HOUSE OF REPRESENTATIVES—*Wednesday, December 6, 1995*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. RADANOVICH].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
December 6, 1995.

I hereby designate the Honorable GEORGE P. RADANOVICH to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O gracious God, that with all the tasks that need to be accomplished, we will see clearly the opportunities that have been given for healing and helping, for encouraging and being made whole. With the dilemmas and perplexities that demand attention and the great needs of the Nation, we pray for a serenity of spirit that leads in the way of service to others. Remind us, O loving God, to lift our eyes to sense not only the obstacles that necessarily press from every side, but also to see the blessings that You have so graciously given and for which we are eternally thankful. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. 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 pro tempore. Will the gentleman from Texas, Mr. GENE GREEN, come forward and lead the House in the Pledge of Allegiance.

Mr. GENE GREEN 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.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2204. An act to extend and reauthorize the Defense Production Act of 1950, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1058) "An Act to reform Federal securities litigation, and for other purposes."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain twenty 1-minute speeches on each side.

THE SPENDING IS THE PROBLEM

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, the President now has 10 days left to decide if he really cares about America's future. That is why I am bringing this sign back to the floor today. I used it in 1993, and it is appropriate for him again today. "It is the spending, Stupid."

I hope all of America sees through Clinton's charade. He just wants to spend more of your money, and that is why he will not sign a balanced budget with honest CBO numbers. He does not care about seniors, he does not care about education, he does not care about the future of the country. If he did, he would sign the Balanced Budget Act, which saves Medicare and actually increases spending on Medicare and education and reduces the size and scope of the Federal Government.

If the President does not sign a balanced budget plan with honest Congressional Budget Office numbers like he agreed to, we are ready to shut the Government down before we give him one more dime to spend. The President wants to spend more money. We want to save America's future. It is just that simple.

NO NEWT TAXES

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

Mr. GUTIERREZ. Mr. Speaker, let me quote some Republicans.

Like Abraham Lincoln, who said "malice toward none and charity for all"—an idea that today's Republicans seem to have forgotten.

And I love NEWT GINGRICH'S quotes from a few years back—when he used to talk about the ethics of the Speaker of the House.

And, how about George Bush's line about reading his lips—no new taxes?

Well, I have a new version: "Read our lips. No Newt Taxes."

That is what working families are saying as the GOP raises their out-of-pocket expenses for health care and education.

The Republicans will not admit that they are raising taxes—they will even say they are cutting them.

Well, if you are a senior, and the GOP raises your Medicare premium—that is a new tax.

If you are working 40 hours a week, and the GOP takes away your earned income tax credit—that is a new tax.

In fact that is a Newt tax.

So, Mr. Speaker, "Read our lips. No Newt Taxes."

George Bush broke his word, and NEWT GINGRICH is breaking his. But, we Democrats will stand by our word—and stand up for working families.

"Read our lips. No Newt Taxes."

Mr. Speaker, that is our Contract With America.

INSTANT REVISIONIST HISTORY

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

Mr. HAYWORTH. Mr. Speaker, I listened with great interest to my dear friend from Illinois and his instant revisionist history, because the fact remains that the current Chief Executive, aided by the former majority, the liberals who once dominated this Chamber, gave us the largest tax increase in American history. Indeed, this same President, along with the liberal minority, in fact, proposes to raise Medicare premiums for seniors coming up following the next election. That is the bottom line. That is the truth.

Mr. Speaker, the facts are clear: The American people get kind of tired of this political one-upmanship. They want us to come to grips with realistic policy alternatives to balance this budget in 7 years, using the honest numbers of the nonpartisan Budget Office.

Once again the challenge is clear: Do we play the games of politics of the

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

past, or instant revisionist history, or do we put our shoulder to the wheel and collectively govern, both the legislative branch working with the executive branch. Once again we reach out our hand saying help us govern. Let us get a balanced budget.

LET US BE MESSENGERS OF PEACE AND GOOD WILL

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

Mr. FOGLIETTA. Mr. Speaker, the holiday season offers us an opportunity to pray for peace among men and nations. We have so much to be thankful for. So different from a decade ago, the world is a much more peaceful place. In large part our Nation, its leaders, its men and women in uniform, and its people, united and proud, are responsible for this state of affairs.

As we take time to count these many blessings, we should reflect upon the efforts of the peacemakers, whether they be diplomats who have worked to overcome age-old hatreds by pushing forward a hard-fought agreement in Dayton or our soldiers protecting innocent children in Bosnia, we should pray for their safety and continued success. We should thank and pray for our President, who has been the motivating force behind this effort to bring peace behind the world.

I urge my colleagues to wear the stickers I have sent to each office. This can be a sign that we can rise above partisan wrangling to rally in support of the peacemakers, and cheer their many triumphs in Haiti, the Mideast, Northern Ireland, and Bosnia.

Mr. Speaker, let us all be messengers of peace and good will as we approach the holidays, and pray for our American soldiers in Bosnia.

PRESIDENT SHOULD SIGN BALANCED BUDGET BILL NOW

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

Mr. BALLENGER. Mr. Speaker it has now been 18 days since the President promised in writing to sign a balanced budget bill into law by the end of this year. The Republicans have sent a balanced budget bill to the President—it is right now sitting on this desk just waiting to be signed.

The Republican balanced budget plan is good for the economy and good for the American people. Our bill will not only stimulate the economy, providing more job opportunities for all, but protects programs older Americans depend on like Medicare and Medicaid. Our bill also increases spending over 7 years in programs like student loans and the earned income tax credit, which many young people depend on.

Mr. Speaker, the President should sign the Republican balanced budget bill. If he does not like our plan then he should provide his own, using honest CBO numbers, and bring it to the bargaining table so that negotiations can begin. How much longer will we have to wait.

NORTH AMERICAN FREE-TRADE AGREEMENT COSTING JOBS IN AMERICA

(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, since NAFTA, America has lost 250,000 jobs in 1995 alone. Lockheed laid off 15,000; Chemical Bank, 12,000; Bell South, 11,000; AT&T, 8,500; Boeing, 12,000; CNA, 6,000; Kmart, 6,000; General Motors, 5,000; Kodak, 4,000. Even Fruit of the Loom will make the Expandos, folks, in Mexico, 3,200 jobs lost. Meanwhile, Congress keeps debating and arguing over this balanced budget.

Tell me, Mr. Speaker, whether it is a 5-year deal, a 7-year deal, a 10-year deal, whatever the deal is, how can America balance the budget without jobs? Mexican workers do not pay taxes. Mexican workers do not pay taxes. What is next, a 20-year deal?

Beam me up. I yield back the balance of these job losses.

PROCTER & GAMBLE DOING SERVICE FOR AMERICA

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

Mr. CHABOT. Mr. Speaker, in the midst of very pressing congressional business involving the budget, Bosnia, and the like, it sometimes is easy to overlook important events outside the legislative realm. But actions that affect our social fabric, that speak to our values as a society, often have the most profound impact upon our Nation.

I rise here to applaud the recent announcement that Procter & Gamble, a fine Cincinnati-based corporation that makes just about every product that you can buy, has decided to pull its advertising from certain degrading and exploitative television talk shows. In taking this principled stance involving its quite considerable ad budget, Procter & Gamble demonstrates an admirable social commitment.

Procter & Gamble is exercising choice, not censorship. It is choosing not to underwrite the moral decadence too often engaged in by these shows.

Private individuals and private businesses can address many of our social problems far more effectively than can Big Brother Government. By making values part of its bottom line and by joining with Bill Bennett and Senator JOE LIEBERMAN in taking off this TV trash, they are doing great things for our country.

CUT AMERICAN LOSSES ON NAFTA BEFORE IT IS TOO LATE

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

Ms. VELÁZQUEZ. Mr. Speaker, in light of NAFTA's second anniversary a few weeks ago, we must take a long, hard look at the empty promises that were made and NAFTA's shameful reality.

We promised American workers that NAFTA would create jobs. Corporations descended on Congress promising 200,000 new jobs. The shameful truth is 250,000 were lost.

Mexican workers heard empty promises, too. They were assured higher wages and better working conditions. I witnessed NAFTA's reality first hand at Mexican maquiladoras. Some of the businesses that came to Congress making promises have left the United States and found their way to Mexico. They exploit cheap labor and Mexican workers still suffer.

We listened to promises that NAFTA would increase exports, balance trade, and even create a trade surplus. The reality is United States exports are down while Mexican exports soar. This year alone we face a projected $40 billion trade deficit.

Mr. Speaker, these broken promises mean one thing. The time has come to fix this bad deal. I urge my colleagues to support the NAFTA Accountability Act and cut America's losses before it is too late.

BALANCED BUDGET IN 7 YEARS IS THE RIGHT THING TO DO

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

Mr. TIAHRT. Mr. Speaker, it is reported today that the President has decided to submit his third budget this year. This one is to balance in 7 years. Well, I hope three is a charm. The first two did not even come close to balancing.

But I would hope it is like the President's Medicare proposal, because, as reported yesterday in the Washington Post, if you look at expenditures in the year 2002, it is remarkably close to the Republican plan. In fact, it is less than 2 percentage points apart, less than 2 percentage points apart. Where are the cuts, Mr. President?

Well, according to this article, the President just had the wrong starting point. So if his balanced budget is as close as his Medicare plan, there is no reason for him to shut down the Government again.

Let us do the right thing for the American public, the right thing for ourselves, the right thing for our children. Let us balance the budget in 7 years.

BUDGET COMPROMISE

(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, the President has made a fair compromise offer to our appropriations woes. President Clinton has offered to sign all of the outstanding appropriations bills if we agree to restore $6.8 billion from the $222 billion extreme cuts in those spending bills. The administration wants to restore funding for education, for veterans, and for environmental efforts.

Mr. Speaker, this is a hopeful sign. The administration has signaled their effort to compromise and get the issues of the remaining appropriations bills dealt with so the taxpayers do not have to spend another $850 million to give our Federal employees a paid vacation.

It is time to compromise. The American people have signaled they believe these Republican appropriations bills cut too much, too fast. They want to restore funding for education, veterans, housing, and environmental programs, and then get about the business of setting the priorities for a balanced budget.

With the bipartisan success we saw in the lobby reform bill, the increase in Social Security earnings limits yesterday, and the gift ban last week, I believe we can work together for the good of the American people and pass some commonsense appropriations bills that fund these important programs and cut where needed.

□ 1015

THE PRESIDENT AND CONGRESS TO ENACT LEGISLATION FOR BALANCED BUDGET IN 104TH CONGRESS

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

Mr. BARTLETT of Maryland. Mr. Speaker, more than 2½ weeks ago President Clinton signed the following commitment into law. This is the text, so there is no confusion. I quote. "The President and the Congress shall enact legislation in the first session of the 104th Congress," that is 1995, "to achieve a balanced budget no later than fiscal year 2002, as estimated by the Congressional Budget Office; and the President and the Congress agree that the balanced budget must protect future generations, ensure Medicare solvency, reform welfare, and provide adequate funding for Medicaid, education, agriculture, national defense, veterans, and the environment. Further, the balanced budget shall adopt tax policies to help working families and to stimulate future economic growth."

The Congress did this long ago. The President says he does not like the Republican balanced budget plan. That is fine, but where is the President's alternative 7-year budget plan with CBO numbers? Mr. Speaker, the President has made a commitment. The deadline is Friday. We are waiting.

VOTE TO SAVE COPS PROGRAM

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

Mr. STUPAK. Mr. Speaker, today, we will vote on the Commerce, Justice, State, and Judiciary appropriation bill, which contains the COPS Program. Not only does this bill do away with the successful COPS Program, but if we look on page 21 of the bill, it repudiates the COPS contract that the Department of Justice has signed with our local communities. If my colleagues have received a police officer in their district under the COPS Program, Federal funding for the third year of this program may be taken away.

