am dismayed that there are people in the world who have condoned this heinous crime.

I take the floor today to note the prompt and decisive actions taken by the Government of Israel to heal the wounds caused by the Hebron massacre. Prime Minister Rabin visited Hebron to express his sorrow. He denounced the butchery, calling it a "shame on Zionism and an embarrassment to Judaism." He established a commission to investigate the killings. He released hundreds of Palestinian prisoners. He imposed a new restrictions on Israeli settlers.

These gestures of goodwill are the acts of a statesman, and demonstrate clearly that Prime Minister Rabin is committed to keeping the peace process on track. Thus far, Prime Minister Rabin's efforts have received only lukewarm response from the Palestinian Liberation Organization. Seizing the political moment, the PLO leadership seeks greater concessions from Israel.

It is not my purpose in speaking today to discuss the terms of the Middle East peace process. That is the business of those who live in the region.

But I believe that Israel's actions should not go unnoticed. Israel—both the government and her people—has taken steps to express its collective contrition for the crime committed by one deranged Israeli.

Mr. President, on March 1, a column in the New York Times by A.M. Rosenthal addressed itself to this subject. I agree with the sentiments expressed by Mr. Rosenthal, and I commend it to my colleagues.

The article follows:

[From the New York Times, Mar. 1, 1994]

THE WORTH OF ISREAL

(By A.M. Rosenthal)

For all Israelis but a handful the massacre of the Muslims at prayer was one of the saddest days in the country's history.

That fact does nothing to assuage grief or diminish the crime. Still, it does tell a great deal about the gap between Arab and Israeli societies—and the importance of not allowing shock or sorrow to overwhelm the awareness of the difference.

As long as the difference goes unmentioned, as long as the world's politicians, clergymen, intellectuals and journalists act as if it does not exist, they diminish the chances of peace, or even easement between Arab and Jew in the Mideast.

Baruch Goldstein committed a monstrous act of terrorism that cannot be softened by talk of his rage or sense of injustice. But collectively and individually, Israelis denounced the crime; some even saw it as a time for national contrition.

After the massacre, the President of Israel went to Hebron to bow his head. He said nothing worse had happened in the history of Zionism. In Jerusalem, Prime Minister Yitzhak Rabin set up a top-level investigation, ordered settlers deemed dangerous to be detained, disarmed or arrested. Benjamin Netanyahu, the opposition Likud leader, said the crime was a "despicable abomination." In New York, Jews prayed for the Muslim dead in a Christian church.

And now, it is healthy and wise to ask some questions. When 22 Jews in an Istanbul synagogue were murdered at prayer, did Yasir Arafat visit Israeli offices to express sorrow? When Pan Am 103 was bombed out of the sky, did Arab states immediately begin an investigation? When Israeli athletes were murdered in Munich or Israeli cities hit with Iraqi missiles, was weeping heard in Arab streets—or rejoicing?

Another difference: The mosque murderer was not ordered into action by state-sponsored terrorist squads like those that have moved out from Syria, Iran and Lebanon to kill Israelis, dissident Palestinians and Westerners decade after decade—and do to this day. No services of regret. What Arab president bows his head?

If we let these things go unsaid, we become parties to the offense of moral equivalence, the curse of Western society. In the days of the Communist empire, it was committed by the left and the stupid. Essentially they said that people were suffering under capitalism as well as Communism, so there was no great moral judgment to make between the two.

For a half-century, moral equivalence has been shield and weapon for those who oppose the existence of Israel or find a particular Israeli Government not to their liking. An act of repression or violence in Israel's democratic society becomes worse than the built-in repression and murder that are the very basis of Arab states at war with Israel.

In the time of Soviet power, moral equivalence was the cover-up for a leaning toward left-wing totalitarianism. About Israel, since independence moral equivalence often masks a taste for third-world totalitarianism.

Israel's Labor Government does not talk much about moral equivalence. Why bother when there's nobody to negotiate with but despotic states and movements?

Silence does not change reality. It is the nature and history of Israel's neighbors that make so many Israelis fear an independent Palestine. They see it as one more repressive hate-filled state on their borders, sworn to eat deeper into Israel.

The freely elected Israeli Government has already made fundamental concessions that could lead to Palestinian independence in a few years: recognition of the P.L.O., a Palestinian legislature and policy-army, steps toward giving up most of the West Bank and the Golan Heights, and a new untested military survival strategy based on that territorial loss.

How many Israeli settlers would remain on the West Bank to put their safety in the hands of Palestinian police? Patience, Mr. Arafat: Judea and Samaria can yet be Jew-free.

After the massacre the Arabs ask for more concessions as the price of negotiation. For the West or Russia to back the demands would be cynicism and cowardice.

But for Israel to agree would be an even greater error. Israel would then become party to a judgment of moral equivalence that would deny the worth of Israel as a democratic nation, set alone among the dictatorships in the Middle East.●

ANNIVERSARY OF CONCORDIA PUBLISHING HOUSE

● Mr. BOND. Mr. President, I wish to bring to the attention of the Senate and the American public the 125th anniversary of Concordia Publishing House. On March 9, 1994, Concordia Publishing House celebrated 125 years of producing quality children's books in South St. Louis, MO.

Families all over the world are familiar with Arch Books which are admired for their enjoyable rhyming Bible stories and lively illustrations. Concordia Publishing House sold over 55 million copies of these books. Soon, they will be introducing a new series of children's books, "PassAlong Arch Books." In celebration of their 125 years of publishing, Concordia Publishing House will give away 400,000 copies of the first book of the new series, "God's Easter Plan."

Concordia Publishing House has shown perseverance and dedication in the field of publishing. For 125 years, they have provided a meaningful service to the St. Louis community and families all over the world. I am justifiably proud of their achievements and extend my sincere congratulations to them.

Mr. President, I am honored to have had the opportunity to recognize the accomplishments of Concordia Publishing House.●

FACES OF THE HEALTH CARE CRISIS

● Mr. RIEGLE. Mr. President, I rise today in my continuing effort to put real faces on the health care crisis confronting our Nation. I would like to share the story of Ronald Doran from Roseville, MI. Ronald was forced to file personal bankruptcy because he is unable to pay over $20,000 in medical bills from a recent hospital stay.

Ronald Doran is a 57-year-old single man and has worked as an electrician most of his adult life. During his career, his employers, all of them small businesses, have not always offered health insurance and he has been uninsured several times. Our system today relies on employers to provide benefits. Since all employers today don't provide insurance, our system leaves employees, like Ronald, without affordable coverage.

Ronald has three major blockages in his heart, a condition that has resulted

in four heart attacks since 1979. His third attack was in 1990, when he did not have insurance because he was between jobs and could not afford expensive private coverage. He was unable to pay his hospital bill and the hospital wrote off the costs as uncompensated care.

Ronald went back to work after that attack but again became uninsured when his most recent employer lost a major contract and laid off Ronald and several other workers in 1992. He could not afford to spend his own money on the high premiums of the plan his employer had provided. And he knew he wouldn't be able to get an affordable private policy because of his preexisting condition. While he was working he received regular medical care to manage his heart condition, but since he lost his insurance he has not had an ongoing source of care.

Ronald would like to go back to work but his deteriorating medical condition makes this impossible. Several months ago, he began receiving Social Security disability benefits, but will not be eligible for Medicare benefits for another 2 years. In the meantime, Ronald has no health insurance. He has used up all his savings and relies on his SSDI benefits of $843 a month to support himself.

In January of this year, Ronald was experiencing severe chest pains and called for emergency assistance. The ambulance took him to the nearest hospital, where he was admitted for artery blockage—his fourth heart attack. Ronald knew that he didn't have the money or the insurance to pay for the hospital services and pleaded to be released immediately. Despite his requests, the hospital medical staff determined that his condition was far too serious for him to leave the hospital. They performed an angioplasty in an attempt to open a blocked artery.

Ronald spent 2½ days in the hospital. His hospital and physician charges for the ordeal totaled over $20,000. There is no way for Ronald to pay these bills on his limited income of Social Security disability payments, so he was forced to declare personal bankruptcy.

Ronald has worked and contributed to society for years, but at 57 years he is still too young to receive Medicare benefits. He is going to continue to require followup care and medical management, without having any health insurance coverage to pay for it.

Mr. President, we must enact comprehensive health care reform to provide a guarantee of coverage for all Americans so that people like Ronald Doran aren't forced into bankruptcy due to the burden of medical bills. When you lose your job today it means you lose your health insurance. And this means that people can never be sure that they will have coverage when they need it. We need reform so that Americans have the security of ongoing coverage no matter what their employment status or their ability to pay. We need reform so that the small businesses which provide coverage are not unfairly burdened because their competitors do not.

Without reform, people with preexisting conditions will continue to deplete their savings to pay for their care, and end up going without critical services until they land in the emergency room. We need reform to make sure that people like Ronald Doran get continuing preventive care so that they can avoid hospitalization. And we need health care reform so that hospitals are not forced to charge more to their private patients with health insurance to cover the costs of the patients who simply cannot pay the bill.

Mr. President, I will continue to work with my colleagues in the Senate and with the White House to make sure that health care reform is a reality this year.●

A TRIBUTE TO KRISTEAN PORTER, OLYMPIAN FROM NEW HAMPSHIRE

● Mr. SMITH. Mr. President, today I would like to pay tribute to a young Olympian from Greenland, NH, who participated in the 1994 Winter Olympics in Lillehammer, Norway.

Kristean Porter was a member of the U.S. Women's Freestyle Ski Team where she placed 20th in aerials. She is in her fifth year as a member of the U.S. Women's Ski Team. The Granite State is proud of her representation at this historic sporting event.

Aerials became an Olympic full-medal event for the first time at Lillehammer. Two years ago, Kriste missed making the 1992 Olympic squad by a single point. While missing the Olympic team in 1992 was a serious disappointment, Porter learned from the experience and vowed to go to the Olympics in 1994.

Kriste is one of the early freestyle skiers in Maine's Sugarloaf USA freestyle program. She made her way up the ladder, competing at the Subaru U.S. Championships in 1987 as a 15-year-old. Kriste moved onto the World Cup tour for the 1990 season and produced 10 top 15 results, including fourth overall in combined. She won the upright aerials and combined titles at the 1990 Subaru U.S. Freestyle Championships and was bronze medalist in combined at the 1991 World Championships.

Although aerials is her strong event, Porter continues to compete as a combined skier in World Cup events. New Hampshire will continue to support Kriste as she continues her skiing career.●

ORDERS FOR FRIDAY, MARCH 11, 1994

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Friday, March 11, that following the prayer, the Journal of Proceedings be approved to date and the time for the 2 leaders reserved for their use later in the day; that the Senate then proceed to the House message on H.R. 3345, as provided for under a previous unanimous-consent agreement; that upon disposition of the House message, the Senate then resume consideration of S. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, and if no Senator is seeking recognition, I now ask unanimous consent the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 10:44 p.m., recessed until Friday, March 11, 1994, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10, 1994:

DEPARTMENT OF JUSTICE

THOMAS A. CONSTANTINE, OF NEW YORK, TO BE ADMINISTRATOR OF DRUG ENFORCEMENT.

DEPARTMENT OF DEFENSE

JOHN M. DEUTCH, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF DEFENSE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUEST TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

DANIEL T. K. HURLEY, OF FLORIDA, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF FLORIDA.

JUDITH W. ROGERS, OF THE DISTRICT OF COLUMBIA, TO BE U.S. CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT.

HELEN G. BERRIGAN, OF LOUISIANA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF LOUISIANA.

SAMUEL FREDERICK BIERY, JR., OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF TEXAS.

W. ROYAL FURGESON, JR., OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF TEXAS.

ORLANDO L. GARCIA, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF TEXAS.

JOHN H. HANNAH, JR., OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF TEXAS.

JANIS GRAHAM JACK, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF TEXAS.

CAMERON M. CURRIE, OF SOUTH CAROLINA, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF SOUTH CAROLINA.

DEPARTMENT OF JUSTICE

ALFRED E. MADRID, OF ARIZONA, TO BE U.S. MARSHAL FOR THE DISTRICT OF ARIZONA FOR THE TERM OF 4 YEARS.

CHARLES LESTER ZACHARIAS, OF MINNESOTA, TO BE U.S. MARSHAL FOR THE DISTRICT OF MINNESOTA FOR THE TERM OF 4 YEARS.

LEZIN JOSEPH HYMEL, JR., OF LOUISIANA, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF LOUISIANA FOR THE TERM OF 4 YEARS.

WALTER CLINTON HOLTON, JR., OF NORTH CAROLINA, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF NORTH CAROLINA FOR THE TERM OF 4 YEARS.

KRISTINE OLSON ROGERS, OF OREGON, TO BE U.S. ATTORNEY FOR THE DISTRICT OF OREGON FOR THE TERM OF 4 YEARS.

RAIMON L. PATTON, OF TENNESSEE, TO BE U.S. MARSHAL FOR THE MIDDLE DISTRICT OF TENNESSEE FOR THE TERM OF 4 YEARS.

JOHN MARSHALL ROBERTS, OF TENNESSEE, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF TENNESSEE FOR THE TERM OF 4 YEARS.

ISRAEL BROOKS, JR., OF SOUTH CAROLINA, TO BE U.S. MARSHAL FOR THE DISTRICT OF SOUTH CAROLINA FOR THE TERM OF 4 YEARS.

JOHN JAMES LEYDEN, OF RHODE ISLAND, TO BE U.S. MARSHAL FOR THE DISTRICT OF RHODE ISLAND FOR THE TERM OF 4 YEARS.

TIMOTHY PATRICK MULLANEY, SR., OF DELAWARE, TO BE U.S. MARSHAL FOR THE WESTERN DISTRICT OF DELAWARE FOR THE TERM OF 4 YEARS.

JACK O. DEAN, OF TEXAS, TO BE U.S. MARSHAL FOR THE WESTERN DISTRICT OF TEXAS FOR THE TERM OF 4 YEARS.

LAURENT F. GILBERT, OF MAINE, TO BE U.S. MARSHAL FOR THE DISTRICT OF MAINE FOR THE TERM OF 4 YEARS.

EXTENSIONS OF REMARKS

HONORING ZLATA FILIPOVIC—BOSNIA'S ANNE FRANK

HON. CHRISTOPHER H. SMITH
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. SMITH of New Jersey. Mr. Speaker, today the Helsinki Commission was privileged to have Zlata Filipovic, a 13-year-old girl from Sarajevo, testify about her experience as a child in that besieged and war-torn city. Her presence there today was nothing short of a miracle.

The devastation and death which has been inflicted on the people of Sarajevo—indeed all of Bosnia—has ended the lives of thousands of people, young and old, whose contributions to the world will never be known. But perhaps in death, they call us to a task which might seem beyond our abilities—to seek a lasting peace where people of all ethnic backgrounds, cultures, and religions will live side by side, building a better world.

Zlata and her parents are no longer threatened personally by the destruction in Bosnia—but it has forever changed their lives. I am sure it has also changed how they will forever view the world. The recently published "Zlata's Diary"—her record of the war and her thoughts and perceptions—should certainly challenge us.

From the first time portions of the diary became known, the world sat up and took notice of this young girl whose insights and passion belie her age. Quickly, she received world attention. She was being acclaimed as the Anne Frank of Sarajevo. Newsweek magazine said "she compared herself to Anne Frank." But as I read her diary it was not Zlata, but others who gave her that name. Her response was simply, "That frightens me. I don't want to suffer her fate."

Mr. Speaker, Anne Frank's diary became known to the world only after her death, only after the whole world knew of the atrocities of the Nazi extermination programs. It serves as a reminder of one of the darkest moments in human history. Yet at the same time, it serves as a message of hope—hope that it seems only a child can offer at times such as that.

"Zlata's Diary" speaks to us now while the atrocities of the war in Bosnia continue. It is not a reminder of things past, but a call to respond now to the crisis. Her voice speaks for the thousands who are still besieged, who live with the fear that at any moment their world will be torn apart. She is the living spirit of the children who have died and of those who continue to suffer. She is a light of hope for those in Bosnia who each day lose hope. I am submitting for the RECORD excerpts from her diary published in Newsweek so that we all may be enlightened by her insight.

Now that Zlata is safe, she hopefully no longer has to worry about suffering the fate of Anne Frank. But how many more will if something is not done? How tragic it would be if we only praise her for her literary achievement and fail to respond to the crisis which gave birth to it.

Zlata speaks out forcefully and bravely for the Bosnians and for all children. She reminded me of the obligations which I have—which we all have—to seek peace, security, and justice.

CHILD OF WAR—THE DIARY OF ZLATA FILIPOVIC

In late 1991, Zlata Filipovic, 10, a Bosnian girl of mixed ethnic heritage, started a diary of her life in Sarajevo. It soon became a chronicle of horrors. Over the next two years, as the city came under intensifying Serb attack, Zlata grew from a girlish innocent into a precociously wise young teenager. She compared herself to Anne Frank, the Dutch Jewish girl who was killed by the Nazis and left behind a poignant account of her life in hiding. Last summer a peace group in Sarajevo published Zlata's diary. A French publisher brought out a European edition and arranged for the family's evacuation from Sarajevo. Now 13, Zlata lives with her parents in Paris. The U.S. edition of her diary is published this week. Exclusive excerpts:

THURSDAY, 3/5/92

Oh God, things are heating up in Sarajevo. On Sunday a small group of armed civilians (as they say on TV) killed a Serbian wedding guest and wounded the priest. On March 2 (Monday) the whole city was full of barricades. There were "1,000" barricades. We didn't even have bread. At 6:00 people got fed up and went out into the streets. The procession set out from the cathedral and made its way through the entire city. Several people were wounded at the Marshal Tito army barracks. People sang and cried "Bosnia, Bosnia." "Sarajevo, Sarajevo." "We'll live together" and "Come Outside."

MONDAY, 3/30/92

Hey diary! You know what I think? Since Anne Frank called her diary Kitty, maybe I could give you a name too. What about:

Asfaltina, Pidzameta, Sefika, Hikmeta, Sevala, Mimmy or something else???

I'm thinking, thinking . . . I've decided. I'm going to call you Mimmy.

All right then, let's start.

Dear Mimmy,

It's almost half-term. We're all studying for our tests. Tomorrow we're supposed to go to a classical music concert at the Skenderija Hall. Our teacher says we shouldn't go because there will be 10,000 people, pardon me, children, there, and somebody might take us as hostages or plant a bomb in the concert hall. Mommy says I shouldn't go. So I won't.

SUNDAY, 4/5/92. DEAR MIMMY

I'm trying to concentrate so I can do my homework (reading), but I simply can't. Something is going on in town. You can hear gunfire from the hills. Columns of people are spreading out from Dobrinja. They're trying to stop something, but they themselves don't know what. You can simply feel that something is coming, something very bad. On TV I see people in front of the parliament building. The radio keeps playing the same song: "Sarejevo. My Love." That's all very nice, but my stomach is still in knots.

TUESDAY, 4/28/92. DEAR MIMMY

Sniffle! Martina, sniffle, and Matea, sniffle, left yesterdaaay! They left by bus for Krsko [a town in Slovenia]. Oga has gone too, so has Dejan. Mirna will be leaving tomorrow or the next day, and soon Marijana will be going too.

Sniffle.

Everybody has gone. I'm left with no friends.

SATURDAY, 5/2/92. DEAR MIMMY

Today was truly, absolutely the worst day ever in Sarajevo. The shooting started around noon. Mommy and I moved into the hall. Daddy was in his office, under our apartment, at the time. We told him on the intercom to run quickly to the downstairs lobby where we'd meet him. We brought Cicko [the canary] with us. The gunfire was getting worse, and we couldn't get over the wall to the Bobars', so we ran down to our own cellar.

The cellar is ugly, dark, smelly. Mommy, who's terrified of mice, had two fears to cope with. The three of us were in the same corner as the other day. We listened to the pounding shells, the shooting, the thundering noise overhead. We even heard planes. At one moment I realized that this awful cellar was the only place that could save our lives. Suddenly, it started to look almost warm and nice. It was the only way we could defend ourselves against all this terrible shooting. We heard glass shattering in our street. Horrible. I put my fingers in my ears to block out the terrible sounds.

THURSDAY, 5/7/92. DEAR MIMMY

I was almost positive the war would stop. But today . . . Today a shell fell on the park in front of my house, the park where I used to play and sit with my girlfriends. A lot of people were hurt, and Nina is dead. A piece of shrapnel lodged in her brain and she died. She was such a sweet, nice little girl. We went to kindergarten together, and we used to play together in the park. Is it possible I'll never see Nina gain? Nina, an innocent 11-year-old little girl—the victim of a stupid war. I feel sad. I cry and wonder why? She didn't do anything. A disgusting war has destroyed a young child's life. Nina. I'll always remember you as a wonderful little girl.

WEDNESDAY, 5/27/92. DEAR MIMMY

Slaughter! Massacre! Horror! Crime! Blood! Screams! Tears! Despair!

That's what Vaso Miskin Street looks like today. Two shells exploded in the street and one in the market. Mommy was nearby at the time. She ran to Grandma and Granddad's. Daddy and I were beside ourselves because she hadn't come home. I saw some of it on TV but I still can't believe what I actually saw. It's unbelievable. I've got a lump in my throat and a knot in my tummy. Horrible. They're taking the wounded to the hospital. It's a madhouse. We kept going to the window hoping to see Mommy, but she wasn't back. Daddy and I were tearing our hair out.

I looked out the window one more time and . . . I saw mommy running across the bridge. As she came into the house she started shaking and crying. Through her tears she told us how she had seen dismembered bodies.

A horrible day, unforgettable.

Horrible! Horrible!

FRIDAY, JUNE 5, 1992, DEAR MIMMY

There's been no electricity for quite some time and we keep thinking about the food in the freezer. There's not much left as it is. It would be a pity for all of it to go bad. There's meat, and vegetable and fruit. How can we save it?

Daddy found an old wood-burning stove in the attic. It's so old it looks funny. In the cellar we found some wood, put the stove outside in the yard, lit it and are trying to save the food from the refrigerator. We cooked everything and joining forces with the Bobars, enjoyed ourselves. There was veal and chicken, squid, cherry strudel, meat and potato pies. All sorts of things. It's a pity, though, that we had to eat everything so quickly. We even overate.

THURSDAY, JUNE 18, 1992, DEAR MIMMY

I keep asking why? What for? Who's to blame? I ask but there's no answer. All I know is that we are living in misery. Yes, I know, politics is to blame for it all. I said I wasn't interested in politics, but in order to find out the answer I have to know something about it. They tell me only a few things. I'll probably find out and understand much more one day. Mommy and Daddy don't discuss politics with me. They probably think I'm too young or maybe they themselves don't know anything. They just keep telling me: This will pass—"it has to pass"?

MONDAY, JUNE 29, 1992, DEAR MIMMY

Boredom, shooting, shelling. People being killed. Despair, hunger, misery; fear.

That's my life. The life on an innocent 11-year-old schoolgirl. A schoolgirl without a school, without the fun and excitement of school. A child without games, without friends, without the sun, without birds, without nature, without fruit, without chocolate or sweets, with just a little powdered milk. In short, a child without a childhood.

THURSDAY, JULY 2, 1992, DEAR MIMMY

We gave ourselves a treat today, we picked the cherries off the tree in the yard and ate them all up. We had watched it blossom and its small green fruits slowly turn red and now here we were eating them. Oh, you're a wonderful cherry tree.

TUESDAY, AUGUST 11, 1992, DEAR MIMMY

Shelling, killing, darkness, and hunger continue in Sarajevo. Sad.

I still don't go out. I play with Bojana and with my kitty Cici, Cici has brightened up this misery of a life. How you can come to love an animal. She doesn't talk, but she speaks with her eyes, her paws, her meows, and I understand her, I really love you, Cici.

WEDNESDAY, OCTOBER 21, 1992, DEAR MIMMY

As you know, I confide in you everyday (almost). Well, you know the summer school in our community center? We had a wonderful time together there, did some acting some reciting, and best of all, some writing too. It was all so nice, until that horrible shell killed our friend Eldin.

Maja is still working with our teacher Irena Vidovic. And the other day, Maja asks me: "Do you keep a diary, Fipa?"

I say: "Yes."

And Maja says: "Is it full of your own secrets, or is it about the war?"

And I say: "Now, it's about the war."

And she says: "Fipa, you're terrific."

She said that because they want to publish a child's diary and it just might be mine, which means—you, mimmy. And so I copied part of you into another notebook and you went to the City Assembly to be looked at. And I've just heard that you're going to be published! You're coming out for the UNICEF Week! SUPER!

THURSDAY, 11/19/92. DEAR MIMMY

I keep wanting to explain these stupid politics to myself, because it seems to me that politics caused this war, making it our everyday reality. War has crossed out the day and replaced it with horror, and now horrors are unfolding instead of days. It looks to me as though these politics mean Serbs, Croats and Muslims. But they are all people. They are all the same. They all look like people, there's no difference. They all have arms, legs and heads, they walk and talk, but now there's "something" that wants to make them different.

Among my girlfriends, among our friends, in our family, there are Serbs and Croats and Muslims. It's a mixed group and I never knew who was a Serb, a Croat or a Muslim. Now politics has started meddling around. It has put an "S" on Serbs, and "M" on Muslims and a "C" on Croats, it wants to separate them. And to do so it has chosen the worst, blackest pencil of all—the pencil of war which spells only misery and death.

Why is politics making us unhappy, separating us, when we ourselves know who is good and who isn't? We mix with the good, not with the bad. And among the good there are Serbs and Croats and Muslims, just as there are among the bad. I simply don't understand it. Of course, I'm "young," and politics are conducted by "grown-ups." But I think we "young" would do it better. We certainly wouldn't have chosen war.

A bit of philosophizing on my part, but I was alone and felt I could write this to you. Mimmy. You understand me. Fortunately, I've got you to talk to.

THURSDAY, 12/3/92. DEAR MIMMY

Today is my birthday, my first wartime birthday, 12 years old. Congratulations. Happy Birthday to me!

The day started off with kisses and congratulations. First Mommy and Daddy, then everyone else. Mommy and Daddy gave me three Chinese vanity cases—with flowers on them!

As usual there was no electricity. Auntie Melica came with her family (Kenan, Naida, Nihad) and gave me a book. The whole neighborhood got together in the evening. I got chocolate, vitamins, a heart-shaped soap (small, orange), a key chain with a picture of my playmates Maja and Bojana, a pendant made of a stone from Cyprus, a ring (silver) and earrings (bingo!).

It was nice, but something was missing.

It's called peace!

THURSDAY, 4/8/93. DEAR MIMMY

More terrible, sad news today. Our dear, beloved [canary] Cicko has died. He just toppled over and that was it. He wasn't sick. It happened suddenly.

He was singing. Now he's not cold anymore. The poor thing got through the winter, we found him food. And he left it all. Maybe he had had enough of this war. Daddy buried him in the yard. His case is empty. No more Cicko.

TUESDAY, 6/1/93. DEAR MIMMY

Yesterday I was a disaster: Today I'm supposedly better. Let me tell you that breakfast, lunch and dinner were all uncooked because the gas went off yesterday. And as you know, we have no electricity either, so we're all on the verge of suicide. DISASTER! Oh, Mimmy. I can't take it anymore. I'm so tired of all these Sssss! I'm sorry I'm swearing but I really can't take it anymore. There's a growing possibility of my killing myself, if all these morons up there and down here don't kill me first. I'm losing it.

SATURDAY, 7/17/93. DEAR MIMMY

Book promotion day.

Since I didn't take you with me (just a part of you was there) I have to tell you what it was like.

It was wonderful. The presenter was a girl who looked unbelievably like Linda Evangelista. She read parts of you, Mimmy, and was even accompanied on the piano. Auntie Irena was there. Warm and kind, as always, with warm words for children and adults alike.

At the end I read my message. This is what I said:

"Suddenly, unexpectedly, someone is using the ugly powers of war, which horrify me, to try to pull and drag me away from the shores of peace, from the happiness of wonderful friendships, playing and love. I feel like a swimmer who was made to enter the cold water, against her will. I feel shocked, sad, unhappy and frightened and I wonder where they are forcing me to go. I wonder why they have taken away [the] peaceful and lovely shores of my childhood. I used to rejoice at each new day, because each was beautiful in its own way. I used to rejoice at the sun, at playing, at songs. In short, I enjoyed my childhood. I had no need of a better one. I have less and less strength to keep swimming in these cold waters. So take me back to the shores of my childhood, where I was warm, happy and content, like all the children whose childhood and the right to enjoy it are now being destroyed.

"The only thing I want to say to everyone is: PEACE' ".

FRIDAY, 7/23/93. DEAR MIMMY

Ever since July 17. Various people have been coming around—journalists, reporters, cameramen. From Spain, France, the U.S. . . . England . . . and yesterday a crew came from ABC News. They filmed me for American TV as the "person of the week." Hey, imagine, me a personality?

Can that outside world see the darkness I see? Just as I can't see myself on TV tonight, so the rest of the world probably can't see the darkness I'm looking at. We're at two ends of the world. Our lives are so different. Theirs is bright light. Ours is darkness.

MONDAY, 8/2/93. DEAR MIMMY

Some people compare me with Anne Frank. That frightens me. Mimmy, I don't want to suffer her fate.

WEDNESDAY, 8/18/93. DEAR MIMMY

Yesterday I heard some optimistic news. The "kids" [politicians] have signed an agreement in Geneva on the demilitarization of Sarajevo. What can I say? That I hope, that I believe it???? I don't know how I could. Whenever I believed and hoped for something it didn't happen, and whenever I didn't believe or expect anything it did happen.

SUNDAY, 10/17/93. DEAR MIMMY

Yesterday our friends in the hills reminded us of their presence and that they are now in control and can kill, wound, destroy . . . yesterday was a truly horrible day.

Five hundred and ninety shells. From 4:30 in the morning on, throughout the day. Six

dead and 56 wounded. That is yesterday's toll. Souk-bunar fared the worst. I don't know how Melica is. They say that half the houses up there are gone.

We went down into the cellar. Into the cold, dark, stupid cellar which I hate. We were there for hours and hours. They kept pounding away. All the neighbors were with us.

Sometimes I think it would be better if they kept shooting, so that we wouldn't find it so hard when it starts up again. This way, just as you relax, it starts up AGAIN. I am convinced now that it will never end. Because some people don't want it to, some evil people who hate children and ordinary folk. We haven't done anything. We're innocent. But helpless!

HONORING WHITESBURG APPALACHIAN REGIONAL HEALTHCARE—TOP 25 IN THE NATION

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. ROGERS. Mr. Speaker, today I rise to honor excellence in health care. Health care is a very dear subject to the people of southern and eastern Kentucky.

It is for this reason, I am proud to commend the administration and staff at the Whitesburg Appalachian Regional Healthcare facility for being named one of the top 25 performing rural facilities in the United States.

Whitesburg ARH was rated alongside 2,100 rural health care facilities with over 250 beds or less and scored among the leaders.

The study was undertaken by the healthcare information firm HCIA, Inc. and the Mercer health care provider consulting firm, to establish industry benchmarks for successful health delivery.

It scored hospitals, large and small, in eight categories: First, charge per discharge; second, risk-adjusted mortality rate; third, morbidity ratio; fourth, expenses per discharge; fifth, average length of stay; sixth, profitability; seventh, financial leverage; and eighth, investment in capital assets. These categories are implied measures of cost, quality, and viability.

Whitesburg ARH scored among the top hospitals in every category. Not a small feat—the only other hospital to receive such recognition in Kentucky was the UK Medical Center facility in the large hospital category.

Whitesburg ARH is not just excellent at delivering health services to the residents of Kentucky. It has devoted much time and effort in recent years in community health education through health fairs, information booth at events and even free health screenings at the hospital's annual pig roast, during the Mountain Heritage Festival.

I am proud to honor Administrator Nicholas P. Lewis, the administration and staff of Whitesburg ARH. They are a shining example of rural health care delivery which all of southern and eastern Kentucky, and all of America can be proud.

A TRIBUTE TO TIMOTHY C. MARTIN

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of Timothy C. Martin of San Bernardino, CA. Tim, who has demonstrated a remarkable dedication to the needs and safety of San Bernardino County residents over the past 32 years, will be honored on March 19, 1994, as he retires from his position as chief of the Bureau of Investigation at the San Bernardino County district attorney's office.

Tim attended local schools and spent the majority of his law enforcement career in San Bernardino County. Because of his involvement and active leadership in the community, Tim has been an instrumental force in preserving the law and order in San Bernardino County.

Tim's initial interest in being a direct participant in preserving the peace and well-being of society can be traced back to his dedicated service as a U.S. Marine from 1958 to 1961. Following his service in the military, Tim joined the San Bernardino County sheriff's office as Deputy Sheriff where he achieved the rank of sergeant. Tim's law enforcement career flourished when he joined the San Diego County organized crime task force where he was personally responsible for breaking up an L.S.D. manufacturing and distribution ring, leading to 15 arrests and the seizure of a lab and $12 million in pure L.S.D. For the past 17 years Tim has diligently served as the chief of the Bureau of Investigation for the San Bernardino County district attorney's office where he was the first and only chief investigator. Tim's distinguished career is further highlighted by his involvement in numerous organizations in the law enforcement community. He has served as president of both the California District Attorney Investigators Association and the National Prosecutors Investigators' Association.

In addition to being a leader in the law enforcement community, Tim has been influential in the private sector as well. He has received several awards to commemorate his dedication to the needs of citizens which include the San Bernardino City Ambassador of Goodwill Award and the San Bernardino League of Women Voters Citizen Achievement Award. Indicative of Tim's commitment to community service, he has been a past president of both the Option House, a home for battered women, and Saint Anne's Church in San Bernardino. Additionally, Tim has many notable achievements in several chapters of the Elk's Lodge.

Mr. Speaker, I ask that you join me, our colleagues, Tim's family and many friends in honoring this unique individual for his extensive and dedicated service. Over the years, Tim has touched the lives of many people in our community and it is only fitting that the House recognize him today.

KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service agent Joseph Occhipinti, I submit into the RECORD two sworn affidavits made out by Ramon Antonio Grullon, a former official of the Government of the Dominican Republic:

AFFIDAVIT

[State of New York, County of Richmond]

Ramon Antonio Grullon, being duly sworn, deposes and states:

(1) I am the former Consul of the Dominican Republic to Philadelphia, the former Consul General and Ambassador to Kingston, Jamaica, as well as other diplomatic positions I held for the Government of the Dominican Republic.

(2) On or about the end of 1989, I was personally told by Dominican businessmen, Jose Delio Marte, Silvio Sanchez, Pedro Allegria and Ernesto Farbege that they needed my political assistance in "eliminating" former Immigration Officer Joseph Occhipinti. They explained to me that Occhipinti was a threat to their illegal businesses, which included loan sharking, gambling, drug distribution and the employment of illegal aliens. Pedro Allegria, Richard Knipping, Jose Delio Marte and a man call "Pepe", the brother-in-law to Delio Marte operate a major loan sharking operation out of Sea Crest Trading Company where they set up Bodegas to conduct their illegal businesses. They also use Joel Associates, Hamilton Drug Stores, and Hamilton Hardware located at West 136th and Hamilton Place from which illegal wire transfers from drug proceeds are made to the Dominican Republic.

I was told that Occhipinti would be eliminated on false allegations that he was shaking down the Bodega owners. They invited me to attend a press conference at the Club Deportivo (168th Street & Audubon Avenue) where they wanted to solicit the help of the Spanish media to publicize the false allegations. They told me I was needed because of my political position which would give credibility to their allegations. I refused because I didn't want any trouble.

(3) On or about April, 1990, Jose Delio Marte and Silvio Sanchez again approached me to accompany them as a protestor at City Hall against Occhipinti to make the same false allegations. I again refused.

(4) I am willing to cooperate with Staten Island Borough President Guy V. Molinari, as well as the United States Congress, in their investigation of the Occhipinti case and Dominican drug trafficking activity in the United States. I am cooperating in hopes that my cooperation will be brought to the attention of the Immigration and Naturalization Service where I am under deportion proceedings. No promises have been made to me in exchange for this cooperation. I am willing to work in an undercover capacity if requested, to prove what I have stated in this affidavit is true.

AFFIDAVIT

[State of New Jersey, County of Hudson]

Ramon Antoni Grullon, being duly sworn, deposes and states:

1. On August 19, 1993, I executed a sworn affidavit to Staten Island Borough President Guy V. Molinari, whereby I provided direct knowledge confirming the conspiracy against Mr. Occhipinti by certain members of the Federation and Sea Crest Trading Company. I outlined the motive for the conspiracy, as well as the identity of its co-conspirators, which led to his federal conviction for civil rights and related violations.

2. On August 20, 1993, I was interviewed by Mr. Anthony Pope, the attorney representing Mr. Occhipinti, regarding my first affidavit. At that interview, I provided additional testimony relative to the Occhipinti conspiracy, which are as follows:

A. I have confirmed why government witness Jose Liberato, a complainant against Mr. Occhipinti at trial, had falsely testified against Mr. Occhipinti and participated in the conspiracy. Mr. Liberato, a bodega owner, is a major participant of Sea Crest Trading Company and its illegal activities. As I previously stated, Sea Crest is a front for loan sharking, drug distribution, money laundering and gambling activity involving Dominican bodegas. Jose Liberato, as did the others at Sea Crest, lost thousands of dollars from Mr. Occhipinti's confiscation of contraband and monies from bodegas indebted to Sea Crest. In addition, Mr. Liberato and many of his relatives' bodegas, were investigated by Mr. Occhipinti.

B. On or about May 1993, I was present at a meeting with City Council's Guillermo Linares and Georgina "Donny" Sanchez where Mr. Occhipinti's case was discussed. Ms. Sanchez is a member of the Dinkins Administration, who acts as an intermediary in delivering illegal cash contributions to the Dinkins Campaign on behalf of the Federation and Sea Crest. This allegation is based upon personal knowledge since I was personally privy to one such illegal contribution involving about seven thousand dollars. It also explains why Mayor Dinkins supports the Federation and supported their efforts in having Mr. Occhipinti prosecuted. At the meeting, Georgian expressed her concern about Mr. Occhipinti's public and legal efforts for vindication, which could expose the conspiracy, as well as the Federation's and Sea Crest illegal operations. In response, Councilman Linares stated that he was not concerned because he had strong contacts at the prosecutor's office. Those contacts had assured him that they had everything under control. I interpreted that statement to mean that there may be some corrupt prosecutors involved in covering up the Occhipinti conspiracy.

3. As previously promised, I have agreed to work in an undercover capacity to help prove the conspiracy against Mr. Occhipinti. In addition, to have my conversation with the various co-conspirators consensually monitored to prove their complicity in the conspiracy.

TRIBUTE TO JOANNE BLUER

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. BAKER of California. Mr. Speaker, I rise today to pay tribute to a survivor of polio, heart disease, lung disease, and breast cancer. She is Joanne Bluer, a Jewish-American poet from Walnut Creek, CA.

Her heroic struggle should serve as an inspiration to us all.

Among her most recent accomplishments is a book of poetry entitled "I Believe * * * The Thoughts of Joanne Bluer."

I would now like to share with you her poem "Peace Prayer."