Having walked a beat myself as a city police officer, I am concerned that not only does the police officer have to worry about his or her personal safety and the community's safety, but now they have to worry about their employment security and safety. The new majority wishes to break the contract with our police officers. Fifty-four police officers in my district are at risk. So let us stand up for the police officers in our communities, let us not allow this new majority to risk the employment opportunities for our police officers. Vote "yes" on the Democratic motion to recommit to save the COPS Program and continue employment of cops in your district.

AMERICAN PEOPLE WANT A BALANCED BUDGET AND THEY WANT IT NOW

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

Mr. CHRYSLER. Mr. Speaker, the Commerce, Justice, State, and Judiciary bill will come to the floor today, and it cuts more than the House bill originally did and takes a meaningful first step toward eliminating the Commerce Department, which will be passed this year in Congress and will be on the President's desk.

Also, Mr. Speaker, the results are in on the largest public opinion poll ever taken: 7,200 registered voters. Eighty-six percent believe the President and Congress should deal with the budget issues now instead of after next year's elections; 73 percent agree that unless the President and the Congress stick to a 7-year deadline neither will balance the budget and eliminate the deficit; and 55 percent think money should be reduced by the Federal level and given back to the States and local governments who know better how to spend it.

Mr. Speaker, the results are in, the opinion is clear, the American people want a balanced budget and they want it now. The President should offer his budget now, finally.

REPUBLICANS WANT TO RAID CRIME TRUST FUND

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

Mr. DOGGETT. Mr. Speaker, today is an important day for law enforcement across America. Our Republican friends want to raid the crime trust fund and jerk a commitment of 100,000 police officers who will be on our streets, protecting our neighborhoods. It is time to stand up for our cops.

And what about law enforcement in our own neighborhood, right here on the floor of Congress? Twice now the American people have been denied the right to know what the Committee on Standards of Official Conduct has been doing the last 14 months concerning these serious ethics charges against Speaker GINGRICH.

Finally, our Republican colleagues seem willing to permit an outside real prosecutor, so long as that prosecutor's hands are tied and bound from doing anything about the serious charges of illegal GOPAC campaign contributions, about the $250,000 of NEWT's support, as they call it, for Speaker GINGRICH.

As the nonpartisan citizens action group, Common Cause, said yesterday, in calling for the recusal and removal of the Committee on Standards of Official Conduct chairman, "What is at stake is the integrity of the House ethics process." It is time to end the coverup and stand up for law enforcement.

PRESIDENT SHOULD SIGN THE BALANCED BUDGET ACT OF 1995

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

Mrs. SEASTRAND. Mr. Speaker, Republicans in Congress have advocated a fair, realistic agenda, literally the beginning of this session of Congress. We want to balance the budget in 7 years using honest Congressional Budget Office numbers. We want to save Medicare from going bankrupt. We want

genuine welfare that emphasizes work and we want to cut taxes for working families.

Despite the unending stream of misinformation coming from the press these days, the American people overwhelmingly endorse this agenda. A recent mega poll taken of 7,200 registered voters confirm that there is wide and popular support for the Balanced Budget Act now sitting on the President's desk. In fact, 86 percent of the poll's respondents said that the budget issue should be squared away this year, now.

The President should stop the rhetoric and sign what the American people overwhelmingly support, the Balanced Budget Act of 1995.

DELAYED DECISION FROM COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

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

Ms. DeLAURO. Mr. Speaker, for 14 months the House Committee on Standards of Official Conduct has dithered, dallied, and delayed making a decision on the complaints against Speaker NEWT GINGRICH. As we learned earlier this year, delays in the Committee on Standards of Official Conduct investigations give the appearance of a coverup. The secrecy and delays connected with the Bob Packwood investigation brought disgrace to this institution. Let us not repeat the same mistake when it comes to the Speaker of the House.

Public pressure and the increasing public disclosure of potential wrongdoing has compelled Republicans on the Committee on Standards of Official Conduct to consider an outside counsel, but only with severely limited duties, so that many of the questions that need to be answered would be left untouched.

Mr. Speaker, we need an outside counsel allowed to conduct a full investigation, and let the chips fall where they may. As Mr. GINGRICH himself said in 1988, the only way to ensure a thorough nonpartisan investigation of the highest ranking Member of the House is to appoint an outside counsel with, and I quote, "The independence necessary to do a thorough and complete job."

The time to appoint an outside counsel is now. Further delays will cause damage to this institution.

PRESIDENT CLINTON AND THE CBO

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

Mr. RIGGS. Mr. Speaker, I notice none of our Democratic colleagues want to talk about the budget this morning. Perhaps that is because they are just as confused as we are about the President's latest proposal.

Mr. Speaker, the President now says that pursuant to the bill that he signed into law, he will propose a balanced budget in 7 years, but he wants to use false numbers generated by the Office of Management and Budget.

The last time the President put forward a so-called budget, it was a vague 22-page summary, and the nonpartisan Congressional Budget Office said it had annual deficits in the range of $200 billion as far as the eye could see, well into the next century. Now the President says he will give us the details, but he still does not want to use Congressional Budget Office numbers, as he is obligated to do by the bill he signed into law.

Yet, the President, a few years ago, stood right here, gave a State of the Union Address, February 17, 1993, and said, quote, "I will point out that the Congressional Budget Office, which is normally more conservative about what is going to happen, and closer to right than previous Presidents have been. I did this so that we could argue about priorities with the same set of numbers."

It is time for the President to get with the program and follow the law that he signed.

REPUBLICAN BUDGET CUTS

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

Mr. WATT of North Carolina. Mr. Speaker, I appreciate the invitation from my colleague to talk about the budget, because that is exactly what I came here to talk about.

Last Friday I was down in Durham, NC, in my congressional district, talking to poor people about the reconciliation bill and the budget that has been proposed by my Republican colleagues. They could not believe what I was telling them: $270 billion in cuts in Medicare, $180 billion in cuts in Medicaid, making our health and our future at risk.

They could not believe that our Republican colleagues were talking about cutting reading programs for the most vulnerable kids in America. They could not believe that they were talking about taking kids, 1 to 2 million more kids, and putting them in poverty, all for the purpose of giving a tax break to the richest people in America. Get real. This is real dollars we are talking about, and the future of our country we are talking about.

CLINTON BUDGET COSTS AMERICAN CHILDREN

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

Mr. CUNNINGHAM. Mr. Speaker, I give credit to the liberal education system that our colleagues cannot add or subtract. There is no cut in Medicare, and they know that. Mr. Speaker, the Clinton budget costs American children $187,000, just on the interest of the national debt. By contrast, the Republican Congress is turning toward the best interest of our American children, balancing the budget and investing in their education.

I have heard colleagues say we are cutting programs such as Goals 2000. Absolutely. We zeroed out, and I would do it again, Goals 2000 on a Federal level. We are spending the money down at the State level, sending the money closest to the people, driving it down to the school districts. And they can do a Goals 2000 at the State level, but they do not have 38 instances in the bill of Goals 2000 that said the State will do this or the Federal intrusion. They can still do a Goals 2000 and these other programs. Any additional savings goes to the children.

ORGAN DONATION

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

Mr. MOAKLEY. Mr. Speaker, I rise today to talk about an issue that is very near and dear to my heart. Organ donation. As most of my colleagues know, I underwent a successful liver transplant this summer, and because someone gave me the gift of life, I am able to be with all my friends today.

Lucky for me, organ transplantation is no longer an experimental procedure, but rather a lifesaving procedure. My colleague, the gentleman from South Carolina, FLOYD SPENCE, and I are certainly living proof that transplantation works and that it saves lives.

But, unfortunately, Mr. Speaker, FLOYD SPENCE and I were the lucky ones. The fact of the matter is, most Americans have no idea of the importance of organ and tissue donation. Today, 43,000 Americans from all over this country are waiting for a transplant. Serious life-threatening illnesses, Mr. Speaker, just do not discriminate.

The greatest tragedy of all, Mr. Speaker, is that every day eight people die waiting for this donor organ. And that is not because they are not out there, it is because far too few people realize how precious a gift they can give before it is too late.

I would like to take this time, Mr. Speaker, to ask my colleagues to discuss the issue of organ donation with those they care about. Give someone the miracle of a second chance. Give the gift of life and become an organ donor. I just cannot tell my colleagues how much it meant to me.

REFORM LEGAL IMMIGRATION

(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, our legal immigration system is broken and needs to be fixed.

It forces husbands and wives and their children to wait up to 10 years to join each other in the United States.

Also, the number of legal immigrants applying for supplemental security income has increased 580 percent over the last 12 years. That costs hard-working taxpayers $4 billion a year.

And our broken legal immigration system drives the crisis in illegal immigration. Over 40 percent of all illegal aliens arrived as legal immigrants but overstayed their temporary visas.

To fix these problems, the Immigration in the National Interest Act, H.R. 2202, substantially reduces the waiting time for families to be reunited.

It also encourages legal immigrants to be self-reliant and discourages them from becoming a burden to the American taxpayer.

Help fix a broken immigration system and support the Immigration in the National Interest Act.

□ 1030

THE HOUSE MUST NOT TOLERATE A DOUBLE STANDARD

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

Mr. LEWIS of Georgia. Mr. Speaker, both Common Cause and I insist that in order to carry out the responsibilities of an outside counsel effectively, it is necessary for the counsel's authority and independence to be clearly and publicly established. The special counsel must have the authority and independence necessary to conduct the inquiry in an effective and credible manner. The House of Representatives, as well as the American public, deserve an investigation which will uncover the truth. At this moment, I am afraid that the apparent restrictions placed on this special counsel will not allow the truth to be uncovered. "The rules normally applied by the Ethics Committee to an investigation of a typical Member are insufficient in an investigation of the Speaker of the House. Clearly, this investigation has to meet a higher standard of public accountability and integrity." Prophetic words, indeed, Mr. Speaker.

These are the words of the current Speaker of the House in 1988 referring to the investigation of a former Speaker of this House. This House cannot and must not tolerate a double standard. The Ethics Committee must follow the standard set by Speaker GINGRICH himself.

We need an outside counsel to investigate Speaker GINGRICH and we must not restrict the scope of that counsel's investigation. Let's get on with it.

WELFARE REFORM IN THE BALANCED BUDGET

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

Mr. CHRISTENSEN. Mr. Speaker, Pastor Bob Timberlake is like firelight in a home's window to Nebraskans left out in the cold.

He runs the Open Door Mission, a shelter for Nebraska's homeless. On any given night over 200 guests get emergency shelter at the mission.

But the mission's help doesn't come with no strings attached. Pastor Bob strongly encourages work.

The Federal Government doesn't do that.

As a result, welfare has decayed working-class society like sugar on teeth.

That's why our welfare reform package is so important. After a decade of promises, the Republican majority is delivering true welfare reform. It will enforce work. No more something for nothing. No more free lunch.

And like Pastor Bob, it maintains our safety net at the same time it requires some sweat equity and elbow grease.

Too many children in our Nation are not just trapped in poverty, but trapped in the destructive welfare state.

I believe those who care about them should embrace real welfare reform.

QUESTIONS ABOUT A BALANCED BUDGET

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

Mr. KINGSTON. Mr. Speaker, there are a lot of questions that have been going on about the budget. Will we have a balanced budget? Will the Democrats go with the Congressional Budget Office numbers? When will the budget be balanced? Will the President, in fact, offer a balanced budget? Will it happen this year? Will it happen before Christmas?

In fact, Mr. Speaker, there has been so much confusion about the budget that I told the gentleman from Ohio [Mr. KASICH] to go down to the CIA and get one of the palm readers down there to give him a prediction.

One thing we know, Mr. Speaker, is that we do not need a crystal ball to read this agreement right here that happened between the Republicans and the Democrats. It says, both sides, including and especially the President, are committed to a 7-year balanced budget.