PEACE PRAYER

I stand, or should I say "kneel" before Thee, O Lord
Not as a beggar, but as a child kneels before the flame
And watches the fire rising as a strong compound an falling as ashes.
I'm scared and I seek your strong hand to guide me.
Why should I be afraid? Why, why?
Because my legs are only flesh,
My steps are only human mechanisms.
The spirit that should rise and lift me above all that is of the world is lacking.
It's not gone, just withered and tired.
Help us have faith in You, so that we may rededicate our lives to Your truths and laws of reason and respect for all.
In these troubled times, good people reach out to good people.
It is not black and white, yellow and red.
It is good against evil.
As Rousseau said, "Evil triumphs because men of good will do nothing."
He also said "Man is neither good, nor is he bad. He is neutral and can be influenced to change and can be corrupted by the society in which he lives."
These are important points
Because people can initiate change
And they must do so now.
All good people must pray together
And what is more important,
Must work toward this end actively and with great hope in their hearts.
I hate to think how our society will hemorrhage if we fail now.
We must not fail.

BOEHNER AMENDMENT TO ELIMINATE THE ELLENDER FELLOWSHIP PROGRAM

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. SYNAR. Mr. Speaker, yesterday, my colleagues voted on the Boehner amendment which would have eliminated several education programs from H.R. 6. Among these was the Allen J. Ellender Fellowship Program, which provides critically important funding to the Close Up Foundation.

As many of my colleagues know, the Close Up Foundation often provides students with their first exposure to our Nation's Capitol and the policymaking process. In my district, the Close Up Foundation helps provide many Oklahoma students with their first trip to Washington, DC, and the State capitol in Oklahoma City. I have met many of these eager and bright students and their teachers and can say that this experience empowers them. It provides them with knowledge that they in turn share with other students and teachers within their community. The Ellender Fellowship Program has been effective in using a small appropriation to improve teaching and learning within schools, provide professional development for teachers, and promote community involvement—all of which are goals of H.R. 6. I want to thank my colleagues who supported the intent of H.R. 6 and opposed the Boehner amendment.

TRIBUTE TO REBECCA STRINGER

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. WELDON. Mr. Speaker, I rise today to recognize an outstanding constituent, Rebecca Stringer, a senior at Conestoga High School in Berwyn, PA, who was recently selected as a regional recipient of the eighth annual Amateur Athletic Union/Mars Milky Way High School All-American Award.

The High School All-American Award is a national honor which recognizes four young men and four young women who exhibit exceptional scholastic, athletic, and community service achievements.

Rebecca is an outstanding student ranked near the top of her class, who is listed in "Who's Who Among American High School Students." She is a member of the National Honor Society, senior class treasurer and has maintained a position on the honor roll for 4 years. She also sings with her high school choir and has performed with the Wilmington Symphony Orchestra. As an athlete, Rebecca has distinguished herself in field hockey, swimming, and lacrosse. She participates on the national level with the U.S. Field Hockey Association and the National Field Hockey Developmental Program.

Despite her already full range of activities, Rebecca finds time for a variety of community service projects. She works with the hearing impaired and learned sign language to become the voice link between a deaf member of her high school swim team. In addition she volunteers with the Special Olympics and the American Diabetes Foundation. She also tutors an inner city elementary student and serves as a youth clinic coach in both field hockey and lacrosse.

This exceptional young woman is 1 of 2 Pennsylvania recipients and 1 of 8 regional recipients from more than 10,000 high school seniors from nominated nationwide. M&M/Mars awards $10,000 scholarships to the regional recipients. Rebecca's scholarship will be applied to the college of her choice.

Rebecca will now be eligible to become an All-American Award national recipient. In April, two national recipients—one young man and one young woman—will be named and each will be awarded a $40,000 scholarship.

So, I ask my colleagues in the House to join me in recognizing Rebecca B. Stinger, a remarkable young woman who demonstrates the promise that the future holds for our country.

TRIBUTE TO ROY KEPLER

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Ms. ESHOO. Mr. Speaker, I rise before the House of Representatives to commemorate

the life of Roy Kepler, a gentle and accomplished man who lived on the frontlines of the nonviolent movement in California during the 1960's.

When one walks down the streets of Menlo Park in California's 14th Congressional District, everyone knows the name Kepler.

Inspired by the idea that information is the conduit of political change, Roy moved to Menlo Park 30 years ago and set up a small newsstand called Kepler's Books and Magazines. Kepler went to great lengths to make his bookstore a primary meeting place for activist movements of the sixties and seventies.

Roy opened his doors to young people, people of color, and young men escaping draft boards, and dedicated himself to their financial well-being by hiring them to do odd jobs. He was a warrior for peace, best exemplified by his opposition to America's involvement in Vietnam and his vision for change in America.

Although Roy was motivated by his own personal ideas, he did not impose his beliefs on the patrons of his bookstore. He saw his store as a resource where he could provide the community access to volumes of information on vast arrays of subjects.

The legacy of Roy Kepler lives on today. Young people still congregate at Kepler's to browse the stacks of books and papers and discuss politics. Kepler's remains a central meeting place where America's future can be discussed with an open heart and an open mind.

Roy Kepler's life and how he chose to live it is an eloquent statement about the community I am privileged to represent. We miss you Roy, and always will.

FAMILIES AND VALUES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, March 9, 1994, into the CONGRESSIONAL RECORD:

FAMILIES AND VALUES

Americans are putting much greater emphasis on the importance of the family than they did two decades ago. They recognize that the family is where most basic values are instilled—from being responsible for one's own actions to respecting people for themselves—and they think that for many reasons the family is under great strain today. They are worried about the prospects for the institution of the family.

For most of us it is hard to conceive of a successful society without strong families. Whenever there are indications that the families of the nation are in disarray or confused it becomes a matter of deep concern. Hoosiers in public meetings instinctively understand that at the heart of our society lies the family. A witness before a congressional committee some years ago said: "As families go, so goes the nation." So it makes a lot of sense to have as a paramount national goal the promotion of families that can successfully raise children.

IMPORTANCE OF FAMILY VALUES

Discussions on a wide range of social issues are increasingly coming back to discussions of families and values. The debate on crime has evolved into comments about the general moral decline in the country. People want criminals behind bars and heinous crime severely punished. But they also increasingly associate crime with a lack of social values and the breakdown of family structures—high divorce rates, single parenthood, child abuse. People want the root causes of crime addressed.

Other social issues are being linked more and more to values and family structure: lackluster educational achievement, high infant mortality rates, health care costs driven up by violence and drug abuse, and high poverty rates. There is not much doubt that the best social program for children is a stable, intact family.

The cold statistics on America's families are alarming. In the past three decades the percentage of children born outside of marriage has risen five-fold from 5 percent to 25 percent. Almost two-thirds of black children are born out of wedlock. Twenty percent of all female teenagers in the U.S. bear a child. Almost half of all marriages now end in divorce. The result is that almost a third of U.S. families with children are one parent households. And a lot of these children grow up poor. Children, especially those in single families, are the poorest Americans.

I think this concern about family structures and moral values is well-placed and healthy. Stable family structure is important because it enables parents to meet their responsibilities and counter the forces that can run contrary to values—from violence on TV to peer pressure. Values by which people live do matter and we should not pretend otherwise. We ought not to have any partisan debate about family values.

FEDERAL EFFORTS

I often ask myself what would be the most worthwhile public policies to help strengthen values and families. Certainly the problem is basically cultural rather than political, but there are public policies that can be helpful. When the government bans racial discrimination it forcers changes in public behavior and, over time, a change of attitudes. Or when the government takes steps to improve the economic outlook and make jobs more secure, that can affect the welfare of America's children and families.

Much of the federal government's involvement in family issues has been through a variety of specific programs, including prenatal care, low-income health and child care, Head Start, elementary and secondary education, assistance for young mothers, and family planning. I suspect that children are not as important as they should be in federal and state budgets. One estimate is that eleven times more federal benefit dollars per capita go to those over 65 than to those under 18.

Congress last year took several steps to help families. It expanded significantly the earned income tax credit, which will keep money in the hands of working parents. It passed the Family and Medical Leave Act, which permits employees up to 12 weeks of unpaid leave upon the birth or adoption of a child or to care for a family member with a serious illness. It set up a new program to offer assistance and support services to help troubled families and keep them intact. And it required states to step-up efforts to establish paternity in out-of-wedlock births in order to improve support by fathers. Other pro-family measures are pending before Congress, including a reform of welfare to minimize the penalties for getting married or going to work, and raising the income tax exemption for children, which has not been adjusted for inflation for decades.

But perhaps more important than specific federal programs would be for policymakers to look at how legislation in all sorts of areas could impact on the family. Will this tax policy or this health care reform or this assistance package tend to strengthen or weaken families? We look at broad public policy decisions in terms of how they affect the deficit or the environment; we also need to look at how they affect the family. Surely public policy should consider seriously the value of the family, and that means asking how legislation and market institutions affect the legal and economic incentives to form families and to maintain their stability. The aim of public policy should be to improve the chances that families will succeed.

CONCLUSION

I think the good news is that a consensus is developing in the country across ideological and partisan lines about the nature of the problems confronting America's families. Solutions include attention to the family structure, which conservatives like to emphasize, as well as the economic factors which the liberals like to stress. A better approach is to address these problems simultaneously with programs that increase resources available to parents as well as improve the chances that children will grow up in stable, intact families.

One of the wisest statements to come out of the White House in recent years came not from a president but from the first lady. Barbara Bush said, "Your success as a family—our success as a society—depends not on what happens at the White House, but on what happens inside your house."

REMEMBERING DR. HENRY CAMPBELL

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. ROGERS. Mr. Speaker, the people of Kentucky and the Nation lost one of its most revered educators and servants when Dr. Henry A. Campbell, of Floyd County, passed away on Tuesday, February 22.

On June 12, 1964, Dr. Campbell became Prestonburg Community College's first president. While under his control, the college grew from 322 students in 1964 to more than 2,500 at his retirement in 1991.

He expanded the curriculum and, in 1987, established a satellite campus which now enrolls more than 800 students. He also played a vital role in establishing Hazard Community College.

He established the science building that bears his name at Prestonburg Community College, where his legacy for excellence in education will live forever.

His is a legacy that also will be shared each and every time a Prestonburg Community College graduate crosses the stage to receive their diploma.

A veteran who served in Europe during World War II under Gen. George Patton, Campbell was wounded in action and decorated for his brave service.

Many of us knew Campbell as the educator who passed other higher-glory opportunities to

spend 27 years of his life molding a new college at Prestonburg into the complex that it is today.

Dr. Campbell also was a community leader and fundraiser. As an active member of many local and State organizations—education, and other, Campbell has left his mark on the Big Sandy area and Kentucky alike.

But Henry Campbell's greatest contributions have been to our children. Teaching by example, Dr. Campbell has shown generations of young people that hard work, devotion to community, and respect are the most honorable and everlasting pursuits.

In all of his activities, Dr. Campbell truly cared about the students and citizens of the Big Sandy area. All of his efforts have been to raise the quality of education and to improve the quality of life for the people of eastern Kentucky. Because of this commitment, he will be sorely missed.

A TRIBUTE TO ELMER J. DIGNEO

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of Elmer J. Digneo of Loma Linda, CA. Elmer, who has demonstrated a remarkable dedication to the needs of Loma Linda over the past 24 years, will be honored next month as he retires from the Loma Linda City Council.

Elmer grew up in Loma Linda, attended local schools, and remained in the area to establish his professional career and raise his family. Because of his involvement and active leadership in the community, Elmer has been an instrumental force in leading and preparing Loma Linda for the many challenges which lie in the future.

As a community leader, Elmer is well known for his long-term and dedicated service to numerous organizations throughout southern California. On a local level, Elmer spent 43 years in secondary education, including 20 years of administration. Indicative of his commitment to community service, he has been a member of the Loma Linda City Council since its incorporation in 1970, which included 5 years as mayor and 11 years as mayor pro tempore. As a member of the city council, Elmer made a significant impact on the community through his appointments on the Southern California Regional Rail Authority, the Inland Valley Development Agency Board, the Omnitrans Board, and the Southern California Association of Governments. In addition to his work on the city council, Elmer has also served as president of the Loma Linda Chamber of Commerce where he led a successful revitalization of business in Loma Linda. Most recently, Elmer has served as city representative and vice chairman of the Local Agency Formation Commission as well as chairman of the Redlands Unified School District/Loma Linda Redevelopment Agency Joint Powers Board. He is currently active in the Campus Hill Seventh-day Adventist Church as an organist and tour coordinator.

Mr. Speaker, I ask that you join me, our colleagues, and his many friends in honoring this outstanding individual for his extensive and dedicated service. Over the years, Elmer has touched the lives of many people in our community and it is only fitting that the House recognize him today.

COMMENDING GEORGE BYER FOR HIS UNTIRING WORK FOR WORLD PEACE

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. McCANDLESS. Mr. Speaker, one of my constituents, George H. Byer of Hemet, CA, has made a name for himself as a promoter of world peace through friendship, and as a founder of a worldwide Friendship Corps for Children.

He was born 80 years ago in a sod farm house on the prairie in South Dakota. He remembers walking miles across the prairie to a one-room school house. He was an only child, with few neighbors or friends, who now puts great value on friendship.

Coming out of World War II with a disability, George Byer went to Alaska—which was then a territory of the United States—on the advice of a doctor, who told him to find some work to do that would keep him outdoors. He worked as a construction laborer and later as a longshoreman. As his health improved, so did his sense of purpose. Byer was appointed to civic committees, and he received a Man of the Hour award for his efforts to have the city of Anchorage recognized as the first All-American City outside the continental United States.

In 1959, Byer was elected mayor of Anchorage, Alaska's largest city. During his term as mayor, Byer began actively working for international peace, cooperation, and friendship. He broadcast a Christmas peace greeting on shortwave radio, which was translated into 35 languages and sent around the world.

Moving to California, Mr. Byer continues his message of friendship from his home in Hemet. Mr. Byer founded the worldwide Friendship Corps for Children in 1990. His logo—a picture of the globe surrounded by the words "Anywhere a Friend—Everywhere, Earth"—was flown on the space shuttle *Columbia* on its historic flight from April 26 to May 6, 1993.

Mr. Speaker, I salute George Byer for his untiring efforts to further the cause of peace.

HOLY COW! THE "SCOOTER" IS IN!

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. BOEHLERT. Mr. Speaker, on February 25 of this year, a great injustice was corrected, and baseball fans everywhere breathed a collective sigh of relief as news spread that Philip Francis Rizzuto was finally elected into the National Baseball Hall of Fame in Cooperstown, NY.

Rizzuto, now 76, will be honored along with the late Leo Durocher and pitching great Steve Carlton as this year's inductees into baseball's hallowed shrine on July 31. Finally receiving the necessary 75 percent support of the Veterans Committee after 12 dry runs, Rizzuto was clearly ecstatic over this belated honor. "It's something they'll never be able to take away from me," he exclaimed.

The odds were long as the committee considered scores of candidates, and Rizzuto needing 75 percent of the vote for induction. But what seemed to do it for him was the recent addition to the committee of Bill White, Pee Wee Reese, and Yogi Berra, all of whom possessed the infinite wisdom to recognize the Scooter's extraordinary baseball talent and his enduring contributions to the game.

Rizzuto's detractors always point to the fact that he only played 13 seasons. But let's face it, he was, what Mel Allen once described, "* * * The heart and guts of the ball club." Even with the interruption of World War II, Rizzuto led the Yankees to 10 pennant championships and 7 World Series victories; not to mention an MVP award in 1950.

Rizzuto's handsome countenance will now adorn the hallowed halls of Cooperstown, joining many of his Yankee teammates—and his baseball glove. Not bad for a short guy who started off playing stick ball in the streets of Brooklyn.

Phil, we're all happy for you, you deserve it.

GUN DEALER RESPONSIBILITY ACT OF 1994

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. REED. Mr. Speaker, now that the Brady handgun control law is on the books, it is time to build on the national consensus to control crime and make people feel more secure in their homes, schools, neighborhoods, and places where we work every day. I believe that one important place to start turning the tide of violence is by requiring greater responsibility from people in the business of selling weapons.

Currently, there are over 284,000 Federally licensed firearms dealers—754 in Rhode Island alone. Many of these dealers are responsible small business people. There are, however, a substantial number of dealers, known as kitchen table dealers who sell guns out of their homes and cars to people who lack the requisite identification. Federal regulation of these dealers has been hit or miss, mostly miss. The Bureau of Alcohol, Tobacco, and Firearms [BATF] has only 240 inspectors throughout the United States dedicated to inspection of gun dealers to ensure compliance with Federal gun laws. In a chilling revelation, BATF recently reported that an investigation of 400 randomly selected gun dealers uncovered Federal firearms violations among 34 percent of the dealers.

President Clinton and Treasury Secretary Lloyd Bentsen have called for increased regulation of gun dealers and proposed increased administrative controls over the Federal gun

dealer licensing process. However, administrative solutions are not enough.

Past law suits by victims of gun violence have revealed dealers who sell to prohibited buyers in what are called straw purchases. In these cases, an ineligible buyer goes to a store and has a friend or relative buy a gun for him.

In one Virginia case, a gun dealer sold a semi-automatic handgun to a 16-year-old boy who used his uncle as a straw purchaser. The boy had handed the $300 price of the gun to his uncle in front of the gun dealer, his uncle purchased the gun, and the 16-year-old left the store carrying the gun. The boy then used the same gun to kill one of his teachers. A Virginia court found that the gun dealer had been negligent in selling the murder weapon and awarded the victims family $105,000 in damages.

In Georgia, damages were awarded against a gun dealer who was found to be negligent in selling a semi-automatic rifle to a straw buyer. The straw purchase was made by the wife of a man who could not purchase a gun on his own because he had once been institutionalized for mental illness. The man then used the same gun to kill a woman while she sat in her home.

Despite these examples, it is very difficult for victims of gun violence to go to court and collect damages from gun dealers who break the law and sell guns to minors and straw buyers. This is because there is very little case law and no Federal law giving victims of gun violence the right to sue gun dealers who make illegal gun sales.

The bill I am introducing today, the Gun Dealer Responsibility Act of 1994, provides a statutory cause of action for victims of gun violence against gun dealers whose illegal sale of a gun directly contributes to the victim's injury. My intent in proposing this bill is to completely shutoff the illegal sale of guns to minors and convicted felons. I also believe my bill will go a long way toward making those gun dealers, who now may look the other way, more cautious about selling guns to straw gun buyers.

Gun sales in America generated $7 billion in 1992 and it is estimated this figure was $9 billion in 1993. In a time when many Americans have seen their quality of life altered by a fear of crime and random acts of violence, it is only fair that society ask those who profit from gun sales be held to a new and higher standard of responsibility.

I ask that a statement be printed in the RECORD along with the language of the bill and a copy of a letter from Sarah Brady of Handgun Control, Inc., supporting this legislation.

HANDGUN CONTROL, INC.,
Washington, DC, March 8, 1994.

Hon. JACK REED,
U.S. House of Representatives, 1510 Longworth House Office Building, Washington, DC.

DEAR CONGRESSMAN REED: I am writing in support of your proposed legislation to give gun violence victims a private damages remedy in Federal court against gun dealers who violate the Gun Control Act.

Our Nation is suffering an epidemic of gun violence. The violence in our streets too often is fueled by gun dealers who engage in irresponsible and illegal conduct, such as selling guns to minors or to straw purchasers for prohibited buyers.

With over 280,000 licensed gun dealers, the government cannot possibly discover and prosecute every illegal dealer sale. The threat of civil damages liability for the violence caused by illegal dealer conduct will provide a necessary and powerful incentive for dealers to obey the law.

A number of state courts have already recognized that victims can recover damages from dealers who violate the law. Your bill simply gives victims a uniform Federal remedy. It is an important component of a National strategy against gun violence.