"The President and the Congress shall enact legislation in the first session of the 104th Congress to achieve a balanced budget not later than the fiscal year 2002, as estimated by the Congressional Budget Office."

Not one person voted against this. This is what the discussion is all about, Mr. Speaker. Let us keep our commitments and follow this agreement.

A 50-PERCENT INCREASE IN STUDENT LOAN PROGRAM IS NOT A CUT

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

Mr. SOUDER. Mr. Speaker, I come to the floor to set the record straight concerning the student loan and Pell grant proposals in the Balanced Budget Act of 1995.

Mr. Speaker, contrary to what my colleagues may be hearing from sources on the other side of the aisle, Federal student loans are not cut. In fact, loan volume will increase by 50 percent over the next 7 years without imposing additional costs to students or parents. This amounts to an increase of $12 billion in spending on Federal student loans through the year 2002; from $24 to $36 billion in 7 years.

Mr. Speaker, not only do Republicans increase spending for the guaranteed student loan program by 50 percent, but the maximum award for Pell Grants targeted to low-income students will rise to the highest level in their history, to $2,440.

We have targeted the expenditures to those who need it most; not cut them. Democrats have barraged the airwaves to convince the public that Republicans are cutting Federal financial aid, but a 50-percent increase in the guaranteed loan program demonstrates that this is not the case.

COMMITMENT TO A BALANCED BUDGET

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

Mr. HOKE. Mr. Speaker, 18 days ago in the House of Representatives we passed a continuing resolution that had the language in it, that the gentleman from Georgia [Mr. KINGSTON] just showed, that makes and unequivocal commitment of every single Member of this House that voted that day. Not one single Democrat voted against that. Nobody has voted against that. The President of the United States signed it into law.

Mr. Speaker, it says clearly and simply we are going to, by December 31, midnight, 1995, we will enter into a balanced budget agreement that will show by the year 2002 the amount that we spend is going to be in balance with the amount that we take in.

It has been 18 days since the President signed that into law. The President has not given one ounce of indication as to exactly what he is going to do; how he is going to get to that point. We have a piece of legislation that has been passed on the Senate side and the House side. It has been passed in conference. It is, in fact, the Balanced Budget Act of 1995.

Mr. Speaker, if the President does not like it, would the President please come forward; would the Democratic leaders in the Congress please come forward; would the Democratic leaders in the Senate come forward and tell us where they differ.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. DREIER. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule. Committee on Agriculture, Committee on Commerce, Committee on Economic and Educational Opportunities, Committee on Government Reform and Oversight, Committee on International Relations, Committee on National Security, Committee on Resources, and the Committee on Science.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. RADANOVICH). Is there objection to the request of the gentleman from California?

There was no objection.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1058, PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I called up House Resolution 290 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 290

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 1058) to reform Federal securities litigation, and for other purposes. All points of order against the conference report and against its consideration are waived.

The SPEAKER pro tempore. The gentleman from California [Mr. DREIER] is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, I yield the customary 30 minutes to my good friend, the gentleman from Dayton, OH [Mr. HALL], pending which I yield myself such time as I may consume. All time yielded is for purposes of debate only.

Mr. Speaker, this rule provides for consideration of the conference report to accompany H.R. 1058, the Securities Litigation Reform Act. All points of order against the conference report and against its consideration are waived.

Securities litigation reform is not some abstract proposal that will prove meaningless to everyone but a few overlitigious lawyers and assorted legal professors around the country. This bill is about jobs. This is a critical step in our effort to help create more high-quality private-sector jobs here at home.

Private securities litigation is undertaken today in a system that encourages meritless cases, destroys thousands of jobs, undercuts economic growth, and raises the prices that American families pay for goods and services.

This legislation targets a particularly abusive class of securities lawsuits often filed with the sole intention of extorting pretrial settlement from companies whose stock has fallen in value. Because of the innovative nature of the work of high-technology companies, their stock values are inherently volatile, making them frequent targets of strike-suit lawyers. For example, nearly every company in California's Silicon Valley has faced this type of litigation, and this problem also plagues the cutting-edge biotechnology industry.

In States like California, where high-technology companies are a critical component of economic recovery and revitalization, strike suits aimed at crippling legitimate high technology firms are crippling prospects for growth and job creation.

The conference report on H.R. 1058 represents a bipartisan, bicameral agreement on securities litigation reform that will promote good business practices, protect investors' rights, and free innocent parties from wasteful and baseless litigation designed to enrich litigators alone. While Chairman BLILEY and Chairman FIELDS have done tremendous work to bring this conference agreement to the floor, I must note the efforts of my colleague from Newport Beach, CA, CHRIS COX.

CHRIS, a former securities lawyer, has been involved in securities litigation reform since his days at Harvard Law School. He has pushed this important reform effort throughout his 6 years in the House, and was ready to move forward at the beginning of this year when success became a possibility. His hard work and leadership has been critical to this effort.

Mr. Speaker, I urge my colleagues to support this fair rule and move to debate of the conference agreement on H.R. 1058.

Mr. Speaker, I include for the RECORD the following material from the Committee on Rules:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of December 1, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	56	66
Modified Closed [3]	49	47	20	24
Closed [4]	9	9	9	10
Total	104	100	85	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of December 1, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of December 1, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 261 (11/9/95)	C	H.J. Res. 115	Cont. Resolution	A: 223–182 (11/10/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 229–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 290 is a rule which will allow consideration of H.R. 1058, the conference report to accompany the Private Securities Litigation Reform Act of 1995. As my colleague from California, Mr. DREIER, described, this rule waives all points of order against the conference report.

I have concerns about the bill for both procedural and substantial reasons. The rights of the minority were repeatedly violated in the conference process. The conference agreement was worked out privately by the bill's supporters without taking into consideration opposing views that could have improved the bill. During Rules Committee consideration of the measure, Mr. MARKEY testified that Democratic members of the conference committee were excluded from every aspect of the conference, and that this represented an outrageous breech of due process.

I also have concerns on substantial grounds. There is agreement on both sides of the aisle that frivolous securities lawsuits need to be stopped and that the existing law needs to be

changed. There is much in this bill that will help. But critics of this bill believe it goes too far and too fast.

It is unfortunate that Democrats were shut out of the conference process. Permitting full participation by conference members on all sides would have made this a much better bill.

The conference report makes numerous changes from the House-passed bill. Many of the provisions in the conference report will result in changes in securities practices in ways that we cannot predict and that could come back to haunt us. I need only remind my colleagues that the banking deregulation of the early 1980's was a case where we thought we were doing the right thing, but reducing Government control had a catastrophic effect a decade later.

During Rules Committee consideration, Mr. BEILENSON offered an amendment to the rule to provide 2 hours of debate. This was because Democrats were not given an opportunity to participate in the conference process and there were so many critical changes in the conference agreement. The amendment was defeated along party lines. It is unfortunate that the House will not have more time to consider the sweeping effects of this bill.

Mr. Speaker, this bill does accomplish needed reform. However, the long-term implications of this bill should give us all cause for concern. Regrettably, the House is not giving these issues the full airing that they require.

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

Mr. DREIER. Mr. Speaker, in my remarks I intentionally failed to mention my friend, the gentleman from Thibodaux, LA [Mr. TAUZIN] because I knew I would have the opportunity to introduce him. He has, 8 years ago, introduced the first legislation on securities reform, and we are very pleased that we in the new majority have been able to finally move his legislation forward.

Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, I rise in support of the rule. What we are dealing with is a part of litigation reform in America that deals with a specific kind of class action lawsuit brought against companies in America whenever their stock prices dramatically change.

The problem with this section of the law is that it does not do what the law ought to do. The law ought to say that a wrongdoer pays for the wrong he committed and that a lawsuit makes sure that the wrongdoer compensates those he injured.

□ 1045

In this particular section of the law, it does not matter whether you did anything right or wrong. In fact, over 90 percent of the lawsuits filed, these big class-action lawsuits, over 90 percent of them are settled for 10 cents on the dollar. In effect, they are shotgun lawsuits, strike lawsuits filed, designed to make all the parties contribute into a settlement fund at 10 cents on the dollar.

What does that mean? It means that the law does not really punish the wrongdoer. It says whether you are wrong or not, whether you are guilty of any wrong, you are going to contribute to a 10-cents-on-the-dollar fund to settle this lawsuit. Why? Because the lawsuits are so huge, they are like aircraft carriers moving through our legal system that the expense of defending the suit is much higher than the cost of putting into that 10-cents-on-the-dollar fund.

So everybody connected with the company puts into the fund to settle the lawsuit, make the lawyers go away, and the wrongdoers are never really punished. It is a system of law out of connection with the purpose of the law.

So we need to change it. This bill we are bringing up on this rule is signed on a conference report by both Democrats and Republicans. It is a bill that, as was pointed out, introduced about 8 years ago, that got very little attention from the former chairman of the committee. It ended up getting only two hearings in all those years. It was finally made part of the Contract With America. It passed this House with 325 votes, nearly 100 Democrats joining the Republican majority in support of this bill.

The Senate has now cleared it with an over two-thirds majority in the Senate. It is ready for us to act upon today. I urge adoption of this rule so that we can get on the conference report and hopefully pass this good bill to make this one important litigation reform.

What does it do? It sets up the proportionate liability so that nobody is deep pocketed, sued in such a way that you better come up with a settlement or you are going to get hit for everything. It ends the deep pockets theory. It requires specific pleading. It sets up a system of dealing with frivolous lawsuits by making the party who brings a frivolous lawsuit responsible for the cost of that lawsuit.

It sets up a new system to allow companies to legitimately advise people in advance of what they expect their company to do so that investors are being properly advised in terms of making investments. It does not eliminate the obligation of wrongdoers to pay for their wrong. In fact, it sets up a system of law to make sure real wrongdoers pay the tab. I urge adoption of the rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts [Mr. MARKEY].

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

Mr. Speaker, let me begin by saying that this bill is not controversial because there is a disagreement as to whether or not we have to crack down on frivolous lawsuits in this country. We agree upon that subject. The issue is whether or not we want to pass legislation that will become the law of this land, that will also prevent meritorious suits from being brought against those that deliberately mislead investors into expending their hard-earned money on financial investments which were, in fact, fraudulent in their nature.

That is what this whole debate is about. We who oppose the bill which is being brought out on the floor today want to shut down the frivolous suits as much as anyone who is a proponent of the legislation. However, what has happened is that over the course of the year, the interest in frivolous lawsuits has been replaced by, for all intents and purposes, an interest in all lawsuits. This bill could, in fact, have been made a good bill, but it was not.

Moreover, the gentleman from Michigan, Mr. DINGELL, the gentleman from Texas, Mr. BRYANT, the gentleman from Michigan, Mr. CONYERS, along with the gentleman from Maryland, Mr. SARBANES and the gentleman from Nevada, Mr. BRYAN on the Senate side, were all excluded from participating in a meaningful way in the crafting of this legislation so that it could, in fact, be made acceptable to all Members while addressing the core issues which each and every one of us wants to see dealt with.

The House bill that passed this body was 36 pages long. The bill which we are considering here today is 75 pages long. We were not allowed to see the final draft until we walked into the conference room to have the vote on this momentous piece of legislation. That is not a proper way to run the legislative process.

All Members should have been included. All Members should have been given notice. All Members should have had the opportunity to make suggestions which would have been appropriate to perfect this legislation. Moreover, I think it is important for all Members to know that, as the year began, the debate surrounded the issue of the 1934 Securities Act. As we are presented with a piece of legislation on the floor today, all of the fundamental changes that have been included to address the 1934 act have now been extended to cover the 1933 Securities Act as well, even though there is no testimony, not one shred of evidence that there has been any abuse by use of the 1933 Securities Act in securities litigation cases.