Sincerely,

SARAH BRADY,
Chair.

A TRIBUTE TO SPRINGFIELD SYMPHONY ORCHESTRA'S 50TH ANNIVERSARY

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. NEAL of Massachusetts. Mr. Speaker, today I pay tribute to the Springfield Symphony Orchestra's 50th anniversary. I would like to share with my colleagues the long legacy of the Springfield Symphony Orchestra. I am confident that upon hearing the history of the Springfield Symphony, you will all appreciate the magnificent contributions the symphony has given the people of western Massachusetts.

Under the superb leadership of Mr. Alexander Leslie, the first conductor of the symphony, the Springfield Symphony performed its first concert on March 5, 1944. That night in the Springfield Municipal Auditorium, Alexander Leslie and his symphony began a forum of cultural enlightenment for the people of Springfield, that has since expanded throughout the region. Alexander Leslie had a vision that went well beyond the formation of a symphony. He realized the need for music education and enrichment for children. In cooperation with the Springfield Public Schools, the Roman Catholic Diocese of Western Massachusetts, and the Springfield City Library, Leslie Alexander began the Young People's Symphony in 1944. In 1948, Mrs. Douglas Wallace, a member of the board of directors, organized the Women's Symphony League. What had begun as another orchestra was quickly expanded to involve an entire community.

The growth of the Springfield Symphony continued throughout the next 40 years. The magnificent sounds of the symphony were heard throughout the state and the country. In recent years the Springfield Symphony has been heard by the National Public Radio, which extends to over 900,000 listeners, and has provided western Massachusetts with outside summer concerts. The SSO has become the second largest professional orchestra in Massachusetts.

This month, under the leadership of Maestro Raymond Harvey, current SSO board Chairman Ronald Weiss, President Peter Carando, and the many dedicated members of the board of directors, the Springfield Symphony Orchestra celebrates a half century of musical enjoyment and eagerly anticipates another 50 years of success and musical prosperity. I have enjoyed many wonderful evenings at the Springfield Symphony Orchestra, both as mayor of Springfield and Second District Congressman and am proud to be a longtime supporter. I wish everyone connected with the SSO many more years of fine music.

TRIBUTE TO JUANITA WHETSTONE

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. CARR. Mr. Speaker, I appreciate this opportunity to pay tribute today to Juanita Whetstone, formerly of Lansing, MI, who will be honored with an Eleanor Roosevelt Award by the Michigan Democratic Women's Caucus on March 12, 1994.

Juanita first came to Lansing in 1952, from Brownsville, TX. After giving her time to the 1960 voter registration drive in Mississippi, she returned to Lansing and joined the Michigan Democratic Party in 1963 as a volunteer. Thus began over 30 years of devoted and unparalleled service to the Michigan Democratic Party.

No one person has given as much time to the Michigan Democratic Party, with such remarkable results, as Juanita Whetstone. She has worked with nine Democratic Party chairs, holding a variety of offices in local politics. She has been a precinct delegate and a delegate to the Democratic Party State Convention every year since she joined the Michigan Democratic Party. She has also served on the Ingham County Women's Commission and the Ingham County Executive Board, and as a Democratic second ward chair, a member of the Nancy Williams Democratic Women's Club, and a convention and housing coordinator for State and national Democratic Party Conventions.

Having known Juanita for many years, I can say with confidence that in an arena as filled with egos as politics often is, Juanita is remarkable for her humility and grace. She is known more than anything for her ability to get the job done, and with an unrelenting emphasis on success, not on fanfare. For over 30 years, she has given greatly and selflessly of her own time to Michigan Democratic politics. She has also been a strong role model for many in the Michigan political community, particularly for women.

It is not far short of a miracle that Juanita has always found the time for her family and for her church activities. Yet she is a devoted mother of three daughters, and more recently, a doting grandmother of three grandchildren. Juanita has also been a faithful member of Paradise Missionary Baptist Church in Lansing.

Mr. Speaker, it is fitting that the House of Representatives honor outstanding individuals like Juanita Whetstone. Please join me in recognizing her many years of leadership in Michigan politics, and in wishing her continued success in the years to come.

IN TRIBUTE TO TSHOMBI WRIGHT

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. KLECZKA. Mr. Speaker, I rise today to honor a high school student in my hometown of Milwaukee who can teach us a thing or two about what it takes to fight crime.

Tshombi Wright is a 15-year-old high school freshman, but he has a maturity well beyond his years. He watches the devastating impact gangs and drug dealers are having in his neighborhood, and recognizes the need to provide children with positive influences to counteract the temptations the street has to offer.

Spurred on by that knowledge, he is doing all he can to serve as a walking, talking deterrent. He started by signing up as a coach with the local police athletic league. Then he joined the District 2 Police Explorer Program, and became a community services aide at post 882. In that role, Tshombi has volunteered hundreds of hours to perform for elementary school students as McGruff the Crime Dog, assist police officers at a host of gun safety and antigang and graffiti programs, and speak at community block watch meetings to answer parents' questions about keeping their kids away from drugs and gangs.

For his dedication, Tshombi was recently honored by the Milwaukee police as the city's Outstanding Youth Involved in Crime Prevention, Kathy Schult, a crime prevention officer in district 2 who nominated Tshombi for the award, said he has made an invaluable contribution to the community as a role model for his peers. "His example has helped kids realize how important it is to set goals and reap the benefits of their accomplishments," she said.

Tragically, there are some in Tshombi's neighborhood who do not appreciate his efforts. After an article featuring Tshombi appeared prominently in a local newspaper, he was the target of numerous threats to his safety. On the day after the article ran, in fact, Tshombi was accosted by four boys in his backyard, where one of them put a gun to his head.

That kind of senseless act reminds us of how deeply rooted the crime problem is today, and how difficult the challenge is to defuse the epidemic of violence haunting our inner cities. We can take hope, though, in the commitment of people like Tshombi. Despite the threats he has received, this kind-hearted freshman refuses to let go of his dream to one day become Milwaukee's chief of police, or to drop his community service work today. "You can't give up or give in to these kinds of people," he said. "I can't let them break me."

Mr. Speaker, this kind of resolve and sense of purpose deserves this body's praise and thanks. At a time when the media gives as a birds-eye view at one killing spree after another, we need to be reminded that there are encouraging and heart-warming stories like Tshombi's out there, and courageous people like him who are willing to stand up for what is right. We also need to know that the dedication and unselfishness of individuals like Tshombi will, in the end, be the most effective instrument we can employ to free our communities from the chokehold of violence.

ADDICTION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. GEKAS. Mr. Speaker, I would like to share with my colleagues some remarks made by Dr. Avram Goldstein, professor emeritus of pharmacology at Stanford University, before the congressional biomedical research caucus on Monday, February 28, 1994. The text of Dr. Goldstein's remarks follow:

A 50-year-old man lies in a hospital bed, desperately ill. Emphysema has destroyed his lungs, and the pitiful sound of his labored breathing fills the room. Watch him! Incredible as it seems, he begs his wife to bring him some cigarettes. Cigarettes put him here, cigarettes will surely finish him off. Why doesn't he quit? Why didn't he quit 25 years ago, when the first Surgeon General's report on smoking, widely publicized, had already made it clear what his future would be if he continued his pack-a-day habit?

This introduction could have started differently.

A 50-year-old man gets off the bus in a seedy downtown neighborhood. Just hours before, he was released after serving a two-year sentence for burglary, his third time in prison. His regular income as a grocery clerk had barely been enough to support his wife and child, so burglary seemed the only way to raise the large sums he needed for his heroin habit. Watch him! Only a block from the bus terminal, he makes his "connection", buys a syringe and needle and some white powder. Heroin put him in prison three times, heroin will surely finish him off. Why doesn't he quit? Why didn't he quit 25 years ago, when he could see clearly enough what his future would be if he continued using heroin?

These are the opening paragraphs of my just-published book, Addiction: From Biology to Drug Policy (WH Freeman, New York, 1994). They make two important points: First, that nicotine addiction and heroin addiction are two examples of the same biologic process. To the pharmacologist, licit or illicit status has nothing to do with the addictive property of a drug. Second, that an addictive drug can take control of behavior, can lead to compulsive and self-destructive use that seems to defy common sense and rationality.

Albert Einstein once said, in connection with trying to explain complex scientific matters: "We should make things as simple as possible, but not simpler." In my book—and here today—I try to follow his advice.

Forty years ago the prevalent view of drug addiction held that it reflected "poor will power", an antisocial and criminal temperament, or both. Then basic research on the brain and behavior laid the basis of the disease concept of addiction. The change in public perception came about first with opiates and alcohol, beginning with research at the federal narcotics hospital in Lexington, Kentucky in the fifties. It had been thought that the reaction of addicts to having their drug withdrawn—the "withdrawal syndrome"—was largely manipulative complaining in an attempt to get more drug. The clinical research at Lexington established, for the first time, that the withdrawal disturbances were truly physical in nature, that they expressed a profound (possibly even irreversible) alteration in the physiology of the brain.

A further change in our perception of opiate addiction came about as a result of two major research findings in the sixties and seventies. Dole and Nyswander (with Mary Jeanne Kreek, whose talk follows mine here today) showed that maintaining antisocial and criminal heroin addicts on a regular daily dosage of the long-acting opiate methadone, given by mouth, could alter their compulsive drug-seeking behavior and open the way to their total rehabilitation. And basic neurobiology research revealed the existence of natural morphinelike substances—the endogenous opioids ("endorphins")—which activate specific opioid receptors in our brains, the same receptors on which the addictive opiates act.

These discoveries had profound implications. Since our brains actually contain and require substances that are like heroin and morphine, excessive exposure to such drugs would be expected to disturb the fine regulation of the brain's own opioid systems. It also became possible to imagine (and to look for) genetic abnormalities that might cause deficient production or regulation of these endogenous opioids and their receptors—abnormalities that could predispose to addiction. If someone had too little of a brain component essential to feelings of normality, might they then take a drug that would act like the endogenous opioids, in effect self-medicating?

The change in public attitudes toward addictions was accelerated by the 1988 Surgeon General's report summarizing the evidence that nicotine is a powerfully addictive drug. No longer could addicts be relegated to skid row or a criminal underclass. Now a major segment of "respectable" middle-class society were recognized to be addicts. The long-persisting myth that alcohol and nicotine were not even drugs began to break down.

We now know that there are seven families of addictive drugs. These seven (but no others) are capable, to varying degrees, of producing the compulsive and self-destructive use pattern that we call addiction. All of them, in varying degrees, are dangerous to individual and public health. They all alter behavior in varying degrees and in different ways that are often harmful to the addict and dangerous to others. Some cause grievous damage to the fetus, leading to impaired brain development and long-lasting learning deficits and behavioral disorders. Curiously, although some addictive drugs are much more dangerous than others, there is no relationship between the actual danger posed by a drug and its legal status. If a legitimate role of government is to protect the public health, the laws ought to be based on the biology ought to be tailored to minimize the harm caused by each drug.

Laboratory research has revealed where and how the addictive drugs act in the brain. This knowledge, typically, grew out of studies on rate behavior that had nothing to do with drug addiction. B.F. Skinner had developed experimental methods of studying behavior rigorously in pigeons and rats, introducing new concepts about how rewards drive and control behavior. James Olds, adapting some of Skinner's methods, discovered that rats would press a lever to stimulate their own brains with a mild electric shock—but only if the electrodes were implanted in specific regions deep in the brain. In other words, the rats "liked" to stimulate

certain nerve cells, which turned out to contain (and to release when stimulated) the neurotransmitter dopamine. Years of research in many laboratories have revealed that this same dopamine "reward pathway" is stimulated by all the addictive drugs.

Cocaine, for example, prevents removal of the dopamine that is released normally in small amounts at the nerve endings in this pathway. As a result, greatly excessive amounts accumulate, causing the extreme excitement, elevated mood, and often frankly bizarre behavior seen during cocaine binges. Morphine (produced from heroin in the body) stimulates the same pathway by a different mechanism; it prevents the release of an inhibitory neurotransmitter that holds the dopamine nerves in check. In other words, morphine removes the breaks, causing large amounts of dopamine to flood the pathway. Nicotine, alcohol, marijuana, probably even caffeine (weakly addictive though it is), act in a similar way. Every addictive drug mimics or blocks the action of one of the brain's neuotransmitters.

What I have said is true, but I have violated Einstein's dictum by oversimplifying. Forgive me; it would require a whole course on the biology of addiction to deal with all the subtleties. Obviously, each of these addictive drugs has it own distinctive actions, so the common effect on the reward pathway is only one of many diverse effects on the brain, which can result in changes of mood, perception, cognition, alertness, coordination, judgment, sense of equilibrium, motor activity, and numerous other forms of behavior—changes that are characteristic for each addictive drug.

An important question being addressed in current research efforts is: What role does genetic predisposition play? Obviously, addiction is influenced by the availability and cost of a drug, the pharmacologic properties of a drug, by stress, and by numerous environmental influences. Yet it is a fact that with any addictive drug, of all who try it or even use it socially, only a small fraction become addicted. Could this mean that genetic vulnerability also plays a role? For alcohol addiction there is solid evidence, from adoption and other studies, that heritability is indeed a major factor. Search for the responsible genes is under way, using techniques of molecular biology that were developed without any reference to the drug addiction problem. If those who are especially vulnerable to addiction could be identified by a simple test, prevention efforts might be more efficient and cost-effective.

The central problem in treating addicts is not how to get them off the drug. For all the addictive drugs, that is a relatively easy matter with proper medication and good supervision. The real problem is the drug craving that sooner or later can lead to relapse and readdiction. We do not understand craving very well. It is difficult to study, especially in animal experiments, but the attempt is under way. If we could develop medications to block craving and relapse, we could take a very big step forward in getting the addiction problem under better control.

Should addiction research be targeted? Of course it should! But not at the expense of the free-wheeling untargeted research that discovers new principles, opens new paths, provides novel technologies. We need both targeted and untargeted research, we need both laboratory and clinical research. It goes without saying that to make progress in preventing and treating drug addictions, we need to study drug addictions. We need to understand the neurobiology, the genetics, the behavioral aspects, the epidemiology, the possible approaches to treatment. The National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA) have that specific mandate, and they already support most of the relevant research in the laboratory, in the clinic, and in human populations. We can predict, however, that important breakthroughs are likely to come unexpectedly from seemingly unrelated research, perhaps funded by other institutes of the National Institutes of Health or by other sources of support. History teaches us that studies on isolated nerve cells from lowly squid and sea slugs produced our basic knowledge about how nerves carry messages and how neurotransmitters pass messages from one nerve cell to another. Studies on the structure and function of receptors, which help us understand how all addictive drugs act, were carried out, by and large, by investigators who had no interest whatsoever in addiction. Such untargeted research has produced the information infrastructure on which targeted addiction research can draw. Who could have predicted that Skinner's experiments with pigeons pecking at a lever to get a kernel of corn—experiments that were ridiculed by some politicians for their lack of relevance—would lead directly to today's experiments on the reward pathway?

It is becoming ever more clear that addiction is a disease, some kind of neurobiologic disorder in the reward systems, in which dopamine plays a key role. Our aim, as for any chronic relapsing disease, should be harm reduction. Because the addictive drugs stimulate and overstimulate the same brain systems that are responsible for normal satisfactions, normal reward, normal "feeling good", we cannot simply develop drugs to block their actions. It would be unimaginable, for instance, to destroy or permanently inactivate the reward pathway. Thus, we need to learn much more in order to find more subtle and specific ways of reducing the harm caused by addictive drugs and forestalling relapse without disturbing essential brain functions.

In summary, addiction is primarily a public health problem, complicated secondarily (for some drugs) by criminality. The current budget proposal for the "drug war", which increases the amount for prevention and treatment relative to that for interdiction and law enforcement, is a move in the right direction, consistent with our present understanding of the biology of drug addiction and the need for a harm-reduction approach in dealing with it.

SUPPORT FOR JUSTICE HARRY BLACKMUN'S DEATH PENALTY OPINION

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. VENTO. Mr. Speaker, recently Supreme Court Justice Harry Blackmun, one of this Nation's foremost judicial experts, made a monumental shift in his position on the death penalty. For more than 20 years, Justice Blackmun, along with numerous members of the Court, has attempted to justify the acceptability and the constitutionality of the death penalty. Now, however, Justice Blackmun has reversed his opinion, recognizing that there are numerous inherent problems with this system of punishment.

In his own words, Justice Blackmun asked himself "[t]he basic question—Does the system accurately and consistently determine which defendants 'deserve' to die?" His answer, and one that I have long been in agreement with, is "no," the system cannot adequately make such a determination. With the lack of consistency in which the death penalty is enforced, and the inevitability of human error in courts' decisions, Justice Blackmun determined that he can no longer support this "machinery of death." I applaud Justice Blackmun's decision and encourage others to follow his lead.

Since the Supreme Court lifted the ban on the death penalty in 1976, there have been countless cases which put into question the impartiality and constitutionality of this punishment. Statistics consistently show that the death penalty is disproportionately used against people of color and members of low-income communities. In addition, statistics also show that the 36 States which utilize the death penalty, generally have higher murder rates than the 14 States which have not chosen to use the death penalty. These types of numbers add little credence to the argument that the death penalty is a deterrent to violent crime.

Justice Blackmun, who grew up in St. Paul, MN, the district which I now represent, has helped turn the corner for this Nation's thinking on the death penalty. I would like to submit into the RECORD the following articles which further explain Justice Blackmun's decision to reverse his stance. This is an encouraging sign for our Supreme Court, our judicial system, and the United States of America.

[From the Saint Paul Pioneer Press, Feb. 27, 1994]

SUPREME COURT JUSTICE HARRY BLACKMUN WEIGHS THE EVIDENCE—"NO MORE DEATH PENALTY"

(By Steven Thomma)

When Supreme Court Justice Harry Blackmun announced last week he would no longer support the death penalty, he echoed the sentiment of his home State and a resolute handful of others: It doesn't work.

Together, they stand against a powerful current of popular American thought. Fearful of crime, a majority of Americans want murderers executed. A majority of the states—36—oblige them.

Since the Supreme Court lifted its four-year-ban on the death penalty in 1976—with Blackmun agreeing—14 states have resisted increasing pressure to kill killers. Most of the holdouts are in the Midwest and Northeast.

The opponents make a strong case that it doesn't stop crime. Consider Blackmun's home state of Minnesota. It does not execute criminals, yet has one of the lowest murder rates in the Nation. Texas, which executes more people than any other state, has one of the highest murder rates. Despite the seeming assurance of the death penalty, citizens are nearly four times as likely to be murdered in Texas than in Minnesota.

"It isn't working," said Richard Deiter, director of the Death Penalty Information Center.

"Look at the murder rates. It is generally higher in States that have the death penalty than in those that don't have it," Deiter said.

Nationally, a person is more likely to be murdered in a state that has the death penalty than in one that does not, according to the information center's look at federal statistics on the subject.

The average murder rate in States without the death penalty in 1992 was 4.9 murders for every 100,000 residents. The average in States with the death penalty: 7.8 murders for every 100,000 residents.

Said FBI Director Louis Freeh: "I think the deterrent effect is probably minimal."

Even many supporters contend the death penalty prevents only a small number of crimes. Of course, they rush to add that it is worth executing convicts if it prevents even a few murders.

"I think it is a deterrent, though we may not be able to prove it," said Wisconsin state Sen. Alan Lasee, a Republican pushing to reinstate the death penalty in his state after 141 years.

"Would the murders go down in Wisconsin? I don't know. . . . But it would certainly send a strong signal to the criminal element that the citizens of Wisconsin are fed up."

"The overwhelming majority of murders are not going to be deterred," said Tony Bouza, the former Minneapolis police chief who is now running for governor of Minnesota.

However, he argues that the death penalty will make some would-be murderers stop and think.

"Whenever the human animal sets out to calculate, you want to set important negatives to deter. Human behavior is controllable through negative and positive reinforcement," said Bouza.

One thing is certain, Bouza adds: "It deters the executed."

Though Lasee and Bouza reflect majority opinion, they are in hostile territory.

Lasee failed last year to get a death penalty proposal out of the Wisconsin Legislature. This year, he narrowed the focus to executing people who kill children in the course of a sexual assault.

Still, he is two votes short of winning Senate approval for his plan to send the issue to the voters in November.

Bouza concedes that he would not aggressively seek re-enactment of the death penalty from the Minnesota Legislature which last year easily shot down another death penalty proposal.

NO SENTENCE OF DEATH MAY BE CONSTITUTIONALLY IMPOSED . . .

Following are excerpts from Justice Harry Blackmun's opinion dissenting from the Supreme Court's order denying review in a Texas death penalty case. The order, Callins vs. Collins, No. 93-7054, was unsigned and was issued without an opinion.

On Feb. 23, 1994, at approximately 1 a.m., Bruce Edwin Callins will be executed by the State of Texas. Intravenous tubes attached to his arms will carry the instrument of death, a toxic fluid designed specifically for the purpose of killing human beings. The witnesses, standing a few feet away will behold Callins, no longer a defendant, an appellant or a petitioner, but a man, strapped to a gurney, and seconds away from extinction.

Within days, or perhaps hours, the memory of Callins will begin to fade. The wheels of justice will churn again, and somewhere, another jury or another judge will have the unenviable task of determining whether some human being is to live or die.

We hope, of course, that the defendant whose life is at risk will be represented by competent counsel, someone who is inspired by the awareness that a less-than-vigorous defense truly could have fatal consequences for the defendant. We hope that the attorney will investigate all aspects of the case, follow all evidentiary and procedural rules, and appear before a judge who is still committed to the protection of defendants' rights even now, as the prospect of meaningful judicial oversight has diminished.

In the same vein, we hope that the prosecution, in urging the penalty of death, will have exercised its discretion wisely, free from bias, prejudice or political motive, and will be humbled, rather than emboldened, by the awesome authority conferred by the State.

But even if we can feel confident that these actors will fulfill their roles to the best of their human ability, our collective conscience will remain uneasy. Twenty years have passed since this Court declared that the death penalty must be imposed fairly, and with reasonable consistency or not at all (see Furman vs. Georgia, 1972), and, despite the effort of the States and Courts to devise legal formulas and procedural rules to meet this daunting challenge, the death penalty remains fraught with arbitrariness, discrimination, caprice and mistake.

This is not to say that the problems with the death penalty today are identical to those that were present 20 years ago. Rather, the problems that were pursued down one hole with procedural rules and verbal formulas have come to the surface somewhere else, just as virulent and pernicious as they were in their original form. Experience has taught us that the constitutional goal of eliminating arbitrariness and discrimination from the administration of death . . . can never be achieved without compromising an equally essential component of fundamental fairness: individualized sentencing. (See Lockett vs. Ohio, 1978.)

It is tempting, when faced with conflicting constitutional commands, to sacrifice one for the other or to assume that an acceptable balance between them already has been struck. In the context of the death penalty, however, such jurisprudential maneuvers are wholly inappropriate. The death penalty must be imposed "fairly, and with reasonable consistency, or not at all."(Eddings vs. Oklahoma, 1982)

To be fair, a capital sentencing scheme must treat each person convicted of a capital offense with that "degree of respect due the uniqueness of the individual. . . ." That means affording the sentencer the power and discretion to grant mercy in a particular case, and providing avenues for the consideration of any and all relevant mitigating evidence that would justify a sentence less than death.

Reasonable consistency, on the other hand, requires that the death penalty be inflicted evenhandedly, in accordance with reason and objective standards, rather than by whim, caprice or prejudice.

Finally, because human error is inevitable and because our criminal justice system is less than perfect, searching appellate review of death sentences and their underlying convictions is a prerequisite to a constitutional death penalty scheme.

On their face, these goals of individual fairness, reasonable consistency and absence of error appear to be attainable: Courts are in the very business of erecting procedural devices from which fair, equitable and reliable outcomes are presumed to flow. Yet, in the death penalty area, this Court, in my view, has engaged in a futile effort to balance these constitutional demands, and now is retreating not only from the Furman promise of consistency and rationality, but from the requirement of individualized sentencing as well.

Having virtually conceded that both fairness and rationality cannot be achieved in the administration of the death penalty (McCleskey vs. Kemp, 1987), the Court has chosen to deregulate the entire enterprise, replacing, it would seem, substantive constitutional requirements with mere aesthetics, and abdicating its statutorily and constitutionally imposed duty to provide meaningful judicial oversight to the administration of death by the States.

From this day forward, I no longer shall tinker with the machinery of death. For more than 20 years I have endeavored—indeed, I have struggled, along with a majority of this Court—to develop procedural and substantive rules that would lend more than the mere appearance of fairness to the death penalty endeavor. . . .

Rather than continue to coddle the Court's delusion that the desired level of fairness has been achieved and the need for regulation eviscerated, I feel morally and intellectually obligated simply to concede that the death penalty experiment has failed. It is virtually self-evident to me now that no combination of procedural rules or substantive regulations ever can save the death penalty from its inherent constitutional deficiencies. The basic question—does the system accurately and consistently determine which defendants "deserve" to die?—cannot be answered in the affirmative. . . . The problem is that the inevitability of factual, legal and moral error gives us a system that we know must wrongly kill some defendants, a system that fails to deliver the fair, consistent and reliable sentences of death required by the Constitution. . . .

There is little doubt now that Furman's essential holding was correct. Although most of the public seems to desire, and the Constitution appears to permit, the penalty of death, it surely is beyond dispute that if the death penalty cannot be administered consistently and rationally, it may not be administered at all. . . .

Delivering on the Furman promise, however, has proved to be another matter. Furman aspired to eliminate the vestiges of racism and the effects of poverty in capital sentencing; it deplored the "wanton" and "random" infliction of death by a government with constitutionally limited power. Furman demanded that the sentencer's discretion be directed and limited by procedural rules and objective standards in order to minimize the risk of arbitrary and capricious sentences of death.

In the years following Furman, serious efforts were made to comply with its mandate. State legislatures and appellate courts struggled to provide judges and juries with sensible and objective guidelines for determining who should live and who should die.

Some States attempted to define who is "deserving" of the death penalty through the use of carefully chosen adjectives, reserving the death penalty for those who commit crimes that are "especially heinous, atrocious or cruel," or "wantonly vile, horrible or inhuman." Other States enacted mandatory death penalty statutes, reading Furman as an invitation to eliminate sentencer discretion altogether.

Unfortunately, all this experimentation and ingenuity yielded little of what Furman demanded. It soon became apparent that discretion could not be eliminated from capital sentencing without threatening the fun-

damental fairness due a defendant when life is at stake. Just as contemporary society was no longer tolerant of the random or discriminatory infliction of the penalty of death . . . evolving standards of decency required due consideration of the uniqueness of each individual defendant when imposing society's ultimate penalty.

This development in the American conscience would have presented no constitutional dilemma if fairness to the individual could be achieved without sacrificing the consistency and rationality promised in Furman. But over the past two decades, efforts to balance these competing constitutional commands have been to no avail. Experience has shown that the consistency and rationality promised in Furman are inversely related to the fairness owed the individual when considering a sentence of death. A step toward consistency is a step away from fairness. . . .

While one might hope that providing the sentencer with as much relevant mitigating evidence as possible will lead to more rational and consistent sentences, experience has taught otherwise. It seems that the decision whether a human being should live or die is so inherently subjective, rife with all of life's understandings, experiences, prejudices and passions, that it inevitably defies the rationality and consistency required by the Constitution. . . .

The consistency promised in Furman and the fairness to the individual demanded in Lockett are not only inversely related, but irreconcilable in the context of capital punishment. Any statute or procedure that could effectively eliminate arbitrariness from the administration of death would also restrict the sentencer's discretion to such an extent that the sentencer would be unable to give full consideration to the unique characteristics of each defendant and the circumstances of the offense.

By the same token, any statute or procedure that would provide the sentencer with sufficient discretion to consider fully and act upon the unique circumstances of each defendant would "thro(w) open the back door to arbitrary and irrational sentencing." . . .

In my view, the proper course when faced with irreconcilable constitutional commands is not to ignore one or the other, nor to pretend that the dilemma does not exist, but to admit the futility of the effort to harmonize them. This means accepting the fact that the death penalty cannot be administered in accord with our Constitution. . . .

Perhaps one day this Court will develop procedural rules or verbal formulas that actually will provide consistency, fairness and reliability in a capital-sentencing scheme. I am not optimistic that such a day will come. I am more optimistic, though, that this Court eventually will conclude that the effort to eliminate arbitrariness while preserving fairness "in the infliction of (death) is so plainly doomed to failure that it and the death penalty must be abandoned altogether." (Godfrey vs. Georgia, 1980) . . . I may not live to see that day, but I have faith that eventually it will arrive. The path the Court has chosen lessens us all. I dissent.

REPORT ON U.S. ARMS SALES IN FISCAL YEAR 1993

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. HAMILTON. Mr. Speaker, I would like to take the opportunity to bring to my colleagues' attention a quarterly report pursuant to section 36(a) of the Arms Export Control Act that includes a complete tabulation of U.S. arms exports sold under foreign military sales [FMS] agreements, foreign military construction, and U.S. licenses/approvals for the export of commercially sold defense articles and services.

These tables show that arms sales more than doubled between fiscal year 1992 and fiscal year 1993.

In fiscal year 1993, the United States set an all-time record for Government-to-Government arms sales. The United States sold $32.399 billion in defense articles and services, plus an additional $817.351 million in foreign military construction, and issued licenses/approvals of $25.546 billion for the export of commercially sold defense articles and services.

Licenses/approvals are permits for U.S. corporations to compete for commercial foreign military sales. In the past, the Department of State has estimated that 40 to 60 percent of licenses/approvals result in actual sales.

In fiscal year 1992, the United States sold $14.983 billion in defense articles and services, plus an addition $187.965 million in foreign military construction and issued licenses/approvals of $15.997 billion for the export of commercially sold defense articles and services. In fiscal year 1991 the United States sold $22.981 billion in defense articles and services, plus an additional $805.9 million in foreign military construction and issued licenses/approvals of $39.109 billion for the export of commercially sold defense articles and services.

Tables for fiscal year 1993 from the section 36(a) report follow:

Total value of Defense articles and services sold to each country/purchaser as of Sept. 30, 1993 under foreign military sales (see part II for construction sales)

[Dollars in thousands]

Countries (Part I)	*Accepted–FY 1993*
Antigua and Barbuda	754
Argentina	18,000
Australia	299,159
Austria	9,619
Bahrain	106,032
Barbados	510
Belgium	328,686
Belize	271
Bolivia—Intl NARC	12,968
Botswana	2,334
Brazil	26,195
Burundi	7
Cameroon	23
Canada	102,672
Chad	2,250
Chile	15,581
Colombia	14,279
Colombia—Intl NARC	30,136
Covoros	85
Costa Rica	147
Denmark	336,134
Djibouti	651
Dominica	312
Dominican Republic	1,841
Ecuador	1,869
Ecuador—Intl NARC	315
Egypt	454,297
El Salvador	13,784
Estonia	17
Finland	63
France	51,414
Gabon	147
Germany	203,298
Ghana	195
Greece	1,692,276
Grenada	436
Guinea	412
Honduras	8,587
Hungary	12,971
India	1
Indonesia	30,613
Ireland	48
Israel	162,326
Italy	108,016
Ivory Coast	739
Jamaica	3,115
Japan	1,407,223
Jordan	15,503
Korea (Seoul)	244,097
Kuwait	2,866,475
Lebanon	2,361
Luxembourg	435
Madagascar	295
Malawi	603
Malaysia	822
Mali	97
Malta	82
Mexico	6,369
Morocco	11,170
Nacisa	600
Namibia	2,418
NAMMA	60
NAMSA—F104	1,047
NAMSA—General + Nike	14,793
NAMSA—Hawk	31
NAMSA—Weapons	9,069
NAPMO	79,990
NATO	1,462
NATO AEW+C (O+S)	48,880
NATO SO REG SIG/COMM	40
Netherlands	782,461
New Zealand	9,339
NHPLO	160
Niger	1,974
Nigeria	461
Norway	443,817
Oas Hq	100
Oman	6,328
Org. of African Unity	55
Panama	73
Paraguay	9
Peru—Intl NARC	799
Portugal	15,340
Qatar	307
Rep. of Philippines	87,924
Saudi Arabia	11,752,250
Senegal	6,986
Seychelles	275
Shape	4,774
Sierra Leone	669
Singapore	405,405
Spain	118,796
St. Kitts and Nevis	336
St. Lucia	562
St. Vincent + Grenedines	530
Sweden	6,777
Switzerland	1,699,810
Taiwan	6,275,524
Thailand	388,627
Togo	206
Trinidad—Tobago	52
Tunisia	20,616
Turkey	742,332
United Arab Emirates	76,324
United Kingdom	134,906
Uruguay	353
Venezuela	19,049
Zimbabwe	1,105

Countries (Part I)	*Accepted–FY 1993*
Classified totals[1]	574,909
Subtotal	32,398,642
Part II	
Construction sales:	
Barbados	243
Bolivia—Intl NARC	5,822
Burundi	243
Part II	
Cameroon	777
Colombia	2,913
Colombia—Intl NARC	452
Egypt	14,039
El Salvador	971
Ghana	437
Honduras	4,423
Kuwait	6,488
Niger	534
Part II	
Saudi Arabia	779,952
Sierra Leone	58
Subtotal	817,351
Total	33,215,993

[1] See the classified annex to the CPD.

NOTE.—Totals may not add due to rounding.

LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES AS OF SEPT. 30, 1993

[Dollars in thousands]

	October–December	January–March	April–June	July–September	Cumulative
Afghanistan	0	0	0	0	0
Albania	0	0	0	0	0
Algeria	17	2,200	834	3,609	6,660
Andorra	188	12	8	6	214
Angola	0	0	0	339	339
Anguilla	0	0	0	0	0
Antigua	0	0	0	1	1
Argentina	12,079	7,693	10,839	5,986	36,597
Armenia	0	0	0	0	0
Australia	93,191	135,225	137,437	100,247	466,100
Austria	7,259	1,347	7,387	3,457	19,450
Azerbaijan	0	0	0	0	0
Bahamas, The	23	6,532	13	11	6,579
Bahrain	1,573	46,947	1,020	1,924	51,464
Bangladesh	636	21	83	568	1,308
Barbados	11	21	56	22	110
Belarus	0	0	0	0	0
Belgium	23,090	101,188	169,185	80,008	373,471
Belize	16	23	3	21	63
Benn	34	6	11	0	51
Bermuda	29	2	3	103	137
Bhutan	38	0	0	0	38
Bolivia	494	1,407	1,072	1,131	4,104
Bosnia-Herzegovina	0	0	0	0	0
Botswana	1	5	987	608	1,599
Brazil	11,619	52,685	3,798	3,812	71,914
British Virgin Island	0	0	0	1	1
Brunei	558	1,013	7,070	4,405	13,046
Bulgaria	3	0	0	1	4
Burkina Faso	0	0	0	0	0
Burma	0	0	0	0	0
Burundi	0	0	43	1	44
Cambodia	0	0	0	0	0
Cameroon	0	0	0	0	0
Canada	18,195	1,522	1,013	11,407	32,137
Cape Verde, Republic	0	0	0	0	0
Cayman Islands	17	1	1	4	23
Central African Republic	0	0	0	0	0
Chad	0	0	0	0	0
Chile	3,874	563	25,541	22,449	52,427
China	15	7,692	0	1,055	8,762
Colombia	1,783	990	15,328	1,175	19,276
Comoros	0	0	0	0	0
Congo	0	0	0	0	0
Costa Rica	153	108	180	156	597
Cote D'Ivoire	2	0	1	2	5
Croatia	0	0	0	0	0
Cuba	0	0	0	0	0
Cyprus	304	156	2	9	471
Czech Republic	0	56	2,493	3,063	5,612
Czech Republic and Slovakia	107	0	0	131	238
Denmark	7,945	41,353	45,365	19,644	114,307
Djibouti	0	0	0	0	0
Dominica	6	0	59	12	77
Dominican Republic	1,312	970	843	683	3,808
Ecuador	555	4,602	733	1,985	7,875
Egypt	13,798	232,508	1,439,678	65,448	1,751,432
El Salvador	3	312	247	593	1,155
Equatorial Guinea	0	0	0	0	0
Eritrea	0	0	27	0	27
Estonia	0	0	7	0	7
Ethiopia	386	0	44	177	607
Fiji	0	0	0	0	0
Finland	4,691	1,661	6,100	2,921	15,373
France	29,175	101,642	66,080	57,471	254,368
French Guiana	0	499,300	233	23,493	523,026
Gabon	2	103	53	305	463
Gambia, The	0	0	0	1	1
Georgia	0	0	0	0	0
Germany	546,602	230,020	278,369	388,343	1,443,334
Ghana	27	60	27	30	144
Greece	78,601	130,811	201,977	92,663	504,052
Greenland	0	0	0	0	0
Grenada	0	0	12	13	25
Guadeloupe	0	0	0	2	2
Guatemala	490	599	2,230	3,965	7,284
Guinea	0	44	1	6	51
Guinea-Bissau	0	0	0	0	0
Guyana	354	2	32	28	416
Haiti	0	0	0	0	0
Honduras	3,153	380	172	1,810	5,515
Hong Kong	28,358	29,298	166,884	12,715	237,255
Hungary	102	223	412	12	749
Iceland	5	19	26	2	52
India	11,185	4,527	4,667	18,679	39,058
Indonesia	4,894	413,388	21,927	31,563	471,772
Iran	0	0	0	0	0
Iraq	0	0	0	0	0
Ireland	601	32	1,161	220	2,014
Israel	344,913	417,033	316,949	143,229	1,222,124
Italy	27,078	65,898	416,046	63,251	572,273
Jamaica	1,077	12	421	337	1,847

LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES AS OF SEPT. 30, 1993—Continued

[Dollars in thousands]