Let me make one final point at this juncture. We are dealing here with one-tenth of 1 percent of all cases brought in Federal district court, on average, about 125 cases a year. If this crisis of

frivolous lawsuits is such a great concern to the Members on the other side, we should be dealing with the issue of companies suing other companies as well, because that is the bulk of cases in Federal district court. This only deals with the ability of individuals to sue companies.

The reason that we are dealing with only this one area is that companies want to preserve their ability to sue other companies. Disney wants to be able to sue the Motion Picture Association for misuse of the image of Snow White. Burger King wants to be able to sue McDonald's. On and on and on and on. They use the courts in many instances as places for negotiation. But if individuals want to ban together and sue companies, well, we are going to put down a strict new set of guidelines dealing not only with those cases that are obviously frivolous but also where individuals have been deliberately misled, where material information has been withheld from investors with regard to the financial well-being of an institution.

That is wrong. I think everyone should know what is going on during this debate. But most importantly, because I think it strikes at the integrity of the institution, they should understand that those who oppose the bill were completely excluded. And no rule should pass on the floor of the Congress which has in fact treated its own Members in that way.

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

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I have a simple comment to make about this legislation and about the way in which it was conceived. It was conceived in sin. I have this to say to my colleagues who have done it. Shame. Shame on them.

This is a raid on the small investor. It is an attack upon the public confidence in our securities system. I hear from my Republican colleagues comments about white collar crime and about criminals and violent crime.

Let me tell Members what the Fraternal Order of Police had to say about this bill, in a letter which was sent by their national president. "I urge you," this is the national president of the Fraternal Order of Police:

> I urge you to reject a bill which would make it less risky for white collar criminals to steal from police pension funds while the police are risking their lives against violent criminals.

The International Association of Firefighters had a similar thing to say. Money magazine had these things to say about it, speaking on behalf of small investors:

> Congress aims at lawyers and ends up shooting small investors in the back. Let us stop this Congress from helping crooks cheat investors like you. Your 1,000 letters of protest may stop this Congress from jeopardizing investors. Now only Clinton can stop Congress from hurting small investors like you.

Four successive editorials in Money magazine.

The attorneys general of 11 States had this to say in a joint letter:

> We cannot countenance such a weakening of critical enforcement against white collar fraud. The bill goes so far beyond what is necessary, it would likely result in a dramatic increase in securities fraud.

The U.S. Conference of Mayors says:

> Over 1,000 letters from State and local officials from all regions of the country have been sent to Washington, representing an extraordinary bipartisan national consensus that H.R. 1058 would imperil the ability of public officials to protect billions of dollars of taxpayer monies in short-term investments and pension funds.

Here is what the Association of the Bar of the City of New York had to say:

> The safe harbor could immunize artfully packaged and intentional misstatements and omissions of known facts. Protecting knowingly false statements is not consistent with the purposes of the Federal securities laws and encourages exactly the kind of conduct those laws were designed to eliminate.

Our Republican colleagues did this in a dark back room, unattended by anyone who was opposed to their viewpoint, except a coterie of faithful lobbyists who participated in the process. Our Republican colleagues brought us a conference report on which no voice of dissent was heard in the discussions. The bill was presented to the conference just shortly before the conference convened.

What is in this bill? Virtual repealer of much of the protection of American investors, an open attack on the public confidence that we have in the securities market, and, in the safe harbor provisions, an active protection for fraud. It permits the law firm, for example, of Sly, Sneak and, Crook to put forward wonderful words of caveat like "you really should not believe this particular footnote because it is not true, but." We are going to see more investor fraud and more loss of confidence in the securities industry than we have seen for years.

People tell us that the securities industry functions on the basis of money. It does not. It functions on the basis of public confidence. And if the public confidence is there, billions of dollars are made by everybody and we have, in consequence of this, the most liquid, open, and fair system of raising capital in the history of mankind. It is a miracle of the age. People come from all over the world as investors, as sellers of securities to participate in this market.

This legislation will go light years toward jeopardizing the public confidence in that market. I urge Members to reject this rule.

Mr. DREIER. Mr. Speaker, I yield 6 minutes to the gentleman from Newport Beach, CA [Mr. COX], the prime author of this legislation.

Mr. COX of California. Mr. Speaker, I thank the gentleman for yielding time to me.

I appreciate the fiery rhetoric of the former chairman of the Committee on Commerce who led 99 of our colleagues to vote against this bill when it was overwhelmingly approved, over half the Democrats voting in favor of it and virtually all the Republicans earlier this year.

□ 1100

But I have to take issue with what the gentleman said, because it simply is not true. What the gentleman said is there is an extraordinary bipartisan national consensus against this bill. The truth is, there is an extraordinary bipartisan national consensus in favor of this bill, which originally was, after all, the Dodd-Domenici bill. CHRIS DODD, presently the cochairman of the Democratic National Committee, is obviously not a Republican. PETE DOMENICI, the very respected chairman of the Committee on the Budget in the Senate, worked together with CHRIS DODD on this, well in advance of this bill becoming part of the Contract with America.

Because it was not conceived in sin by Republicans, but initiated in this bipartisan way by CHRIS DODD and PETE DOMENICI, we found that the bill yesterday passed the Senate once again with more than two-thirds voting in support. At last check, TED KENNEDY, who is not a flaming Republican, but TED KENNEDY, who represents so many high-technology companies in Massachusetts who are being victimized by fraudulent lawsuits by crooks and lawyers, working in tandem in many cases, these people need protection from our securities laws too. That is why PHIL GRAMM, TED KENNEDY, PETE DOMENICI, and CHRIS DODD, people on both sides of the aisle, have all come to agreement on this very important investor protection.

The safe harbor, which my colleague implied was some sort of Republican attack on small investors, was in fact an investor protection offered on the floor of this Chamber, not by a Republican, but by my good and wise colleague from California, NORM MINETA. The safe harbor provision of this bill was carefully drafted in concert with the Securities and Exchange Commission, and no less than the chairman of the Securities and Exchange Commission, appointed by President Clinton, Arthur Levitt, has said yes, this is a sound, safe harbor. The reason that we have it, of course, is so that investors and the market can get the very best information possible, so that they can protect themselves. That is what this bill is all about.

But, more than anything, we are not just protecting investors with this bill,

we are protecting everyone in America. Yes, those who might have invested through their pension plan, or those who might have invested through a mutual fund, but everyone in America ultimately who uses the products manufactured by high-technology companies, who are the special victims of this kind of securities fraud, fraud through the device of a lawsuit.

I just want to mention one example of the kind of fraud we are going to crack down on with this legislation. A company in San Diego, Alliance Pharmaceuticals, a very, very fine company, manufactures innovative drugs to treat critically ill patients with acute lung injury. Their drug, now in development, a highly oxygenated liquid which allows the lungs to breathe liquid, reportedly could help as many as 80,000 premature babies with insufficiently developed lungs to have the gift of life.

This bill is for Adriana Mancini, who was born weighing 1 pound 10 ounces, with a 1 in 10 chance of living. The drug, manufactured by Alliance Pharmaceuticals of San Diego, saved her life. Her mother, in a television report about this story, said, "I prayed, please God, save our baby, and God did." The agent of God's miracle was Alliance Pharmaceuticals. The company came through with the medication that, as I said, can be used on 80,000 premature babies every year.

What Adriana's mother said, and it is important for everyone in this Chamber to hear this, is:

> I just wish that everyone could have been in that room to see the joy and excitement on everybody's faces. A baby who was about to die made an exciting 180-degree turnaround.

Alliance Pharmaceuticals for its role in helping baby Adriana found itself on the wrong end of a fraudulent lawsuit, that is the only way to describe it, a fraudulent lawsuit, that was brought within 24 hours of the public announcement of nothing more than a delay in a new product development.

The president of this company wrote to the President of our country, and I would like to quote from his letter:

> Reform of the private securities litigation laws is needed to protect the companies that are victims of frivolous suits.

I should add that Alliance won its lawsuit, but they have received no compensation for all the lost time of their workers who were developing drugs. They received no compensation for all of the legal fees that they had to spend. There was nothing that could be done about the fact that all of the management were taken away from their critical job. These suits, which are brought to extort settlements, do nothing more than injure all of us. Let me continue reading from his letter.

> Reform of the private securities litigation laws is needed to protect the victims of frivolous suits, while preserving the ability for shareholders to recover in instances of fraud. It is unconscionable that greedy lawyers are allowed the virtual unrestricted ability to promote their own self-interests. Companies like Alliance are developing truly innovative and potentially life-saving products. Every dollar we spend defending these meritorious suits is one less dollar available for meaningful research and one less dollar available for shareholders.

Mr. Speaker, let us move forward with this critically important legislation, which is so bipartisan and has overwhelming support.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RADANOVICH). Members should avoid references in debate to Members of the other body.

Mr. HALL of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from California, Mr. FILNER.

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

Mr. Speaker, I will be opposing the rule and the bill. It is clear from the statements that we have heard and every editorial, every statement that I have read over the last few months, that if we had a reasonable and carefully crafted reform to the provisions of the antifraud cases that give rise to securities class actions, that would attract a resounding consensus in this body and around the country.

Instead, this legislation has attracted extraordinarily firm opposition from a broad group of people who have been involved in these issues. Virtually every witness with a reasonable claim to being objective and impartial testified in opposition to the initial Republican proposals earlier this year. The group representing securities regulators from all 50 States oppose it; groups representing the officials in State and local governments who issue municipal bonds oppose it. The U.S. Conference of Mayors and National League of Cities oppose it, along with more than 1,000 local officials, ranging from district attorneys to town treasurers to county commissioners.

The AARP, the National Association of Senior Citizens, the Gray Panthers all oppose it, as do the National Council of Individual Investors. Consumer Reports, Consumer Federation of America, and a host of other consumer groups oppose if. The AFL–CIO, the Teamsters, the Machinists, the Communications Workers, the American Federation of State, County and Municipal Employees, and the United Auto Workers, all these who manage more than $100 billion in pension funds for retirees, oppose it. The Fraternal Order of Police and International Association of Firefighters also strongly oppose this legislation.

Mr. Speaker, if one reads the press beyond the Beltway, it overwhelmingly opposes it. If there is strong support for reasonable measures to stop frivolous lawsuits, but opposition to this bill, does that not tell us a lot?

I urge my colleagues to demonstrate that this bill should be fixed by voting "no"; "no" on the rule and "no" on the bill.

Mr. HALL of Texas. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, let me point out something that I think everyone should understand as we take up this bill today. That is that the Congressional Budget Office estimates that there will be new burdens for the Securities and Exchange Commission as a result of the passage of this legislation. Here is what CBO said:

> By discouraging private litigation, enacting this bill would result in an increase in the number of enforcement actions brought by the SEC. CBO expects that the number of financial fraud enforcement actions would at least double, and possibly triple. Therefore, CBO estimates the enactment of the bill would increase costs of the Securities and Exchange Commission for enforcement actions by $25 million to $50 million annually, or $125 million to $250 million over the next five years.

CBO's objective analysis is extremely revealing. First, it demonstrates that the CBO believes that this legislation will prevent defrauded investors from bringing meritorious cases, leaving the burden entirely on the Securities and Exchange Commission. So the CBO has in effect confirmed our fear that this legislation goes too far and will harm innocent investors in its zeal to wipe out frivolous lawsuits.

Now, one might reasonably ask whether the CBO analysis is credible, whether it is reliable, whether it is in fact accurate. That is a fair question. So we decided to look at what Republican leaders have been saying about the credibility of the CBO. Here are some of the more recent excerpts.

Committee on the Budget Chairman JOHN KASICH has made several recent comments about the CBO. In just the last few days he has said that the "CBO has painstakingly earned its reputation for accuracy and credibility over the years."

On the "MacNeil-Lehrer News Hour" 2 weeks ago, Chairman KASICH said, I guess just the "Lehrer News Hour," that the "CBO cannot be bullied; they cannot be beaten up, and their integrity will not be questioned."