	October–December	January–March	April–June	July–September	Cumulative
Japan	536,739	1,003,937	704,214	1,542,379	3,787,269
Jordan	1,939	3,784	20,999	4,477	31,199
Kazakhstan	0	0	9	0	9
Kenya	1,700	20,902	39	21	22,662
Kiribati	0	0	0	0	0
Korea, Republic of	120,953	871,415	179,356	912,691	2,084,415
Kuwait	405,019	4,795	32,587	43,251	485,652
Kyrgyzstan	0	0	0	0	0
Laos	0	0	0	0	0
Latvia	0	0	0	0	0
Lebanon	218	1,416	598	878	3,110
Lesotho	0	0	1	500	501
Liberia	0	0	0	0	0
Libya	0	0	0	0	0
Liechtenstein	2	11	0	0	13
Lithuania	2,224	18	0	76	2,318
Luxembourg	1,199	7,530	97,531	2,351	108,611
Macau	123	30	375	265	793
Macedonia	0	0	0	0	0
Madagascar	0	0	0	0	0
Malawi	62	0	0	0	62
Malaysia	72,994	5,024	86,278	22,480	186,776
Maldives	0	0	173	0	173
Mali	1	0	22	35	58
Malta	2	70	0	0	72
Marshall Islands	0	0	0	0	0
Mauritania	0	0	0	0	0
Mauritius	0	0	186	21	207
Mexico	47,196	83,677	75,998	44,013	250,884
Micronesia	0	0	0	0	0
Moldova	0	0	0	0	0
Monaco	97	5	0	7	109
Mongolia	0	0	0	0	0
Morocco	5,807	2,302	3,601	617	12,327
Mozambique	0	0	19	0	19
Namibia	1,477	524	87	239	2,327
Nauru	0	0	0	0	0
Nepal	0	0	0	78	78
Netherlands	137,406	75,791	99,812	506,446	819,455
Netherlands Antilles	9	322	133	105	569
New Caledonia	9	32	39	84	164
New Zealand	35,295	13,895	18,304	47,846	115,340
Nicaragua	273	0	32	1	306
Niger	0	0	0	0	0
Nigeria	840	6,220	12,443	430	19,933
Norway	51,785	70,750	75,381	13,975	211,891
Oman	480	965	8,657	1,922	12,024
Pakistan	11,660	31,089	40,664	15,251	98,664
Panama	3,027	27,583	675	1,255	32,540
Papua New Guinea	293	58	807	6	1,164
Paraguay	1,962	4,051	876	3,769	10,658
Peru	439	20	26	0	485
Phillipines	6,043	2,310	14,758	66,451	89,562
Poland	1	170	385	16,552	17,108
Portugal	6,352	44,861	36,358	17,886	105,457
Qatar	550	19,761	1,527	1,571	23,409
Reunion	0	0	5	0	5
Romania	0	0	0	3	3
Russia	52	125	291	235	703
Rwanda	0	0	0	0	0
San Marino	0	46	0	0	46
Sao Tome and Principe	0	0	0	0	0
Saudi Arabia	66,960	55,807	223,813	335,253	681,833
Senegal	0	0	18	0	18
Serbia and Montenegro	0	0	0	0	0
Seychelles	0	0	0	0	0
Sierra Leone	0	0	0	0	0
Singapore	57,702	83,320	110,656	157,320	408,998
Slovakia	0	0	22	1	23
Slovenia	0	59	0	2	61
Solomon Islands	0	0	0	0	0
Somalia	0	0	0	0	0
South Africa	341	185	283	36	845
Spain	70,292	52,390	98,335	65,772	286,789
Sri Lanka	0	222	15,063	273	15,558
St. Helena	0	0	0	0	0
St. Kitts and Nevis	0	0	12	0	12
St. Lucia	0	0	0	12	12
St. Vincent	156	0	0	0	156
Sudan	0	0	0	0	0
Surname	0	0	15	41	56
Swaziland	0	2	0	0	2
Sweden	8,883	66,119	361,353	176,559	612,914
Switzerland	94,125	23,811	85,755	123,134	326,825
Syria	0	0	0	0	0
Taiwan	62,544	60,401	12,195	210,886	346,026
Tajikstan	0	0	0	0	0
Tanzania	1	2	9	6	18
Thailand	33,055	24,298	83,834	63,858	205,045
Togo	20	0	0	0	20
Tonga	0	0	0	8	8
Trinidad and Tobago	4	51	57	80	192
Tunisia	107	1,880	1,061	2,207	5,255
Turkey	1,205,431	445,027	233,103	180,749	2,064,310
Turkmeninstan	0	0	0	0	0
Turks and Caicos	1	0	0	2	3
Tuvalu	0	0	0	0	0
Uganda	44	0	0	0	44
Ukraine	0	0	0	2	2
United Arab Emirates	67,014	6,356	24,980	66,838	165,188
United Kingdom	404,100	400,053	334,509	285,823	1,424,485
United Nations	0	0	127	24	151
U.S.A	0	0	61	603	664
Uruguay	1,211	450	1,095	447	3,203
Uzbekistan	0	0	0	0	0
Vanuatu	0	0	0	0	0

LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES AS OF SEPT. 30, 1993—Continued

[Dollars in thousands]

	October–December	January–March	April–June	July–September	Cumulative
Various Countries	16,847	17,181	52,895	384,071	470,994
Vatican City	0	0	0	0	0
Venezuela	323,563	76,672	4,114	6,038	410,387
Vietnam	0	0	0	0	0
Western Sahara	20	0	0	0	20
Western Samoa	0	0	0	6	6
Yemen	0	3,724	1,677	0	5,401
Yugoslavia	0	0	0	0	0
Zaire	0	0	0	0	0
Zambia	428	21	15	1	465
Zimbabwe	22	25	141	23	211
Classified total [1]	213,890	561,402	436,172	1,005,685	2,217,149
Worldwide total	5,361,611	6,725,159	6,949,806	7,509,238	26,545,814

[1] See classified annex to CPD.

Note: Details may not add due to rounding.

Source: This information was prepared and submitted by the Office of Defense Trade Controls, State Department.

INTRODUCTION OF RIO PUERCO WATERSHED ACT OF 1994

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. RICHARDSON. Mr. Speaker, I rise to introduce the Rio Puerco Watershed Act of 1994. This legislation, which is being introduced today in the Senate by JEFF BINGAMAN, will improve water quality within the Rio Puerco watershed and help restore the ecological health of the Rio Grande.

Extensive ecological changes have occurred in the Rio Puerco watershed including erosion of agricultural and range lands and loss of biological diversity and available surface water. This damage has seriously affected the economic and cultural well-being of the area. The threat to the Rio Puerco watershed below the junction of the Rio Puerco with the Rio Grande is especially severe. Not only has the water quality been decreased, but the excessive sedimentation threatens the water storage capacity and life expectancy of the Elephant Butte Dam and Reservoir system.

The stress to the Rio Puerco watershed from the loss of native vegetation, introduction of exotic species and alteration of riparian habitat is complicated by the interlocking land ownership of the area which includes private, Federal, tribal trust and State ownership. To address the many conflicting issues affecting protection of the area, my bill establishes a Rio Puerco Management Committee. This committee will include representatives from the Rio Puerco Watershed Committee, affected tribes and pueblos, the U.S. Forest Service, the Bureau of Reclamation, the U.S. Geological Survey, the Bureau of Indian Affairs, the U.S. Fish and Wildlife Service, the Army Corps of Engineers, the Soil and Conservation Service, the State of New Mexico, as well as private landowners.

In addition to authorizing the creation of a management committee, the Rio Puerco Watershed Act of 1994 provides for the long-term protection of the river by—first; requiring the Secretary of Interior to prepare a plan for restoration of the watershed within 2 years of enactment; second, requiring the Secretary of Interior to report to Congress 2 years after the date of enactment and biennially thereafter on the accomplishments of the management program and proposals for joint implementation efforts; and third, authorizing a lower Rio Grande habitat study to include the habitat of the Rio Grande from Caballo Lake to the Gulf of Mexico.

Mr. Speaker, the continued health of our environment is too important to ignore. The introduction of this legislation today signals Congress' willingness to address natural resources protection issues head on. But it will not be until legislation such as the Rio Puerco Watershed Act and other legislative attempts to protect our environment are signed into law that we can truly claim to be protectors of the environment. I call on my colleagues in the House to join me in this effort and support the responsible, effective protection of our precious natural resources by supporting the Rio Puerco Watershed Act of 1994.

SAINT PATRICK'S DAY 1994

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. GILMAN. Mr. Speaker, today I am pleased to rise to call my colleagues' attention to the fact that Saint Patrick's Day is once again upon us. Around the world the Irish and those who are Irish at heart, celebrate this great feast—a feast that is a national holiday of the Republic of Ireland. It is a reason for joyous celebration around the globe by not only the Irish people, but so many others who share the joy and spirit of Ireland's great patron saint.

It is more than 1,500 years since Saint Patrick converted the beautiful Emerald Isle. He has long served as a symbol of hope for the Irish people, even in the darkest days and hours, over these many centuries. The deep religious faith and devotion he instilled in the Irish people continues to this day.

This year that abiding faith and hope that Saint Patrick instilled in the Irish people will be tested once again, as the historic peace talks proceed towards a hoped for fair, and just settlement to the troublesome situation in Northern Ireland. Courageously, the Prime Ministers of Great Britain and the Republic of Ireland started talks last year, that many in Europe, here in the United States, and around the globe, hope will finally bring peace to that troubled part of Ireland.

The United States owes a particular debt of gratitude to Americans of Irish birth and descent. Their contributions to America in terms of the arts, culture, politics, law enforcement, and sports are well known.

The history of our country is interwoven with the biographies of Irish men and women who have helped to provide leadership to our Nation.

At one point in time, the President, the Speaker of the House, and the majority leader of the other body were all Irish-Americans.

Because of this special relationship with Ireland, the United States must play a role in the ongoing and hopeful peace process now in progress. Appointment of a special U.S. representative who would focus on peace efforts would be a highly important and visible symbol that the United States is truly committed to helping all the parties to the conflict achieve a just and lasting settlement.

Those of us in this Congress who seek peace in Ireland must ensure that President Clinton lives up to his campaign promise to appoint a special envoy to Ireland, as well as his other campaign promises regarding Northern Ireland.

President Clinton wrote me on May 7, 1993, on the issue of peace in Northern Ireland. He recounted his high level talks with British Prime Minister John Major and with Irish Prime Minister Albert Reynolds on this subject. He said that those "* * * discussions were the first of many we will have with the British and Irish Governments in exploring ways to bring an end to the troubles." He went on to say, "* * * if there is some way that the United States could make a constructive contribution to a political settlement, we would do so."

The President's offer of action in support of the peace talks hopefully will not be necessary, if the parties proceed on their own to a fair, just, and humanitarian solution to the problems in Northern Ireland. If, however, the talks falter for whatever reason, those of us concerned with seeing a just and fair peace in Northern Ireland, will not hesitate to call upon the President's leadership to help move the peace talks and process along. Mr. Clinton pledged to do so during the last Presidential campaign, and his May 7, 1993, letter to me reiterated that commitment.

The United States must play its rightful role in bringing about peace in the North of Ireland. This role is especially timely now as we approach Saint Patrick's Day 1994 here in America, and around the globe.

Let us all take advantage of this Saint Patrick's Day to reflect on, and support the move-

ment toward a just and lasting peace in Ireland today. May this St. Patrick's Day 1994, be the last great day of celebration of his feast, at a time when peace does not reign over the Emerald Isle.

Mr. Speaker, I request that President Clinton's letter of May 7, 1993, on Northern Ireland be inserted at this point in the RECORD:

THE WHITE HOUSE,
Washington, DC, May 7, 1993.

Hon. BENJAMIN A. GILMAN,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE GILMAN: Thank you for the letter which you and your House colleagues sent me on Northern Ireland. I had the opportunity to discuss Northern Ireland with British Prime Minister John Major and with Irish Prime Minister Albert Reynolds. In my meetings with each of them, I told them that Northern Ireland will be part of our agenda with both countries, and I urged them to redouble their efforts to reconvene the talks on Northern Ireland which were suspended last year.

My discussions were the first of many we will have with the British and Irish governments in exploring ways we could help to bring an end to the troubles. As for specific initiatives, let me reiterate what I told both leaders: if there is some way that the United States could make a constructive contribution to a political settlement, we would do so. Ultimately, however, it will be up to the parties themselves to end the tragedy in Northern Ireland.

I appreciate your interest and advice on this and hope you will continue to give me the benefit of your suggestions in the days to come.

Sincerely,

BILL CLINTON.

TRIBUTE TO MR. ROBERT CHAIS, FOUNDER OF THE BERGEN COUNTY EMERGENCY MEDICAL SERVICES TRAINING CENTER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. MENENDEZ. Mr. Speaker, I would like to take this opportunity to pay tribute to the late Robert Chais, founder of the Bergen County Emergency Medical Services [EMS] Training Center in Paramus. Mr. Chais passed away on January 26, 1994, at the age of 54.

Mr. Chais died doing exactly what he was known for: helping people. Over the years, Mr. Chais has shown a strong dedication to his profession. He volunteered his time several nights a week for the last 15 years, to run the EMS Center. For all his efforts, he neither sought nor received any pay. In fact, at the time of his death, he was teaching a class at the very center which he founded.

Thousands of New Jersey volunteer ambulance, rescue, and firefighting personnel have been trained at this center under the direction of Mr. Chais. Those brave volunteers have gone on to save countless thousands of people throughout New Jersey. Mr. Chais was responsible for assembling those dedicated volunteers and training them to save lives.

Mr. Chais set the standards which have influenced similar training centers throughout the United States and thus resulted in thousands of Americans surviving accidents and medical emergencies. The impact of his contribution can be felt nationwide.

Mr. Chais' dedication to his community and to the citizens in it was exemplary and deserves recognition and praise. He will be remembered with admiration and fondness. Most importantly, his contributions to his community will live on and bring pride to his loved ones.

RUTH V.K. PAKALUK HIGH SCHOOL ESSAY CONTEST

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. HYDE. Mr. Speaker, I am pleased to provide my colleagues with the three winning essays in the recent Ruth V.K. Pakaluk High School essay contest conducted by the Massachusetts Citizens for Life. The quality and depth of thought reflected in this year's winning essays are a source of encouragement to the entire pro-life movement.

The winning essays follow:

[First Place]

THE FIRST HUMAN RIGHT—THE RIGHT TO LIFE

(By Theresa Foster)

Mother feels the stirring inside,
An esoteric, lyrical language of motions.
She is but a novice at this game of sorts, and
Can't read every signal, yet somehow she understands.
When the Inward Entity relays its insatiable demands,
She, The Outward Matrix, extends her largess.
How enchanting a love affair of soul and spirit, where
Words are exchanged only through songs of the body.
Every day, everywhere, Mothers are denied such delight.
Rampant are beliefs in the inordinate mendacities of
They who espouse perverse standards of choice;
They who give credence to "inconvenient pregnancy" and
Prioritize convenience over responsibility;
They who may legally suction and cut, and injure and murder;
They who counsel strategic warfare on one's body and spirit,
And claim ignorance to the consequences.
What illusion and trickery is used to conform to standings of
Misanthropy?
It is the utter dearth of the quality of human sanctity.
The ruling of Roe had burned Respect in effigy.
The conflagration has consumed millions upon
Millions of lives, and has engulfed a people in suffering.
We've lost so many seeds that would have ramified root
Systems of law, burgeoned skyward into stems of science, and
Blossomed beautifully as petals of literature.
The societal casualty on this battlefield is great; there is no
Longer a common perception of what is sacrosanct.
One's ineffable joy of pregnancy is another's anathema.
While one woman prays to become a mother, another sloughs off
The skin of motherhood.
Life is not a choice.
Life is a privilege given us, not by our parents, but by God.
Our existence is in the hands of God, and it is
By His decree that we are created or destroyed.
A charlatan false god holding silver instruments by the eerie
Yellow luminescence, has no right to defame a creation of God's.
When God made us human at that conceptual moment,
He gave us the right to live, and entrusted us to respect
Human existence. In this endeavor, we have sorely failed.
All that is left is to lament those we've lost,
And pray for a safe arrival of those to come.

[Second Place]

ADOPTION IS THE LOVING CHOICE

(By Oskar Hallig)

Now, in my Senior year of high school, I often think of the blessings of life I have experienced that abortion could and would have taken away. Eighteen years ago, last August, I was adopted by two very loving people who have done everything in their power to make my life as rich and fulfilling as possible. I am eternally grateful to my biological mother for granting me the right to experience all the wonderful blessings that God's world has to offer.

Adoption does work, it is a way for those who want children and can't have them to become parents and also for the innocent children to live. Most of these people would be great parents because they actually want the children and are willing to put the time into giving them a good life. As we cannot deny the right to be a parent, we certainly can't deny the right for the child to live. Since there are so many willing adults to adopt out in the world, how can we condemn the unborn to death? All of the unborn are God's children and we can't willingly murder them just because their biological parents do not want them.

To think if I had not been adopted I would just be another figure, a dead child. I would never have been given the chance to know what this wonderful world had to offer. I would never have been able to play ball or run around and have fun with my friends. My biological mother knew that she was not ready to have me so she gave me to those that were. Rather than ending my life because I came at an inopportune moment, she decided to let me live and enjoy what she had been able to experience. How can this right be denied to all of the poor children that are brutally murdered by abortion each and every day? Are these children not also good enough to have a chance at life? How can we say that because one woman does not want a particular child all women do not? There is a mother out there for every child and there is no excuse for this massacre of innocent children.

In conclusion, adoption is the loving alternative to abortion. The mere chance at life is better than death. Nothing can be more loving than the chance to experience God's creation. We must make adoption a more viable alternative because all children have a place in the world and we need to stop killing them and taking their God given rights away.

[Third Place]

THE FIRST HUMAN RIGHT—THE RIGHT TO LIFE

(By Gwendolyn MacKay)

On October sixteenth Isabella is conceived. Every day she changes and grows as she is nourished by the food her mother, Nina, sends through the umbilical cord. Her microscopic body is developing more rapidly now than it ever will again. Isabella is growing limbs, hands and feet. By November sixteenth Isabella's heart is beginning to beat. A month later she is an inch and a half long and all her organs are in place. As of February sixteenth Isa can move her lips, turn her head, grasp her hands and frown. Isa is kicking her feet now. She opens her eyes on May sixteenth.

Nina is driving to Tedeschi's for milk and pickles. She beeped at the driver ahead of her. When Isa heard the horn she jumped and her heartbeat quickened. Then her leg grazed her little body and, not knowing what it was, she was startled and her body jerked. Every time Nina speaks to Isa, Isa does somersaults.

The American Heritage Dictionary defines life as the quality manifested in functions such as metabolism, growth, response to stimulation and reproduction by which living organisms are distinguished from dead organisms or inanimate matter. Isabella began metabolic activity, growth and responses to stimulation on October sixteenth. Isabella is alive. She was given her own individual life on October sixteenth. As a living human being Isabella deserves to be protected by the Constitution. The first human right is the right to life. This right includes unborn babies. There is no magic moment after conception and during pregnancy that gives babies sudden life like Pinnochio. The only magic moment is conception.

Many people have fought for certain rights. Women demanded Women's rights, Blacks demanded Blacks' rights . . . Who will fight for the rights of unborn babies? We cannot hear them fighting for rights but they are equal people deserving equal rights. We have to demand their right to life. Maybe in return someday they will fight for us for a better world.

INTERNATIONAL WOMEN'S DAY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. PORTER. Mr. Speaker, every year, on March 8, women in countries on all continents commemorate International Women's Day. The observance of this occasion began in the early part of this century as a way to honor women and their struggle for equality and voting rights. Over the years, International Women's Day has been recognized by the United Nations as a day during which to celebrate the unique contribution which women make to the betterment of humankind.

On March 8th of this year, the Congressional Human Rights Caucus, the Congressional Caucus on Women's Issues and the Senate Foreign Relations Committee, in cooperation with the United Nations Information Centre, sponsored a briefing to focus on the status of human rights for women. We had three excellent speakers at this briefing whom I would like to acknowledge for the work they do to advance the cause of women's human rights: Melinda Kimble, Deputy Assistant Secretary for Global Issues in the Bureau for International Organizations at the Department of State; Dorothy Q. Thomas director of the Women's Rights Project for Human Rights Watch' and Kathryn Cameron Porter, director of Gender and Social Policy at Conservation International.

I would also like to acknowledge the assistance provided by Mrs. Flavia Biancheri, who is the wife of the Italian Ambassador. Mrs. Biancheri facilitated the delivery of Mimosas, a flower which is grown on trees in Italy, to our briefing. Traditionally, women in Italy have worn mimosas on International Women's Day. We are deeply grateful to Mrs. Biancheri for helping to share this tradition with us.

During this past year, the issue of human rights for women has achieved greater recognition. Following the successful lobbying efforts of women's groups at the World Conference on Human Rights held in June of last year, the human rights agenda of the international community now prominently features the rights of women. Hopefully, women will achieve even greater recognition of their rights at the upcoming International Conference on Women which will be held in Beijing next year.