On "Larry King Live" just 3 weeks ago, he said, "After using the CBO and understanding the integrity of the way they work, it's the best way to go."

Senator TRENT LOTT, the Republican majority whip in the Senate, said in a press conference 3 weeks ago, "We've got to have reliable numbers. CBO has been reliable over the years. Even this year, with some of the things we would like CBO to have said, they've said no, that's not a fact. So they are the honest brokers."

Of course, the legislation does not include a $25 to $50 million annual supplement to the Securities and Exchange Commission to make up for some of the meritorious and nonfrivolous cases which will have to be brought by the SEC as a result of passage of this legislation, cases where there has been actual fraud. Instead, the SEC budget is frozen and they are in fact fortunate to get that, because the Senate Finance Committee has actually targeted them for a 20 percent cut, even though this is a time of record growth, activity, participation and complexity in our capital markets and, after the passage of this bill, needed additional enforcement where there are actual meritorious cases involving deliberate fraud on the part of companies, financial firms, on innocent investors across this country.

By the way, the CBO is not alone in this forecast. Former Republican SEC Chairman Richard Breeden testified in 1991 that if securities fraud lawsuits were curtailed, the SEC would need to hire 800 to 900 additional investigators and lawyers to make up the difference. And 11 States attorneys general have criticized the legislation as an unfunded mandate.

I apologize for taking so long, but this is the only time that we in the minority have had to discuss this bill this year. It is necessary for the gentleman from Michigan [Mr. DINGELL] and I and others on our side to put the facts out on the case, so that historically those who in this Chamber are blessed with hindsight will be able to see in 5 years or so what in fact has happened in the aftermath of the passage of this legislation.

Eleven attorneys general have criticized the legislation as an unfunded mandate. They argue in a strongly worded letter that the draft report's major provisions pose significant obstacles to meritorious fraud actions by investors and that these cases will inevitably land in the laps of already overburdened State and local prosecutors.

Considered together, it is ironic that we are on the verge of abandoning a largely successful and effective system of private market-based regulation. The changes could have been made to deal with the frivolous lawsuits, but instead we are going to put the burden on State and local prosecutors, and if the Federal Government does not act, there will be a huge vacuum that will leave investors at the mercy of unscrupulous financial operators.

□ 1115

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Speaker, I thank my friend from Ohio for yielding time to me.

I wanted to point out that there are a lot of people across the country that realize the mistake that this House is about to make in considering this legislation. In fact, it is unprecedented that Money magazine, which is the largest financial publication in this great country, with over 10 million readers, has written four editorials against this bill. Four editorials.

It is unprecedented that a Time, Inc. editor would, in fact, feel so strongly that he wrote, "I urge President Clinton to veto this legislation." That is unprecedented for an editor from Time, Inc. to write something like this.

In September 1995, the Money editorial said, "Congress aims at lawyers and ends up shooting small investors in the back." And to read just a portion of that editorial, he says,

> At a time when massive securities fraud has become one of this country's growth industries, this law would cheat victims out of whatever chance they may have of getting their money back. In the final analysis, this legislation would actually be a grand slam for the sleaziest elements of the financial industry at the expense of ordinary investors.

In October 1995, a month later, Money magazine said, "This misguided law would, in fact, help white collar criminals to get away with cheating investors." They say, in responding to their calls for urging of the White House veto, the angriest responses so far have come from Republicans who were denouncing their own party for pushing these bills.

Then, in November of this year, they said the struggle over these securities litigation reform bills offers a picture window view of how laws are being created by the lobbyists and for the lobbyists in this 104th Congress. Money magazine says lawmakers said they wanted to discourage frivolous securities suits and that is a fine goal, but as one moderating amendment after another was voted down, the legislation the Republican majority and the lobbyists produced went far beyond curbing meritless lawsuits to all but legalizing securities fraud.

And, finally, as I said, in a fourth consecutive unprecedented editorial this month, Money magazine said now only Clinton can stop Congress from hurting small investors like you. They begin the editorial,

> The President should not sign it; he should veto it and here is why: The bill helps executives get away with lying. Investors who sue and lose could be forced to pay the winners' legal costs. Even accountants, who okay fraudulent books, will get protections. This bill will undermine the public confidence in our financial markets. Without that confidence, this country is nowhere.

This rule should be voted down, the bill should be voted down, and we hope that our colleagues will heed us.

Mr. DREIER. Mr. Speaker, I yield 3 minutes to the gentleman from Appleton, WI, my friend [Mr. ROTH], who, I would note, as the debate on the rule for this very important conference report rapidly comes to a close, is the chairman of the Trade and Tourism Caucus, where he understands the importance of job creation.

Mr. ROTH. Mr. Speaker, I say to the gentleman from California, Thanks, coach, for putting me in.

I rise in strong support of this conference report. Today, abuse of our security laws is stifling our Nation's fastest growing companies. Whenever a company stock changes significantly in value, these companies face lawsuits from packs of so-called professional plaintiffs. These professional plaintiffs are individuals who have suffered no injury and hold no stock in the companies they use. Yet, in order to avoid the high legal costs of defending themselves, companies often settle the extortion demands of these professional thieves.

High-technology companies, the companies of tomorrow, are hit hardest and most frequently. Why? Because these companies often undergo dramatic change, but have few resources with which to defend themselves. As a result, we, all of us, lose. New products that could benefit my colleagues and all of the American people and the people throughout the world are never developed. Good paying jobs that could have been created never materialize.

Mr. Speaker, if we fail to act, we doom our children to lower living standards, lower than we enjoy today. This bill will protect companies from being sued on forward-looking projections. Under this bill, companies can issue cautionary statements confirming what my colleagues and I already know, that the projections are estimates and not facts certain.

No one can predict the future with a 100-percent accuracy. It is unfair to expect companies to do so. Yet, that is what the professional plaintiffs demand in exchange for retraining from their corporate extortion.

Further, this bill will ensure that no wrongdoers escape punishment. Any party intentionally causing injury will be liable for the full harm they cause, no less. And that is only fair. Under this bill everyone wins. Investors, whether individuals or municipalities, will benefit from higher returns on investment and lower risks.

American companies, unhindered by expensive litigation, will build new competitive advantages over their foreign rivals, and that is what we are looking for. New job opportunities will come up all across America. As chairman of the International Economic Policy and Trade Subcommittee, I know that passage of this conference report will go a long way toward ensuring that America will remain the world's most prosperous Nation. A vote for this conference report is a vote to help give us and our children futures of unlimited opportunity.

Mr. Speaker, let us vote for our Nation's future. Let us pass this important conference report. I thank the

gentleman and my friend from California for yielding me this time.

Mr. DREIER. Mr. Speaker, I would like to inquire of my friend from Dayton if he has any remaining speakers.

Mr. HALL of Ohio. I hesitate to say that I do not have any additional speakers, but it appears that I do not, and I would yield back the balance of my time.