Despite the advancement made by women in breaking down barriers at the international level, many societies continue to regard women as inferior and unworthy of equal status with men. Often, these long-ingrained societal attitudes lead governments to conclude that violence acts committed against women, such as rape, dowry killings and other forms of assault, are not human right abuses. Clearly, we must work to eradicate the myth that human rights abuses committed against women are marginal or are matters of privacy at home.

The Congressional Human Rights Caucus, which I cochair along with my colleague, TOM LANTOS, will continue to focus on the human rights issues facing women in developed and developing countries alike. We hope that on every International Women's Day in the future, we can celebrate the achievements of women in securing full recognition of their rights.

INTRODUCTION OF A HOUSE RESOLUTION TO NAME THE WEEK OF MAY 29 THROUGH JUNE 4, 1994, AS "PEDIATRIC AND ADOLESCENT AIDS AWARENESS WEEK"

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. SERRANO. Mr. Speaker, I rise today to ask my colleagues to lend their unwavering support to the tens of thousands of children, adolescents, and women infected with and affected by HIV infection and AIDs in the United States.

Please join me in calling upon the President to proclaim the week of May 29, through June 4, 1994, as "Pediatric and Adolescent AIDS Awareness Week".

The HIV epidemic is spreading rapidly among women, children, and adolescents. Over 5,000 children, over 14,000 young people ages 13–24, and approximately 40,700 adult women have been diagnosed with AIDS.

Unfortunately, the need for effective HIV care is even greater than these statistics might suggest. Since AIDS-defining symptoms appear an average of ten years after infection with HIV, AIDS statistics allow us to estimate the needs of people who are at just one end of the continuum of those living with HIV disease.

Approximately 15,000 to 20,000 children, an unknown number of adolescents 110,000 women, and over 1 million men are estimated to be HIV-infected but are not yet diagnosed with AIDS. Using 1989 sero-survey data for childbearing women, the CDC estimates that 6,000 HIV infected women will give birth to children each year; approximately 1,500 to 2,000 of whom will also be HIV-infected.

Today over 19 percent of the reported AIDS cases in the United States are among young adults in the 20 to 29 age range, suggesting that a majority were infected with HIV during their adolescent years.

HIV disproportionately affects low-income African-Americans and Latinos. Fifty-four percent of the reported children with AIDS are African-American, although only 14 percent of the nation's children are African-American. In addition, 24 percent of the children with AIDS are Latino, although only 11 percent of the United States are Latino.

My congressional district of the South Bronx, has the highest rate of sero-prevalence among newborns in the entire country. Twenty-four percent of all pediatric AIDS cases in the United States are reported in New York City; and 30 percent of these are in my district. The health experts in New York City estimate that 110 HIV-infected children are born in the Bronx each year.

If the incidence of AIDS continues to increase, within the next 10 years AIDS may become the fifth leading cause of death among children of all ages in the United States.

Equally dire are the projections of the number of children that will be orphaned as a result of the HIV–AIDS epidemic—24,600 under age 13, and 21,000 between the ages of 13 and 17 by 1995. With the current trends, the total number of children orphaned by AIDS is estimated to reach over 85,000 by the year 2000.

If my colleagues have not heard much about these powder kegs, it's because these children and families have no lobbying machines to advocate for their needs here in Congress. They deserve your commitment and compassion, as do the million and more others in this country living with HIV–AIDS.

Mr. Speaker, I am particularly concerned with providing access to care for these vulnerable populations. Last year, I led an effort to consolidate funding for pediatric, adolescent, and women HIV services in title IV of the CARE Act. This important program takes care of the majority of identified children and adolescents with HIV infection.

In 1990 I introduced the first resolution calling upon Congress to recognize and respond to pediatric AIDS, it became Public Law 102–57. This disease makes no distinctions between race, gender, age, nor ideology. In the other body, Senator ARLEN SPECTER has agreed to sponsor a matching resolution.

I urge my colleagues on both sides of the aisle to support this resolution, because we must fight this disease from all angles.

TO REAUTHORIZE THE OCEAN AND COASTAL PROGRAMS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. ORTIZ. Mr. Speaker, I rise today to introduce legislation to reauthorize the ocean and coastal programs of the National Oceanic and Atmospheric Administration.

The National Oceanic and Atmospheric Administration [NOAA], within the Department of Commerce, is the primary steward of the Nation's ocean and coastal areas. NOAA has responsibility for a broad scope of marine and coastal programs which protect marine resources, enhance navigation and shipping, and provide an understanding of the ocean environment. NOAA draws general authority for its programs through a variety of public laws dating back to the last century. The first comprehensive authorization for NOAA was passed in the 102d Congress, authorizing appropriations for fiscal years 1992 and 1993. The legislation I introduce today authorizes NOAA's ocean and coastal programs through the end of fiscal year 1995.

Mr. Speaker, the structure of this bill represents an attempt to more closely match NOAA's authorizations to the appropriation process. Authorizations are provided at the activity level at which NOAA's programs are appropriated and policy decisions are made. The bill makes these authorizations only through the end of fiscal year 1995. The intention is for this to become a yearly authorization, keeping pace with changes in administration priorities and more closely matching the activities of the Committee on Appropriations.

The authorization levels provided by this legislation give priority to programs which are congressionally mandated, while maintaining the total authorization level near the President's request for fiscal year 1995. To accomplish this, offsets in the form of cuts to administrative costs and low-priority programs were made.

Mr. Speaker, this is valuable, fiscally responsible legislation which I feel reflects congressional priorities. I urge you and the other Members of the House to support this initiative.

NO PLACE IN AMERICA FOR VICIOUS BIGOTRY

HON. DICK ZIMMER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. ZIMMER. Mr. Speaker, on February 23, this body voted to condemn the racist statements made by former Nation of Islam spokesman Khalid Abdul Muhammad in his speech at Kean College in Union, NJ. Less than a week later, Mr. Muhammad addressed students at Trenton State College in my district in New Jersey.

I want to share with my colleagues the statement I made to more than 500 people attending an interfaith Vigil of Conscience I helped to protest Mr. Muhammad's appearance on February 28.

The vicious words of Khalid Abdul Muhammad and his leader Louis Farrakhan, are a pointed reminder that the United States is not immune from the epidemic of ethnic and religious hatred and violence that infects so much of the world.

As Franklin D. Roosevelt said: "We are a nation of many nationalities, many races, many religions—bound together by a single unity, the unity of freedom and equality. Whoever seeks to set one nationality against another seeks to degrade all nationalities. Whoever seeks to set one race against another seeks to enslave all races. Whoever seeks to set one religion against another, seeks to destroy all religion."

It is an unspeakable sacrilege that these men who claim to be ministers of God preach hatred and violence in his name. We have organized this vigil to reaffirm that Americans of all religions and all races are united in the belief that our God demands love, not hate. He demands unity, not discord. He demands truth, not slander.

There is a risk that by forcefully responding to bigots we give them a prominence they don't deserve. But the greater risk is to remain silent in the face of malicious falsehood, implying that what they say isn't important or that it is somehow acceptable.

We are here to reaffirm that there is no place in America for vicious bigotry and ethnic hatred and that we will not realize our ideals by trying to outshout each other, by demonizing each other or by killing each other.

We must instead seize this opportunity as members of a remarkably diverse coalition that has joined together this evening on account of hate to make a permanent commitment to the hard work of reconciliation and cooperation. That is the only way we can achieve the timeless hope of all our traditions—shalom, salaam, peace.

U.S. REPRESENTATIVE CARRIE MEEK HONORS MIAMI'S UNSUNG HEROINES

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mrs. MEEK. Mr. Speaker, it is my great pleasure to join with the city of Miami's Commission on the Status of Women in recognizing the achievements of 14 of our community's most talented and effective leaders.

The Unsung Heroine's Award luncheon is an annual event to honor outstanding women who make major contributions to our community every day but seldom make the evening news.

These women are inspiring for their commitment and remarkable for their accomplishments. They are dedicated women for whom hard work is business as usual and determination is a common attribute.

Mr. Speaker, I would like to share with my colleagues the following list of this year's Unsung Heroine Award winners, as well as a brief description of their contributions to our community:

UNSUNG HEROINES AWARDS 1994

Bonnie Dubbin Askowitz—is a long time political activist especially in the field of women's rights.

Ernestine Smith Davis—has provided public assistance and emergency housing to individuals and families. Counselled adult and youth both individually and in groups of post-traumatic stress syndrome following Hurricane Andrew.

Thelma Gibson—is active in "A Woman's Place" providing shelter for homeless women. Champion provider of services for children, youth, adults and the elderly through the Theodore Gibson Memorial Fund.

Lille Mae Henderson—works long and hard to provide necessities for the homeless, courageously determined to lift them from despair.

Cheryl A. E. Little—is a leading human rights activist who has provided free legal assistance to Haitian refugees.

Haydee Marin—an attorney who has unselfishly dedicated her life to advocate for those who suffer violations of their civil and human rights.

Lucille M. Pereira has been totally committed to the advancement of girls and women both at the educational and employment level. Extensive work on gender equity.

Bonnie Rippingille—an attorney active in Women's Park Committee. Has worked hard with disadvantaged juvenile offenders. Defended the cause of women's rights.

Kathleen Ruggiero—works in law enforcement and is also a nurse. Extensive work with battered women and prostitutes succeeding in turning them back into productive and self-sufficient individuals.

Sharon Sbrissa—as a teacher has advocated for disadvantaged children and their families for 24 years. Has also broadened the opportunities for children with learning disabilities.

Lydia M. Sosa—a teacher who has impacted the community with her work in education.

Elba M. Stephens—has addressed the problem of autistic children. Her impact is reflected in her fight to improve the quality of life through education.

Milagros Torres—has dedicated her time to work with the youth at Aspira.

Judith Turner—Girl Scout Leader who arranged for girls in hurricane affected areas to attend local encampment, and aided their families during their time of great need.

TRIBUTE TO THE CITY OF PALO ALTO, CA

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Ms. ESHOO. Mr. Speaker, I rise today to honor the vibrant City of Palo Alto, CA, on the occasion of its centennial celebration. A giant redwood tree is the symbol of Palo Alto's 100th birthday. It is a fitting reminder of the city's rich history, towering accomplishments, and solid future.

Palo Alto combines the beauty, charm, and friendliness of small town America with educational, industrial, and cultural assets rivaling

those of any large city. Its people share a strong commitment to improving their community—a commitment reflected in one of the most successful public school systems in the country. As the birthplace of Silicon Valley, the entrepreneurial spirit is alive and well in Palo Alto, where numerous new technologies and companies are launched every year. In addition, Palo Alto's concern for the environment has made it a leader in recycling, while its people's appreciation for cultural diversity has made the city a warm, exciting place to live and work.

This centennial year many events and projects are taking place to honor Palo Alto's past and help shape its future. Concerts, events with sister cities in other nations, classroom and theater presentations, environmental inventories, a centennial calendar, and a spectacular birthday party are among the many events planned for 1994. The Centennial Endowment Fund, a generous permanent gift from the people of Palo Alto, will contribute to local nonprofit organizations working in areas such as health, housing, the arts, and the environment for many years to come.

Mr. Speaker, this is a community justifiably proud of its heritage. I am privileged to represent a community which day in and day out speaks of the best of America. I ask my colleagues to join me in saluting Palo Alto, CA, a remarkable city celebrating 100 years of excellence.

WASHINGTON PERFORMING ARTS SOCIETY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. FISH. Mr. Speaker, tonight my wife, Mary Ann, and I will have the pleasure of attending the Washington Performing Arts Society's annual gala, "Strings in Spring" which will feature a special performance by internationally acclaimed cellist Yo-Yo Ma. Under the patronage of President and Mrs. Clinton, this evening will benefit WPAS' community-wide arts enrichment programs which are focused primarily on students in the District of Columbia public school.

Now in its 28th season, the Washington Performing Arts Society [WPAS] is one of the Nation's leading nonprofit, independent, multidisciplinary, presenting organizations. Each season, WPAS presents over 100 recitals, orchestral, jazz, gospel, performance art, and dance performances at the Kennedy Center, GALA Hispanic Theater, the Warner Theater, and other theaters throughout the metropolitan Washington area. The Philadelphia Orchestra, Itzhak Perlman and Pinchas Zukerman, the Boys Choir of Harlem, Mikhail Baryshnikov and the White Oak Dance Project are among the artists WPAS is bringing to the Nation's Capital this year.

From the beginning, WPAS has been committed to enriching the educational experiences of area school students, particularly young people in need, and their families. As budget cuts force the elimination of arts enrichment programs in many schools, WPAS's educational arts presentation are in more demand than ever. The programs that will benefit from the Gala include:

Concerts in Schools, which brings the performing arts experience to 250,000 area school students in grades K–12 each year at no cost to the schools or students. Students in every District of Columbia public school and selected schools in Maryland and Virginia suburbs are introduced to jazz, dance, music, opera, and other art forms in these programs which encourage respect for and understanding of diverse cultures.

The Embassy Adoption Program is a multicultural enrichment program designed for sixth grade students in the District of Columbia public schools. Over 40 embassies "adopt" a class for a semester and interact with the students as they study the culture, Government, and geography of their "adopted" country.

The Enriching Experiences for Seniors program provides entertainment by area professionals, university, and high school artists and choirs to senior citizens in nursing homes and retirement centers throughout the Washington metropolitan area.

Mr. Speaker, I know my colleagues join me in congratulating the Washington Performing Arts Society on its efforts to enrich the cultural life of our Nation's Capital by bringing the best in the performing arts and educational arts programs to our community.

ARMY CORPS OF ENGINEERS—WASHINGTON AQUEDUCT

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. MORAN. Mr. Speaker, I rise today to introduce legislation to give the Army Corps of Engineers the authority to borrow from the Federal Financing Bank in order to finance capital improvements to the Washington Aqueduct. I want to thank my good friend and colleague, Senator JOHN WARNER, for introducing this important legislation in the Senate and Representative ELEANOR HOLMES NORTON for signing on as an original cosponsor in the House.

Many of you may recall that from December 8–11 of last year, 1 million water users in Virginia, the District of Columbia, and Maryland were ordered by the Environmental Protection Agency to boil their tap water before drinking it. More than a simple inconvenience, the water alert shook resident's faith in what they believed to be a safe, clean, drinking water supply.

Although subsequent investigations revealed that dangerous bacteria, chryptosporidium, was not present in the water, it was revealed that workers at the Washington Aqueduct had failed to respond to increasing levels of turbidity in the water supply. For many residents, questions about the cleanliness of the water supply remained well after the EPA rescinded its boil-water alert

In response to these concerns, the Corps of Engineers, which has operated the Washington Aqueduct since 1853, has been working closely with the EPA, the Council of Governments, and local government officials to identify ways to ensure the integrity of our water supply. One issue of particular concern to all the affected parties is the need to undertake capital improvements to the Washington Aqueduct. While the Corps of Engineers has identified almost $100 million in capital improvements that are either currently required, or may be needed in the next 5 years, they have not yet been undertaken because of the Corps' inability to borrow money necessary to begin the improvements.

Unlike most private utilities across the country, the Corps does not have the authority to borrow money in order to finance improvements to the infrastructure of the water system. Without such authority, the Corps will be forced to require its customers to pay the costs of the capital improvements up front, in the form of costly water bills.

Mr. Speaker, this situation is unacceptable. Water users should not be faced with a choice between exorbitant water bills or a questionable water supply. There is no question that with some of the piping for the aqueduct dating back to its construction in 1853, these repairs are an absolute necessity.

Allowing the Corps to borrow from the Federal Financing Bank ensures that needed capital improvements can occur, while allowing customers to pay for the improvements over the life of the project, rather than up front. The Corps will follow the lead of many other Federal agencies which regularly borrow from the Federal Financing Bank to help finance programs involving construction projects.

Without necessary improvements to the Washington Aqueduct, the region's water supply may once again be put at risk.

I urge my colleagues to support this legislation and ensure that these improvements occur in a timely fashion and that our water supply is protected.

PROJECT CHILDREN

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. McNULTY. Mr. Speaker, I commend founder Denis Mulcahy and the supporters of Project Children for their efforts over the last 20 years in giving the children of Northern Ireland an opportunity to escape from the violence of their homeland for a short period of time.

The program and its many host families, including Lawrence and Diane Riley from my congressional district, have given these children a chance to temporarily escape the overwhelming fear that often exists in their lives.

Although the problems in Northern Ireland are deeply rooted, I hope that the experiences of these children while visiting the United States will contribute to making their future a little brighter.

TESTIMONY BEFORE THE SUBCOMMITTEE ON SPECIALTY CROPS AND NATURAL RESOURCES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. BROWN of California. Mr. Speaker, I am here before this subcommittee to say a few words on behalf of the Giant Sequoia National Preservation Act which I introduced in May of last year. As I have stated before, my intent in introducing this bill was to ensure that the giant sequoia mixed conifer ecosystem would have permanent protection within a national forest preserve. It is essential that the protection of this ecosystem be insured by law, and not be subject to changes in the interpretation of or the adherence to the National Forest Management Act that might result from a change in administrations.

The giant sequoias are not only the world's largest trees, they are a living part of California's environmental history, the Earth's oldest living things. Millions of visitors come from within California, and from other areas of the country to walk through the sequoia and redwood forests. This ecosystem is a valuable and unique natural resource which will provide many more economic possibilities as a healthy, intact ecosystem than it will be a fragmented landscape with the scars of excessive clearcutting.

The bill calls for scientific research within the preserve, providing a living laboratory for use by scientists from the Forest Service and other organizations. As chairman of the House Science Committee, I am especially interested in better utilization of science in the development and implementation of land management. Obtaining information on a species as long-lived as the Giant Sequoia represents a unique scientific challenge.

I know that there is concern about the loss of jobs that will result from the ban on commercial timber harvesting. I do not like to see the loss of even one job. For this reason, I have made provisions in the bill for annual payments to local communities and for the establishment of job retraining, technical assistance, and loans and grants to help affected communities diversify their economies.

I should point out that if we do nothing with this there will be timber job losses. There is evidence that timber removal from the Sequoia National Forest over the past decade has exceeded sustainable rates. This pattern of overcutting will result in not only loss of jobs in the mills, but in the degradation of a valuable recreational resource. Ironically, allowing the current situation to continue will foreclose future diversification options to research and tourism. I believe that this bill will ultimately protect jobs as the forest.

Some of my colleagues from California are in opposition to this bill in its current form. They feel that this legislation is unnecessary and that the loss of timber-industry jobs in their districts would present an undue hardship on their constituents. I hope that once they have heard all of the information presented at the hearing today, that they will work with me to improve any current deficiencies in this bill and join me in support of it. All Americans are affected by current management policies in the Sequoia National Forest even though they do not reside within the districts containing the Sequoia National Forest. The concerns of the many southern Californians and citizens from the other States in this Nation who come to the Sequoia National Forest to enjoy all of the recreational opportunities available within this forest should also be considered.

The Forest Service's own records show the recreational value of Sequoia National Forest to be substantially greater than the timber value. In fact we are losing money on the timber program in this forest.

Mr. Chairman, I ask that the estimates provided to me by the Congressional Budget Office be entered into the RECORD. Item one indicates that implementation of H.R. 2153 would result in a timber program savings of about $6 million annually.

In spite of the greater recreational value, most of the budget for this forest is used to support clearcutting of timber. This skewed distribution of resources should be corrected. We should be investing scarce taxpayer dollars in areas where they will produce the greatest benefit for the most people. This bill is a step in that direction. By redirecting the budget of the Sequoia National Forest to greater support and development of the recreational uses of this area, more people can enjoy this unique natural resource.

We have been privileged to be one in the long line of generations that have enjoyed and marveled at the majestic nature of the Giant Sequoia. I introduced the bill to insure that our generation would not be the last one in the line.

Thank you very much.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 8, 1994.

Hon. GEORGE E. BROWN, JR.,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN: I am pleased to respond to the five questions you asked in your letter of February 24 regarding the Congressional Budget Office cost estimate for H.R. 2153, the Giant Sequoia Preservation Act of 1993.

1. Reduction in Timber Program Costs in Affected Forests. In our analysis of the bill, we estimated that once fully implemented, H.R. 2153 would result in timber program savings totaling about $6 million annually. This is consistent with your point that the average annual timber program losses in the affected forests currently total at least $5 million. CBO expects, however, that the bill's provisions would take at least one year from the date of enactment to be fully implemented. Thus, we anticipate that the full impact of such savings would not be realized until fiscal year 1996.

2. Payments to Counties. We agree with you that the payments to counties from the affected forests currently total about $1 million annually. Our cost estimate reflects a savings of this amount beginning in fiscal year 1995. As with the timber program costs discussed above, we assumed that it would take at least one year after the bill's enactment to fully implement the bill's provisions. Consequently, CBO estimated that the savings from lower payments to counties would be about $500,000 in fiscal year 1994 and around $1 million in each of the subsequent years.

In calculating the tax equivalency payments that would be paid to the affected counties in lieu of the payments they would be due under current law, CBO relied on information from your staff, the Forest Service, the California State Board of Equalization, and the local counties. The Board of Equalization provided us with the 1993 Value of Timberland schedule sent to all counties in the state. This schedule established the value per acre for tax purposes of various grades of timberland, ranging from redwood to mixed conifer. The Forest Service indicated that the lands in the proposed preserve would be classified chiefly as mixed conifer, resulting in a total land value in the preserve of about $50 million (442,425 acres valued at about $105 per acre). The affected counties told us that their tax rates were approximately 1 percent. Applying this tax rate to the estimated land values yielded an estimated tax equivalency payment totaling about $500,000.

3. Yield Tax Payments. The federal budget does not record the acquisition of disposition of physical assets as budgetary transactions. Because the yield tax payments made by the federal government are "paid" to the state of California in the form of timber assets, not cash, the value of such "payments" is not recorded in the budget or included in our cost estimate.

4. Fire Management Costs. CBO's cost estimates include all effects on the federal budget that result from the enactment of new legislation, regardless of where such costs are accounted for by the affected agency. The Forest Service interpreted H.R. 2153 to require that any work done within the Giant Sequoia Preserve to clear away underbrush as part of their fire management plan for the area would have to be done without the use of mechanized equipment at greater cost to the agency. As a result, we estimated that fire management costs would increase by about $3 million annually.

5. Timber Contract Buyout Costs. In a letter to CBO dated September 16, 1993, the Forest Service stated that "there are 7 existing timber sales within the proposed boundary [of the preserve]. If we were to buy out these sales, it would cost approximately $8,750,000." The Forest Service interpreted the bill to require that these contracts, covering an estimated 25 million board feet of timber, would have to be cancelled and the contract-holders compensated. CBO included such costs in the estimate for H.R. 2153 because the federal government agrees in the timber contracts to pay for costs already incurred by the purchaser plus damages if the contracts are cancelled.

We have recently received more detailed information from the Forest Service which indicates that only about 11.4 million board feet of timber are currently under contract in the affected areas. Assuming additional contracts are not entered into before this bill's enactment, buyout costs are more likely to be in the range of $4 million to $5 million and would be incurred in the first year after enactment.

Sincerely,

ROBERT D. REISCHAUER,
Director.

INTRODUCTION OF FOREST SERVICE EQUITY STUDY ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. RICHARDSON. Mr. Speaker, today I have introduced legislation to authorize a study of Forest Service funding allocations among the nine regions of the National Forest System. I am pleased to be jointed in the introduction of the Forest Service Equity Study Act of 1994 by Representatives JOE SKEEN, STEVEN SCHIFF, BOB STUMP, JIM KOLBE, JON KYL, ED PASTOR, and KARAN ENGLISH.

As many of my colleagues know, several regions of U.S. Forest Service have historically been disadvantaged in the regional allocation process. Region Three, which includes both New Mexico and Arizona, has been a prime example of this inequity in Forest Service funding. In fact, data supplied by the Forest Service itself proves this point: some of the regions of the National Forest System receive more funding on a per unit basis than other regions for recreation management, wildlife and fish management, road maintenance and other activities.

Although the Southwest region has one of the greatest needs in the country for watershed restoration and management, our region was the lowest funded region in the Lower 48 States in fiscal year 1994 funding from the Forest Service for watershed protection. With 24 million acres, the Northwest region is comparable in size to the 21 million acres of the Southwest region. Despite this similarity, in fiscal year 1993, the Northwest received nearly twice the funds ($95.2 million) to manage nontimber resources then did the Southwest ($56.3 million).

My legislation, which has also been introduced in the Senate by JEFF BINGAMAN as S. 1839, is an attempt to correct this inequity by mandating a Federal study and setting the stage for reallocating regional Forest Service funds.

The Forest Service Equity Study Act of 1994 authorizes the Secretary of Agriculture to conduct an equity study within 1 year of the date of enactment of this act. This study would include an analysis of the methodology and rationale justifying funding decisions regarding the regions that were made prior to the date the study is conducted; examine the equity of the allocations taking into account regional unit burdens; and examine the relationships between funding allocations, Forest Service goals, and the diverse needs of the regions based on ecological factors and demand for multiple-use services.

Mr. Speaker, as budgets get tighter and it becomes more difficult for Congress to fund even the most basic programs, equity in Federal funding on a national basis should be our standard. We cannot expect the American people to pay equally for the maintenance of the Nation and not receive at least proportional benefits.

I look forward to working with my colleagues in the House to secure passage of this most important funding legislation and I urge all of my colleagues form States in similar situations to join me in supporting the Forest Service Equity Study Act of 1994.

SIKH NATION CONDEMNS CONGRESS PARTY DEATH WARRANT

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. BURTON of Indiana. Mr. Speaker, I rise today to bring to your attention the reward of $333,333 or 10 million rupees offered by India's ruling Congress Party for any person who assassinates Pakistani writer Sidiq Hussain. Mr. Hussain's book, "Tarik-e-Mujahedeen [History of Rebels]", contains disparaging and derogatory remarks about the Sikh Gurus, who are revered by the world's 21 million Sikhs.

I would like to point out, however, that the Congress Party death warrant directly violates Sikh principles. No major Sikh religious group has endorsed the death warrant. The call for Mr. Hussain's death was issued by Punjab Youth Congress President, Mr. Ramesh Singla, who is a Hindu, not a Sikh. Furthermore, the Congress Party is India's ruling political party, it is not a Sikh religious party of any kind.

I urge the Congress Party to withdraw its death warrant immediately. It is antidemocratic and barbaric. I am amazed that the ruling party of the world's so-called largest democracy could even participate in, much less initiate such as exercise. It says volumes about the state of Indian democracy.

For the RECORD, I am inserting a press release from the Council of Khalistan, headed by Dr. Gurmit Singh Aulakh. The press release clearly indicates Sikh condemnation for the Congress Party death warrant.

CONGRESS PARTY ISSUES DEATH WARRANT FOR WRITER—PUTS PRICE ON HEAD OF DR. SIDIQ HUSSAIN IN SHAMELESS VIOLATION OF SIKH ETHICAL CONDUCT

WASHINGTON DC, March 7, 1994.—In direct violation of Sikh principles, India's ruling Congress Party yesterday offered $333,333 or 10 million rupees to anyone who assassinated Pakistani writer Sadiq Hussain. Mr. Hussain's book, Tarik-e-Mujahedeen (History of the Rebels), contains profane and derogatory remarks about the Sikh Gurus, who are revered by the world's 21 million Sikhs. The Congress Party is the ruling Indian political party. It is not a Sikh religious group of any kind. It was the Congress Party that attacked the holy Sikh Golden Temple in June 1984, and is still despised by Sikhs the world over.

No popular Sikh group has endorsed or supported the Congress Party's "death warrant." The "death warrant", which subverts Sikh religious institutions and procedures for dealing with Mr. Hussain's book, is the first of its kind in Sikh history. Indeed, the "death warrant" was issued in a statement on Sunday by Mr. Ramesh Singla of the Congress Party, who is a Hindu, not a Sikh.

Commenting on the Congress Party "death warrant," Dr. Gurmit Singh Aulakh, President Council of Khalistan, said: "I categorically condemn the Congress Party's attack on the natural catholicity of the Sikh religion. How dare the Congress Party attack the Sikh religion by issuing a "death warrant" in breach of Sikh principles. How dare the Congress Party subvert the authority of the Akal Takht (seat of Sikh temporal authority in Amritsar, Punjab, Khalistan) to deal with this matter. The Congress Party destroyed the Akal Takht in June 1984 and it is attacking the Akal Takht again by issuing this 'death warrant.' The Sikh nation will not stand for it."

"The Congress Party, which is responsible for ethnic cleansing in Khalistan during the past ten years, has not right to speak on behalf of the affairs of the Sikhs. If the Congress Party wants to help the Sikh nation, it should respect our October 7, 1987 declaration of independence, and vacate Khalistan immediately!"

"This terrorist death warrant is the hardiwork of India's Research and Analysis Wing (India's intelligence wing, R.A.W.). Now that the movement for a free Khalistan has become peaceful and non-violent, this controversy was created by R.A.W. in order to project the Sikh nation as fundamentalists and terrorists in the international fora. Nevertheless, those who are aware of ground realities will see that no Sikh religious institution or political party has endorsed the terrorist Congress Party "death warrant."

"It is the height of hypocrisy for the Congress Party, whose government has murdered Sikhs it deems as 'terrorist,' to issue this 'death warrant.' Why doesn't Punjab Police Chief K.P.S. Gill arrest and kill Congress Party members for encouraging terrorism, as does and has done to Sikhs in Punjab, Khalistan for supposedly engaging in the same crimes."

"It is quite possible that this controversy is a prelude to war with Pakistan over Kashmir. R.A.W. wants the Sikh nation to side with India, and has created this controversy in order to garner support for the Indian government. But the Sikh nation will not be fooled. In case of a war between India and Pakistan, the Sikh nation will fight against India for the liberation of Khalistan. We reject the Congress Party's barbaric 'death warrant,' and demand that Sikh religious institutions be allowed to peacefully and responsibly address Mr. Hussain's book, which is financed by R.A.W. The Congress Party should remove itself from the affairs of the Sikh nation and not insult us by disrespecting the religious authority of the Akal Takht.

Pakistan is not our enemy. The tyrannical Indian government and the Congress Party is our enemy. They are the ones brutally occupying our country, Khalistan. The Sikh nation wants independence, and we will direct ourselves towards Khalistan, and nothing else.

U.N. PEACEKEEPING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. HAMILTON. Mr. Speaker, I submit for the RECORD an exchange of correspondence between myself and the U.S. Representative to the United Nations, the Honorable Madeleine K. Albright, on the subject of U.N. reform.

Many Members have expressed their concern about the need for two key reforms at the

United Nations: that an independent Inspector General be established expeditiously, and that the current U.S. assessed rate of 30.4 percent for U.N. peacekeeping be reduced.

I wrote recently to Ambassador Albright to highlight congressional concern over the need for progress on these two issues. Her response provided assurances that both an independent Inspector General and a reduction in the U.S. assessed rate for U.N. peacekeeping are high priorities for the administration.

The correspondence follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 7, 1994.

Hon. MADELEINE K. ALBRIGHT, U.S. REPRESENTATIVE TO THE UNITED NATIONS, U.S. MISSION TO THE UNITED NATIONS,
New York, NY.

DEAR MADAME AMBASSADOR: It was good to talk to you last week about our Committee work on the United Nations. We are appreciative of the good working relationship among the State Department, USUN, and the Committee and feel it is essential to maintain a close and frank dialogue.

You expressed some concerns about the role Marian Chambers of the Committee staff played in New York and in her travels. She and the entire committee benefitted from the cooperation she was given this last fall by your entire mission and by the State Department. Marian came away from her three months working with and observing the UN Mission with the impression that the U.S. could do more to push the reform process at the UN. Many Members of Congress, including myself, tend to agree with that impression. Her view, of course, raises questions of tactics. It should not detract from our agreement on goals, our desire to work closely together to achieve those goals, and the necessity we both see to be able to show progress on the issues of concern which drive so much of the debate on the United Nations here in the Congress.

My purpose in this letter is to share with you a few thoughts about how to maintain and increase Congressional support for the United Nations and for its peacekeeping operations.

I know that U.N. reform is one of the Administration's priorities, including the establishment of an independent Inspector General (IG) and reduction of the U.S. assessment for peacekeeping operations. I do not underestimate the difficulties you face in trying to translate these priorities into achievements.

Many of us in Congress do not fully understand the complexities of working in a multilateral environment, or the obstacles you face. As you well know, on these two "bellwether" issues, the Congress has often urged action. Many Members are frustrated that they not only remain unresolved, but that action on them does not appear imminent.

As we will soon be in conference on the State Department Authorization Act for fiscal years 1994 and 1995, I want to work with you to try to avoid draconian restrictions. It may be necessary to support in conference further action on these issues in order to maintain even minimal funding levels necessary for the United Nations and its activities.

UN INSPECTOR GENERAL

My impression is that, to receive support here in the Congress, a resolution establishing an independent U.N. Inspector General (IG) is necessary. The details can vary, of course, but it would probably include: broad authority for the IG to investigate throughout the United Nations, a degree of direction and control by the IG over all existing U.N. oversight mechanisms, the availability of all unedited IG reports, and an enforcement mechanism.

My thinking is that an independent IG would have a long-term positive impact on the United Nations in containing expenses, improving efficiency and program delivery, and ensuring high standards of accountability and transparency for U.N. operations, including peacekeeping missions. It would also help to restore Congressional confidence in the integrity of U.N. operations, and willingness to fund such operations.

My sense is that several steps can be taken to help achieve this goal, and to show Congress that progress is occurring. It would be helpful for you and your colleagues to explain in testimony to the Congress why thus far we have been able to obtain only a resolution which postpones examination of an independent IG until the resumed session of the UNGA this spring, and to describe what the Administration's strategy is to enact appropriate legislation at the resumed General Assembly. I would hope we would also be making a world-wide demarche to all U.N. Member States urging their support for an independent U.N. IG. We should make clear to the United Nations that the "interim IG" appointed last summer by the Secretary General is a welcome, but insufficient, step, and that continued U.S. financial support for the U.N. may likely depend on the establishment of an independent IG.

PEACEKEEPING ASSESSMENTS

As you are aware, the Congress has already directed the executive branch, in report language contained in the State Appropriations bill, to inform the United Nations that the United States intends to pay a peacekeeping assessment rate no higher than 25 percent.

This directive could be toughened unless Members understand the Administration's strategy and timetable for reducing the U.S. peacekeeping assessment.

I understand that these are not the only reforms needed at the UN, but they are important steps, especially for those of us here in the Congress. I will work with you in support of these reforms.

I hope this letter is helpful. It is certainly intended to be. I look forward to seeing you soon and following up on these and other issues of mutual interest.

With best regards.

Sincerely,

LEE H. HAMILTON,
Chairman.

THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS,
February 17, 1994

Hon. LEE HAMILTON,
Chairman, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: Thank you for your letter of February 7, 1994 in which you urge the establishment of an independent Inspector General and the reduction of United States assessments for United Nations peacekeeping operations. These are high priority issues for the Clinton Administration and I wish to assure you that I am fully committed to achieving these reforms as quickly as possible. In this regard, I would like to inform you of the efforts we will be undertaking over the next several months to accomplish these goals.

In his statement to the 48th General Assembly, the President called for the establishment of an Inspector General at the current session. Last fall, I presented the United States delegation's detailed proposal to the Fifth (Administrative and Budgetary) Committee. In view of the complexity of the proposal and time constraints, it was not possible to take final action before the end of the regular session in December. However, the General Assembly resolved to consider the proposal further during the resumed session.

The United States Mission has begun consultations on this issue with a view to adopting a final resolution this spring. This resolution will establish an independent United Nations Inspector General with many of the authorities and powers described in your letter. Our efforts will be focused on negotiating appointment, operating and reporting procedures to ensure that the UN Inspector General meets these standards.

There is considerable support among member states for an independent Inspector General. However, concerns have been raised with respect to its relationship with the Secretary General and existing oversight mechanisms. We will take all necessary steps, including a worldwide demarche, to ensure that the President's goal is met by the close of the 48th session in September.

With regard to the reduction in the peackeeping assessment rate to 25 percent rate, in order for the United States to pay less, we must convince others to undertake a greater financial burden. Since many countries face similar domestic budgetary constraints, this requires an intensive lobbying effort in New York and in capitals. Ambassador Walter Cutler will soon launch that effort on a mission for the Secretary General to persuade several UN member states whose assessments do not reflect their current economic status to accept a higher peacekeeping assessment rate. Other US officials will follow up on Ambassador Cutler's efforts. Savings for the United States would also be achieved if Japan and Germany become Permanent Members of the Security Council.

The Clinton Administration agrees that the current scale of assessments is too high and needs to be reduced. We recognize the importance the Congress attaches to this issue and I can assure you we accord it the same high priority. I will keep you informed of significant developments as we progress towards our goal. I intend to provide Members with more details regarding our efforts to upcoming Congressional hearings.

I appreciate receiving your views on these important issues and look forward to seeing you in the future. Until then, I send my very best wishes.

Sincerely,

MADELEINE K. ALBRIGHT.

IN HONOR OF DENIS MULCAHY AND PROJECT CHILDREN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. GILMAN. Mr. Speaker, it is my privilege to call to the attention of our colleagues one of the more outstanding humanitarians of my 20th Congressional District of New York, Dennis Mulcahy a decorated New York City policeman, has earned the respect and support of people throughout the world. As founder and chairman of Project Children, he has had

a tremendous impact on an entire generation of young Irish people, teaching them peace, mutual trust, and understanding.

Last night, I had the pleasure of honoring Dennis at the 7th Annual Washington Dinner of Project Children. This organization has accumulated an impressive array of family and private sector sponsors from throughout the United States.

Mr. Speaker, I request that my remarks honoring Dennis Mulcahy be inserted at this point in the RECORD:

REMARKS BY REPRESENTATIVE BENJAMIN A. GILMAN, MARCH 9, 1994; PROJECT CHILDREN; 7TH ANNUAL DINNER

I am honored and pleased to be here with Project Children's founder and chairman, Denis Mulcahy. Denis is a constituent of mine in our 20th Congressional District of New York, I am pleased to note that Dennis is joined tonight by his son, Dennis Mulcahy, Jr.

For more than 20 years, this outstanding distinguished organization has brought thousands (over 9,000) Irish children, both Protestant and Catholic, to the United States for a summer vacation, helping to build mutual trust, understanding, and tolerance.

Here, with volunteer families, these children receive some peace and respite from the strife that tears at the fabric of their native Northern Ireland. From their American holiday comes lifelong friendships, and hopefully seeds of an eventual peace in the north of Ireland.

For this we all owe Denis Mulcahy a debt of gratitude and respect for his leadership and his dedication to the Irish children, the innocent victims of so much violence and hatred, over which they have no control.

I am honored to present this American flag flown over our beautiful Capitol along with this certificate by the Architect of the Capitol in addition to this 20th anniversary scrapbook, which we will fill with tributes to Denis during Irish Heritage month.

Congratulations, Denis. We sincerely thank you for your magnanimous work. On behalf of the children of Northern Ireland, all of us here this evening sincerely thank you for your dedication . . . and all of us join in thanking Dinner Chairperson Carol Wheeler for bringing us together this evening for this worthy cause.

Together we will work toward bringing about the peace that these children, and the wonderful Emerald Isle, surely deserve.