Before I do that, however, Mr. Speaker, I insert in the RECORD at this point the following extraneous material.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed; contained a closed rule on H.R. 1 within the closed rule	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive; Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive; only certain substitutes	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive; considered in House no amendments	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open; Pre-printing gets preference	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open; Pre-printing gets preference	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open; Pre-printing gets preference	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open; Pre-printing gets preference; Contains self-executing provision	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive; brought up under UC with a 6 hr. time cap on amendments	N/A.
S. 2	Senate Compliance	N/A	Closed; Put on Suspension Calendar over Democratic objection	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive; makes in order only the Gibbons amendment; Waives all points of order; Contains self-executing provision.	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive; makes in order only the Obey substitute	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive; 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive; 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaneness against it.	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive; 7 hr. time cap on amendments; Pre-printing gets preference	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive; makes in order only 15 germane amendments and denies 64 germane amendments from being considered.	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive; Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(e) od rule XXI against the amendments in the Record; 10 hr time cap on amendments. 30 minutes debate on each amendment.	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive; Makes in order only 4 amendments considered under a "Queen of the Hill" procedure and denies 21 germane amendments from being considered.	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive; Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a "Queen of the Hill" procedure; All points of order are waived against the amendments.	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive; Self Executes language that makes tax cuts contingent on the adoption of a balanced budget plan and strikes section 3006. Makes in order only one substitute. Waives all points of order against the bill, substitute made in order as original text and Gephardt substitute.	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive; waives cl 2(1)(6) of rule XI against the bill; makes H.R. 1391 in order as original text; makes in order only the Dingell substitute; allows Commerce Committee to file a report on the bill at any time.	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open; waives sections 302(f) and 308(a) of the Congressional Budget Act against the bill's consideration and the committee substitute; waives cl 5(a) of rule XXI against the committee substitute.	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open; pre-printing gets preference; waives sections 302(f) and 602(b) of the Budget Act against the bill's consideration; waives cl 7 of rule XVI, cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Makes in order Shuster substitute as first order of business.	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive; Makes in order 4 substitutes under regular order; Gephardt, Neumann/Solomon, Payne/Owens, President's Budget if printed in Record on 5/17/95; waives all points of order against substitutes and concurrent resolution; suspends application of Rule XLIX with respect to the resolution; self-executes Agriculture language.	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive; Requires amendments to be printed in the Record prior to their consideration; 10 hr. time cap; waives cl 2(1)(6) of rule XI against the bill's consideration; Also waives sections 302(f), 303(a), 308(a) and 402(a) against the bill's consideration and the committee amendment in order as original text; waives cl 5(a) of rule XXI against the amendment; amendment consideration is closed at 2:30 p.m. on May 25, 1995. Self-executes provision which removes section 2210 from the bill. This was done at the request of the Budget Committee.	N/A.
H.R. 1530	National Defense Authorization Act FY 1996	H. Res. 164	Restrictive; Makes in order only the amendments printed in the report; waives all points of order against the bill, substitute and amendments printed in the report. Gives the Chairman en bloc authority. Self-executes a provision which strikes section 807 of the bill; provides for an additional 30 min. of debate on Nunn-Lugar section; Allows Mr. Clinger to offer a modification of his amendment with the concurrence of Ms. Collins.	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; 1 hr. general debate; Uses House passed budget numbers as threshold for spending amounts pending passage of Budget.	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive; Makes in order only 11 amendments; waives sections 302(f) and 308(a) of the Budget Act against the bill and cl. 2 and cl. 6 of rule XXI against the bill. All points of order are waived against the amendments.	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open; waives cl. 2, cl. 5(b), and cl. 6 of rule XXI against the bill; makes in order the Gilman amendments as first order of business; waives all points of order against the amendments; if adopted they will be considered as original text; waives cl. 2 of rule XXI against the amendments printed in the report. Pre-printing gets priority (Hall) (Menendez) (Goss) (Smith, NJ).	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; makes in order the Shuster amendment as the first order of business; waives all points of order against the amendment; if adopted it will be considered as original text. Pre-printing gets priority.	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed; provides one hour of general debate and one motion to recommit with or without instructions; if there are instructions, the MO is debatable for 1 hr.	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive; Provides for consideration of the bill in the House; Permits the Chairman of the Appropriations Committee to offer one amendment which is unamendable; waives all points of order against the amendment.	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive; Provides for further consideration of the bill; makes in order only the four amendments printed in the rules report (20 min. each). Waives all points of order against the amendments; Prohibits intervening motions in the Committee of the Whole; Provides for an automatic rise and report following the disposition of the amendments.	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open; waives sections 302(f) and 308(a) of the Budget Act and cl 2 and cl 6 of rule XXI; provides that the bill be read by title; waives all points of order against the Tauzin amendment; self-executes Budget Committee amendment; waives cl 2(e) of rule XXI against amendments to the bill; Pre-printing gets priority.	N/A.
H.R. 1977	Interior Appropriations	H.Res. 187	Open; waives sections 302(f), 306 and 308(a) of the Budget Act; waives clauses 2 and 6 of rule XXI against provisions in the bill; waives all points of order against the Tauzin amendment; provides that the bill be read by title; self-executes Budget Committee amendment and makes NEA funding subject to House passed authorization; waives cl 2(e) of rule XXI against the amendments to the bill; Pre-printing gets priority.	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open; waives clauses 2 and 6 of rule XXI against provisions in the bill; provides that the bill be read by title; Makes Skeen amendment first order of business, if adopted the amendment will be considered as base text (10 min.); Pre-printing gets priority.	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive; provides for the further consideration of the bill; allows only amendments pre-printed before July 14th to be considered; limits motions to rise.	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; provides the bill be read by title; Pre-printing gets priority.	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive; provides for consideration in the House of H.R. 2058 (90 min.) And H.J. Res. 96 (1 hr). Waives certain provisions of the Trade Act.	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open; waives cl. 3 0f rule XIII and section 401 (a) of the CBA against consideration of the bill; waives cl. 6 and cl. 2 of rule XXI against provisions in the bill; Makes in order the Clinger/Solomon amendment waives all points of order against the amendment (Line Item Veto); provides the bill be read by title; Pre-printing gets priority. ***RULE AMENDED***.	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open; Makes in order the Resources Committee amendment in the nature of a substitute as original text; Pre-printing gets priority; Provides a Senate hook-up with S. 395.	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Pre-printing gets priority; provides the bill be read by title..	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Provides that the amendment in part 1 of the report is the first business, if adopted it will be considered as base text (30 min.); waives all points of order against the Klug and Davis amendments; Pre-printing gets priority; Provides that the bill be read by title.	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive; 3 hours of general debate; Makes in order an amendment to be offered by the Minority Leader or a designee (1 hr); If motion to recommit has instructions it can only be offered by the Minority Leader or a designee.	ID.
H.R. 2126	Defense Appropriations	H. Res. 205	Open; waives cl. 2(l)(6) of rule XI and section 306 of the Congressional Budget Act against consideration of the bill; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; self-executes a strike of sections 8021 and 8024 of the bill as requested by the Budget Committee; Pre-printing gets priority; Provides the bill be read by title.	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive; waives sec. 302(f) of the Budget Act against consideration of the bill; Makes in order the Commerce Committee amendment as original text and waives sec. 302(f) of the Budget Act and cl. 5(a) of rule XXI against the amendment; Makes in order the Bliely amendment (30 min.) as the first order of business, if adopted it will be original text; makes in order only the amendments printed in the report and waives all points of order against the amendments; provides a Senate hook-up with S. 652.	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open; Provides that the first order of business will be the managers amendments (10 min.), if adopted they will be considered as base text; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; waives all points of order against certain amendments printed in the report; Pre-printing gets priority; Provides the bill be read by title.	N/A
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open; 2 hr of gen. debate. makes in order the committee substitute as original text	N/A
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive; waives sections 302(f), 308(a) and 401(b) of the Budget Act. Makes in order the committee substitute as modified by Govt. Reform amend (striking sec. 505) and an amendment striking title VII. Cl 7 of rule XVI and cl 5(a) of rule XXI are waived against the substitute. Sections 302(f) and 401(b) of the CBA are also waived against the substitute. Amendments must also be pre-printed in the Congressional record.	N/A
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open; waives cl 7 of rule XVI against the committee substitute made in order as original text; Pre-printing gets priority.	N/A
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open; waives sections 302(f) and 308(a) of the Budget Act against consideration of the bill; bill will be read by title; waives cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Pre-printing gets priority.	N/A
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open; waives section 302(f) and 401(b) of the Budget Act against the substitute made in order as original text (H.R. 2332), cl. 5(a) of rule XXI is also waived against the substitute. provides for consideration of the managers amendment (10 min.) If adopted, it is considered as base text.	N/A
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open; waives section 302(f) of the Budget Act against consideration of the bill; Makes H.R. 2349 in order as original text; waives section 302(f) of the Budget Act against the substitute; provides for the consideration of a managers amendment (10 min.) If adopted, it is considered as base text; Pre-printing gets priority.	N/A
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive; waives cl 2(L)(2)(B) of rule XI against consideration of the bill; makes in order H.R. 2347 as base text; waives cl 7 of rule XVI against the substitute; Makes Hamilton amendment the first amendment to be considered (1 hr). Makes in order only amendments printed in the report.	2R/2D
H.R. 743	The Teamwork for Employees and managers Act of 1995	H. Res. 226	Open; waives cl 2(l)(2)(b) of rule XI against consideration of the bill; makes in order the committee amendment as original text; Pre-printing get priority.	N/A
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open; makes in order a committee amendment as original text; Pre-printing gets priority	N/A
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open; makes in order a committee amendment as original text; pre-printing gets priority	N/A
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open; self-executes a provision striking section 304(b)(3) of the bill (Commerce Committee request); Pre-printing gets priority.	N/A
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive; waives cl 2(l)(2)(B) of rule XI against the bill's consideration; makes in order the text of the Senate bill S. 1254 as original text; Makes in order only a Conyers substitute; provides a senate hook-up after adoption.	1D
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive; waives all points of order against the bill's consideration; makes in order the text of H.R. 2485 as original text; waives all points of order against H.R. 2485; makes in order only an amendment offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5© of rule XXI (⅗ requirement on votes raising taxes).	1D
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive; provides for consideration of the bill in the House	N/A
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive; makes in order H.R. 2517 as original text; waives all pints of order against the bill; Makes in order only H.R. 2530 as an amendment only if offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5© of rule XXI (⅗ requirement on votes raising taxes).	1D
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive; waives all points of order against the bill's consideration; Makes in order the Walsh amendment as the first order of business (10 min.); if adopted it is considered as base text; waives cl 2 and 6 of rule XXI against the bill; makes in order the Bonilla, Gunderson and Hostettler amendments (30 min.); waives all points of order against the amendments; debate on any further amendments is limited to 30 min. each.	N/A
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	N/A

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee; self-executes 4 amendments in the rule; Solomon, Medicare Coverage of Certain Anti-Cancer Drug Treatments, Habeas Corpus Reform, Chrysler (MI); makes in order the Walker amend (40 min.) on regulatory reform.	5R
H.R. 2539	ICC Termination	H. Res. 259	Open; waives section 302(f) and section 308(a)	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed; provides for consideration of the bill in the House; 30 min. of debate; makes in order the Burton amendment and the Gingrich en bloc amendment (30 min. each); waives all points of order against the amendments; Gingrich is only in order if Burton fails or is not offered.	2R
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open; waives cl. 2(l)(6) of rule XI against the bill's consideration; waives all points of order against the Istook and McIntosh amendments.	N/A
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive; waives all points of order against the bill's consideration; provides one motion to amend if offered by the Minority Leader or designee (1 hr non-amendable); motion to recommit which may have instructions only if offered by Minority Leader or his designee; if Minority Leader motion is not offered debate time will be extended by 1 hr.	N/A
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open; waives all points of order against the bill's consideration; makes in order the Transportation substitute modified by the amend in the report; Bill read by title; waives all points of order against the substitute; makes in order a managers amend as the first order of business, if adopted it is considered base text (10 min.); waives all points of order against the amendment; Pre-printing gets priority.	N/A
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open; makes in order the committee substitute as original text; makes in order a managers amendment which if adopted is considered as original text (20 min.) unamendable; pre-printing gets priority.	N/A

*Contract Bills, 67% restrictive; 33% open. **All legislation, 54% restrictive; 46% open. ***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 rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103rd Congress. * * * *Not included in this chart are three bills which should have been placed on the Suspension Calendar. H.R. 101, H.R. 400, H.R. 440.

Mr. DREIER. Mr. Speaker, I yield 2 minutes and 30 seconds to the gentleman from Newport Beach, CA [Mr. COX] to close on our side.

Mr. COX of California. Mr. Speaker, I thank the gentleman from California for yielding.

It has been said that a lawyer is someone who defends his client's interest and takes the principal. It is a cruel joke; it is an old joke. In fact, the best I can tell, it is at least a century old.

There has always been a conflict of interest between lawyers representing themselves and lawyers representing their clients. What we are seeking to do here is to protect investors so that they are in charge of these kinds of lawsuits. It is very important for us to know what exactly it is we are doing here today. There has been a lot of rhetoric. What we are doing are the following things:

We are outlawing professional plaintiffs. We heard testimony that one guy, who was described by a judge as truly the unluckiest investor in the world, was a plaintiff in 300 of these lawsuits. That will not happen anymore.

We have outlawed attorney conflicts of interest. So if the lawyers own the shares, the judge will scrutinize that and keep them out of the case if it is a conflict of interest.

We are mandating full disclosure to the investors, to the plaintiffs, of any proposed settlements, including what will be the lawyer's share of the settlement and what will be theirs.

These kinds of reforms are the reason that this is such bipartisan and popular legislation. And the truth is that half the Democrats here, half the Democrats in the Senate, Republicans who sponsored the legislation, all favor this. More than two-thirds of both bodies favor this.

The economists, whom we heard quoted many times as an opponent of this bill, are in favor of this bill. They have editorialized in their most recent magazine as follows: More than 650 class action strike suits have been filed in the past 4 years alone, including ones against each of the 10 biggest firms in Silicon Valley. There is nothing wrong with investors who use the courts to protect their rights, but a growing number of these suits are being brought by those who are victims not of corporate misinformation, but of their lawyer's greed.

The Washington Post has editorialized in favor of this legislation. It is sound, it is good, it is bipartisan. It is high time investors got the kind of protection that this legislation affords. Fraud, through the device of a lawsuit; extortion, through the device of abuse of our securities' laws, hopefully will be no more after we pass this very popular bipartisan bill.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to indicate, as has been said, the general chairman of the Democratic National Committee, our colleague, Senator CHRIS DODD, is one of the prime authors of this legislation, along with many other Democrats who truly make this bipartisan and bicameral. I urge an "aye" vote on the rule and an "aye" vote on the conference report.

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. RADANOVICH). The question is on the resolution.

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

Mr. DINGELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order 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 318, nays 97, answered "present" 1, not voting 16, as follows:

[Roll No. 838]

YEAS—318

Allard	Christensen	Frank (MA)
Archer	Chrysler	Franks (CT)
Armey	Clement	Franks (NJ)
Bachus	Clinger	Frelinghuysen
Baesler	Coble	Frisa
Baker (CA)	Coburn	Frost
Baker (LA)	Collins (GA)	Funderburk
Baldacci	Combest	Furse
Ballenger	Condit	Gallegly
Barcia	Cooley	Ganske
Barrett (NE)	Cox	Gejdenson
Bartlett	Crane	Gekas
Barton	Crapo	Geren
Bass	Cremeans	Gibbons
Bateman	Cubin	Gilchrest
Bentsen	Cunningham	Gillmor
Bereuter	Danner	Gilman
Bevill	Davis	Gonzalez
Bilbray	de la Garza	Goodlatte
Bilirakis	Deal	Goodling
Bishop	DeLauro	Gordon
Bliley	DeLay	Goss
Blute	Deutsch	Graham
Boehlert	Diaz-Balart	Green
Boehner	Dickey	Greenwood
Bonilla	Dooley	Gunderson
Boucher	Doolittle	Gutierrez
Brewster	Dornan	Gutknecht
Browder	Doyle	Hall (OH)
Brown (CA)	Dreier	Hall (TX)
Brown (FL)	Duncan	Hamilton
Brown (OH)	Dunn	Hancock
Brownback	Durbin	Hansen
Bryant (TN)	Ehlers	Harman
Bunn	Ehrlich	Hastert
Bunning	Emerson	Hastings (WA)
Burr	English	Hayes
Burton	Ensign	Hayworth
Buyer	Eshoo	Hefley
Callahan	Everett	Hefner
Calvert	Farr	Heineman
Camp	Fawell	Herger
Canady	Fazio	Hilleary
Cardin	Fields (TX)	Hobson
Castle	Flanagan	Hoekstra
Chabot	Foley	Hoke
Chambliss	Forbes	Holden
Chenoweth	Fox	Horn

Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Maloney
Manton
Manzullo
Martini
Matsui
McCarthy
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Metcalf
Meyers
Mica
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Rose
Roth
Roukema
Royce
Rush
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—97

Abercrombie
Ackerman
Andrews
Barrett (WI)
Becerra
Beilenson
Berman
Bonior
Borski
Bryant (TX)
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Dellums
Dicks
Dingell
Dixon
Doggett
Edwards
Engel
Evans
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Gephardt
Hastings (FL)
Hilliard
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kildee
Klink
Lewis (GA)
Lipinski
Luther
Markey
Martinez
Mascara
McDermott
McHale
McKinney
Meek
Menendez
Mfume
Miller (CA)
Mink
Moakley
Mollohan
Nadler
Oberstar
Obey
Olver
Owens
Pastor
Payne (NJ)
Peterson (FL)
Pomeroy
Rahall
Rangel
Rivers
Roybal-Allard
Sanders
Sawyer
Schroeder
Scott
Serrano
Stark
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Thompson
Thurman
Torres
Torricelli
Velazquez
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Yates

ANSWERED "PRESENT"—1

Lowey

NOT VOTING—16

Barr
Bono
Chapman
DeFazio
Ewing
Fowler
Hinchey
Hunter
Laughlin
Ros-Lehtinen
Tejeda
Tucker
Volkmer
Waldholtz
White
Wilson

□ 1147

The Clerk announced the following pair:

On this vote:

Mr. Bono for, with Mr. DeFazio against.

Mrs. MEEK of Florida, Mr. DIXON, and Ms. ROYBAL-ALLARD changed their vote from "yea" to "nay."

Mr. KENNEDY of Massachusetts changed his 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

Mrs. FOWLER. Mr. Speaker, due to a death in the family, I was not present for rollcall vote No. 838. Had I been present I would have voted "yes."

PERSONAL EXPLANATION

Mr. BONO. Mr. Speaker, on the morning of Wednesday, December 6, 1995, I was unavoidably delayed and missed roll call votes 838, H. Res. 290, the rule for the Securities litigation Reform, H.R. 1058. Were I present, I would have voted "aye" on the rollcall vote in support of House Resolution 290.

LAYING ON THE TABLE HOUSE RESOLUTION 260, WAIVING PROVISIONS OF CLAUSE 4(b) OF RULE XI AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED FROM COMMITTEE ON RULES

Mr. DREIER. Mr. Speaker, I ask unanimous consent that House Resolution 260, waiving the provisions of clause 4(b) of House rule XI against the consideration of certain resolutions reported from the Rules Committee, be laid on the table.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 1058, PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Mr. BLILEY. Mr. Speaker, pursuant to House Resolution 290, I call up the conference report on the bill (H.R. 1058) to reform Federal securities litigation, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Tuesday, November 28, 1995, at page H13692.)

The SPEAKER pro tempore. The gentleman from Virginia [Mr. BLILEY] and the gentleman from Massachusetts [Mr. MARKEY] each will be recognized for 30 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise today in strong support of the conference report on H.R. 1058, the Private Securities Litigation Reform Act of 1995.

This is extremely important legislation for investors and for our economy. It is designed to curb frivolous and abusive securities litigation. This kind of litigation exacts a tax on this country's most productive and competitive companies and their shareholders.

Job-creating, wealth-producing companies that have done nothing wrong, too often find themselves subject to class action lawsuits whenever their stock price drops. They are forced to pay extortionate settlements, because the costs of defending these lawsuits are prohibitive. And, when companies are forced to settle, their shareholders, ultimately, pay the costs. I am pleased that when this legislation was considered by the House earlier this year, majorities of both parties, Republicans and Democrats, supported it.

This legislation puts control of class action lawsuits back in the hands of the real shareholders, where it belongs. Just as important, it gives judges the tools they need to dismiss frivolous cases before they turn into lengthy and costly fishing expeditions. I want to underscore this point. This legislation puts strong and effective tools in the hands of judges, and we expect them to use these tools to dismiss frivolous cases and to sanction those who bring them.

Critics of this legislation think we should preserve the status quo—or simply tinker with the present system. But we cannot allow the current system to continue, when those who benefit most from it are professional plaintiffs and lawyers. The cost of securities strike suits, to our economy in the form of lost jobs, to our investors in the form of diminished returns, and to our companies in the form of diminished competitiveness are too great.

Let me explain how the conference report would address the flaws in the current system.

First, it limits the kind of abusive class action lawsuits that are driven by entrepreneurial lawyers and their stable of professional plaintiffs. It permits courts to select as lead plaintiff the shareholder most capable of representing the class—not just the plaintiff who happens to file first because some law firm already has a complaint on its word processing machine ready to go.

The legislation also requires full disclosure of settlement terms to investors. We no longer will permit lawyers to hide the facts from their real clients, something they have been doing for years.

These are hardly radical reforms. But, they will ensure that real investors with real grievances are the ones driving the litigation, not those who only interest is in winning their share of attorney fees.

Second, the conference report discourages frivolous lawsuits by imposing costs on those who initiate them. To accomplish this, it requires a court to impose sanctions on a party if the compliant, or any motion, constitutes a violation of rule 11(b) of the Federal Rules of Civil Procedure; in other words, if the complaint or a motion was filed to harass or cause unnecessary delays or costs. Again, this is hardly radical, but it is only fair. Those who abuse the system to inflict unnecessary costs on others should pay a price.

The conference report seeks to encourage early dismissal of frivolous lawsuits and limit the costs of discovery. It requires lawyers who file a complaint to "plead with particularity" the facts that would support a charge of fraud. If you sue someone, you should be able to explain what they did, and why it was a fraud. And it prevents lawyers from launching "fishing-expedition" discovery while a motion to dismiss is pending.

The conference report provides a cap on damages. We all have seen situations where an earnings surprising sends the price of a company's stock into a tailspin. The problem in the current system is that damages often are measured when the stock drops to its lowest point, even though it quickly rebounds and may even be higher within days, weeks, or months. This bill prevents a temporary drop in price from yielding huge awards for lawyers and professional plaintiffs.

The conference report addresses the unfairness of joint and several liability, which now allows a plaintiff to seek 100 percent of his damages from a defendant whose actions may deserve only 1 percent of the blame. The legislation requires every defendant to pay his or her fair share of the damages, based on a finding by a judge or jury. But, except in special circumstances, a defendant cannot be held liable for 100 percent of the damages unless a plaintiff proves the defendant acted with actual knowledge. Small investors, however, will be able to recover 100 percent of their damages even from those defendants whose participation was relatively minor.

The conference report is careful not to change standards of liability under the securities laws. Unlike the bill passed by the House, the conference report does not codify recklessness as a standard of liability under the securities laws. That question is left to the courts.

The conference report encourages disclosure of forward-looking information by establishing a real safe harbor for companies and others who disclose this information. Forward-looking information is extremely important to investors, but companies are afraid to disclose it, because they may face a lawsuit if they fail to predict the future with total accuracy. The conference report prevents companies from being sued for forward-looking statements when they make it clear that they are talking about the future and accompany their statements with cautionary language. Statements that meet this statutory test should not be the basis of a lawsuit if intervening events make them inaccurate; the conference report makes it clear that the legislation imposes no duty to update projections.

The conference report also clarifies that a plaintiff will have to prove a defendant had actual knowledge of the falsity of a forward-looking statement before there will be liability.

The conference report also amends the Racketeer Influenced and Corrupt Organization Act to prevent the unnecessary and unfair threat of RICO charges when a case involves conduct that should be prosecuted, instead, under the Federal securities laws.

The legislation also gives the SEC new authority to bring aiding and abetting cases for knowing fraud under section 10(b) of the Exchange Act, and it imposes responsibilities on auditors to detect and disclose illegal activity they may find during an audit.

It is clear that the conference report will take major steps toward ending the kind of abusive and frivolous private securities litigation that hurts the economy and burdens individual investors. But, as I noted earlier, these hardly are radical reforms.

Many of the criticisms that have been leveled at the bill stem, not from what is in the legislation, but from critics' desire to use it to change current law. For example, opponents criticize it for failing to provide a private cause of action for aiding and abetting violations of section 10(b) of the Exchange Act—but this is something the Supreme Court of the United States says the original drafters of the Exchange Act did not intend to include. It is criticized because it does not provide a longer statute of limitations for actions under section 10(b)—again, something the Supreme Court says the original drafters of the Exchange Act did not intend to include.

Mr. Speaker, this legislation may not have everything that every Member wants to see. It also may not end all unfairness and impropriety in private securities litigation. But it offers a realistic opportunity to improve current law, to help the economy, and to protect individual investors. I submit that it is rare that one piece of legislation does this much. I urge my colleagues to vote to pass this conference report.

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

Mr. MARKEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, until a Supreme Court decision 18 months ago, aiding and abetting liability was the primary method through which professionals who assist securities fraud to succeed, lawyers, accountants and investment bankers, who were deemed to be responsible in defrauding investors, were made liable by aiding and abetting prosecution.

Even the Supreme Court majority recognized the need for restoration of aiding and abetting liability. In the words of Justice Kennedy, to be sure, aiding and abetting a wrongdoer ought to be actionable in certain instances. The issue, however, is not whether imposing private liability on aiders and abettors is good policy but whether aiding and abetting liability is covered by the statute.

This statute that we are debating here today has no aiding and abetting liability for those who have participated in the construction of fraud perpetrated against innocent investors.

The SEC argued, in the Supreme Court, in favor of aiding and abetting liability. Since the court decision, the SEC has urged Congress to restore aiding and abetting liability. Chairman Levitt testified that of 400 pending SEC enforcement cases, 80 to 85 rely on aiding and abetting theories of liability. Not one shred of evidence was presented before the House or the Senate that called into question the legitimacy of these SEC cases. Yet this bill would jeopardize many of them, perhaps even all of them, because it fails to codify that the SEC has authority.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. MARKEY] has expired.

Mr. MARKEY. Mr. Speaker, I do not want to call into question the Chair, but I only read three paragraphs.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. Markey] may proceed.

Mr. MARKEY. Mr. Speaker, the bill would jeopardize many of these cases, perhaps all of them, because it fails to codify.

Now, a report in last week's National Law Journal highlighted a number of extraordinary statistics from fraud cases brought by the Government as a result of the S&L debacle. Four thousand directors or CEO's of failed S&L's or the professionals who work for them were sent to prison as a result of criminal frauds they perpetrated or assisted.

In addition, 1,500 defendants were convicted but were not sent to prison. That is one of the most extraordinary

and most disturbing statistics I have ever heard. Four thousand senior thrift executives and their key financial advisors were convicted and imprisoned for financial fraud and crimes.

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

Mr. BLILEY. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee.

Mr. FIELDS of Texas. Mr. Speaker, in recent years, U.S. companies, particularly high technology companies, have become the target of speculative, abusive securities litigation which enriches lawyers at the expense of shareholders and the economy.

Mr. Speaker, as the Subcommittee on Telecommunications and Finance learned over the past year, abusive securities lawsuits are brought by a relatively small number of lawyers specializing in initiating this type of litigation. In many cases, the plaintiffs are investors who own only a few shares of the defendant corporation. And the corporations are frequently high technology companies whose share price volatility precipitates lawsuits. The plaintiffs do not need to allege any specific fraud.

□ 1200

Indeed, many of these suits are brought only because the market price on the securities dropped. The plaintiffs' attorneys name as individual defendants the officers and directors of the corporation and proceed to engulf management in a time-consuming and costly fishing expedition for the alleged fraud.

When you ask the question, what drives these lawsuits, the answer is clear. Even when a company committed no fraud, indeed no negligence, there is still the remote possibility of huge jury verdicts, not to mention the cost of litigation. In the face of this exposure, defendant companies inevitably settle these suits rather than go to trial. I believe lawyers understand the coercive psychology of the system and many of these suits are filed without just cause and solely for the purpose of extracting judgments and settlements.

Mr. Speaker, there are approximately 300 securities lawsuits filed each year. Nearly 93 percent of those suits settle for an average of $8.6 million apiece. That makes this a $2.4 billion industry, with a third of the amount plus expenses going to the lawyers. This is not a small cottage industry. As a result of the perverse economics driving these cases, meritless cases settle for far too much and meritorious cases settle for far too little.

Mr. Speaker, one of the most compelling statistics for reform I believe comes from Silicon Valley, CA, where one out of every two companies have been the subject of a 10(b)(5) securities class action. Every single one of the top 10 companies in Silicon Valley, and these are world class multinational competitors like Hewlett Packard, Intel, Sun Microsystems, and Apple Computer, have been accused of violating the antifraud provisions of the securities laws. Companies in Texas, like Compaq Computer and Texas Instruments, are equally as vulnerable to these kinds of suits.

Mr. Speaker, the current securities litigation system is seriously impacting the competitiveness and productivity of America's technology companies. This is also affecting our ability to create jobs.

In summary, I believe we have demonstrated that the current securities litigation system promotes meritless litigation, shortchanges investors, and costs jobs.

Mr. Speaker, I want to commend the gentleman from Virginia [Mr. BLILEY], our chairman, for moving this forward in an expeditious manner. I would also be remiss if I did not congratulate the gentleman from California [Mr. COX], and the gentleman from Louisiana [Mr. TAUZIN] for the hours that they have put in, not only in this session but in previous sessions, in advancing what I think is a very important and substantial reform in our legal system.

The SPEAKER pro tempore. The Chair yields the gentleman from Massachusetts [Mr. MARKEY] an additional 1½ minutes, due to a little conflict up here.

Mr. MARKEY. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, this bill is a scandalous piece of legislation. It was conceived in the most scandalous and outrageous abuse of the legislative and conference process that I have ever seen in this institution. It sanctifies the most outrageous kind of fraud and misbehavior imaginable. It is a bill that would be beloved by Mike Milken, Ivan Boesky, and Charles Keating. And, by the great scoundrels of the past like Sam Insul and the greatest of all, Mr. Ponzi.

It will permit the skinning of widows and orphans. It will permit raids on pension funds, on the funds at colleges, universities, and churches, and on the moneys held and managed by local governments and States for their pensions and other citizens. It undoes over 60 years of law that has enabled investors to take action to protect themselves against the worst kinds of misbehavior.

How does it do this, DINGELL, you may ask. Well, I am going to tell you.

The safe-harbor provision provides civil immunity in private enforcement actions for any "untrue—forward-looking—statement of material fact"—written or oral—so long as that predictive statement is "accompanied by meaningful cautionary statements." Furthermore, the provision expressly eliminates the duty of corporate insiders to update their predictions if subsequent events make them false.

In a word, this conference report therefore immunizes deliberate fraud. And, in a very sad day indeed, on November 15, 1995, the SEC—reportedly under threats to have its budget cut—wrote a letter to the Senate saying not that SEC endorsed the provision, but only indicating withdrawal of opposition this provision, representing the first time in that agency's history, that I am aware of, that it has supported a national policy that immunizes deliberate fraud from civil liability.

The conference report places highly burdensome pleading requirements on plaintiffs in securities cases, and deletes a key amendment proposed by Senator SPECTER and adopted by the Senate, which clarified that the heightened pleading standard could be satisfied by evidence of a defendant's motive and opportunity to commit securities fraud. The conference report also contains an automatic discovery stay.

The bill's elevated pleading standard for scienter—i.e., the plaintiff must "state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind"—will require average investors without discovery to know and state facts in pleadings that are only knowable after discovery.

The conference report does not restore aiding and abetting liability in private suits nor does it provide a reasonable extension of the statute of limitations.

The conference report imposes a one-sided loser pays rule on plaintiffs which would require plaintiffs to pay the entire legal fees and expenses of corporate defendants, while a defendant who files spurious motions and pleadings would have to pay only reasonable attorney fees and other expenses incurred as a direct result of the violation.

The conference report establishes an unconscionable discretionary bond requirement to cover the payment of fees and expenses, with no limitations on the amount of the bond. Asking a person who may have already lost their life savings to put up as collateral their house or money set aside for the college education of their children in a meritorious case is just plain wrong.

This is a blue print for fraud: company executives can issue false predictive statements, promising investors anything they want, as along as they dress them up with cautionary statements. Investors can sue in the case of egregious, deliberate fraud, but they would have to meet the new pleading standards for intent, and the bill does not let them engage in discovery to get the facts. Moreover, if the fraudsters can hide the facts for 36 months, they are home free. And you may get stuck with the company's entire legal bill.

Ooops! I almost forgot to tell you about the holy water that we sprinkled on accountants, lawyers, and investment bankers. The bill's failure to restore aiding and abetting liability, coupled with the bill's proportionate liability provision, means that the company can go bankrupt and the executives can hide their ill gotten gains in an offshore bank account and investors are out of luck.

Accountants, lawyers, and investment bankers can look the other way, and engage in reckless behavior that assists the fraud, and not have to pay.

In the Keating case, for example, of some $240 million that was ultimately recovered by some 23,000 innocent investors, about 70 percent, or $168 million, was recovered against unscrupulous accountants, lawyers and brokers who were accessories to the fraud. Now, these rascals would be immunized under the law as a result of our failure to take this opportunity to restore aiding and abetting liability. These investors, totally devoid of any culpability, absolutely innocent, many of them elderly retirees, if this were the law at the time they brought their action, would have recovered some $16 million as opposed to the $240 million that they actually lost and recovered.

This is an outrageous piece of legislation. It has been vigorously and strongly opposed by the well-respected Money magazine in four consecutive issues and by local and national newspaper editorials across the country. It is also opposed by the U.S. Conference of Mayors and the National League of Cities, the Fraternal Order of Police, the International Association of Firefighters, State Attorneys General, the Association of the Bar of the City of New York, the Consumer Federation of America, and the National Council of Individual Investors. I am including representative samples of their commentaries at the conclusion of my remarks for the RECORD.

In closing, I say shame on the Congress for considering it. I say, greater shame upon us if we pass it and shame on anybody who has anything to do with it. If this abomination passes the Congress, I strongly urge President Clinton to veto this bill and send it back with instructions for us to craft balanced, bipartisan legislation that ends frivolous lawsuits without sanctifying fraud and undermining the legal rights of wronged investors.

I include for the RECORD the following material.

[From the Miami Herald, Nov. 14, 1995]

LIARS' BILL OF RIGHTS?

While most of the country is paying attention to the feud over the federal budget, a sinister piece of legislation is making its way through Congress unnoticed. This bill lets companies report false information to investors. That's right, it essentially licenses fraud. It has passed both houses in slightly different forms. A compromise bill will be written soon. If it passes, President Clinton ought to slay it in its tracks.

This bill is a story of good intentions. Some companies have been plagued by frivolous lawsuits from investors who aren't happy with the company's performance. The investor allege, in essence, that the company had forecast good results and then didn't deliver. That, say the plaintiffs, constitutes fraud.

Well, often it doesn't. Investing has risks, including market downturns. When investors sue over mere bad luck, they cost companies money, clog courts, and drain profits from other investors.

Trouble is, by trying to stop this abuse, Congress mistook a simple answer for the right answer. Its solution, in plain terms, was to declare virtually all promises by all companies to be safe from legal challenge. Under this "remedy," company executives now can promise investors anything they like, with not so much as a nod to reality.

They can't legally lie about the past, but if their claims are "forward-looking," they can promise you the moon to get you to invest, and no one can sue them later for being misleading.

Well, almost no one. The bill would allow legal action in the case of egregious, deliberate fraud, but you'd have to prove that it was intentional. And you'd have just three years to discover the fraud and furnish your proof.

It's rare enough to prove outright intent under the best circumstances, but under this bill, if executives can stiff-arm you for just 36 months (not a big challenge), they'd be home free. And then—in another hair-raising provision of the bill—you'd be stuck for the company's entire legal bill. Facing such a risk, no small investor, no matter how badly cheated, would ever dare sue.

This bill evidently struck many members of Congress as a simple answer to a nagging problem. It's nothing of the kind. The problem is real enough, but its solution isn't simple. And it certainly doesn't reside in a law authorizing phony statements to investors.

President Clinton should veto this blunder. Then, when the fight over the budget is over, Congress can take time to think up a more rational solution to the problem.

[From the Houston Chronicle, Nov. 17, 1995]

INSECURITIES

In testimony on a bill to curtail frivolous securities fraud lawsuits, Sen. Robert Bennett, R-Utah, recalled that his father once, as a director of a mutual fund board, had been sued for looting assets, as directors had given themselves a raise (in tandem with increased profits). The suit was settled for $100,000, as had been the case each year the attorney had filed the identical lawsuit. The meritless suit would have been too costly to litigate, the senior Bennett was told.

Those familiar with the world of securities litigation know these scenarios are not uncommon. Such lawsuits are infuriating, harmful to business and investors alike, and they deserve congressional attention to stamp them out.

Charged with enacting laws to douse brush fires in the tort system, Congress instead wants to burn the system to the ground.

Earlier this year, lawmakers passed bills in the House and Senate that threatened to cripple the ability of even legitimate plaintiffs to recoup money swindled by unscrupulous corporate executives, lawyers and accountants. More recently, in meetings to which bill opponents said they were not invited, members of Congress and lobbyists worked out a compromise that is as deadly to investor rights as the original bills.

The compromise guarantees small investors, defined as having a net worth less than $200,000, full recovery if they lose more than 10 percent of their assets in a securities fraud. But why should a person who likely saved over most of his or her life have to lose so much money before being entitled to full compensation in court? And, while $200,000 may sound generous, many Americans in many areas of the country would surpass that amount based solely on their home value.

The compromise allows the Securities and Exchange Commission to sanction lawyers and accountants who knew of fraud and did nothing to stop it, but it does not allow defrauded investors to sue them. That is inadequate redress and promises to shift the burden of policing such cases entirely onto the government.

Proponents brag that the compromise offers no lawsuit protection to companies whose "forward-looking statements" contain knowingly false information and do not contain detailed warnings. What comfort can be gained from such statements if inclusion of a "cautionary statement" nullifies investor protections?

Consumer groups oppose the compromise for the burdens it will place on small investors. But attorneys general of various states and associations of public finance officers also are in opposition because they fear the legislation would expose public funds, such as those invested by counties and school districts, to greater fraud risks.

Congress certainly must act against "professional plaintiffs" and "entrepreneurial attorneys" who file baseless securities fraud claims in pursuit of blackmailed settlements. But lawmakers must work harder than they have to cap lawsuit abuse without putting the life savings of small investors at risk.

[From the San Francisco Chronicle, Nov. 27, 1995]

OPENING THE DOOR TO FRAUD

If a House-Senate conference committee meeting tomorrow does not result in significant changes to legislation regarding investment fraud lawsuits, President Clinton should quickly veto the bill.

Compromise has softened some of the anti-consumer aspects of the legislation, which has the stated goal of eliminating frivolous class-action securities fraud lawsuits. But despite the worthwhile aim, the provisions of a draft conference report on HR 1058 and S 240 go far beyond curbing trivial court actions and instead would wipe out important protections against hustlers of fraudulent securities.

In a letter asking Clinton to veto the bill, San Francisco's chief administrative officer, Bill Lee, noted that the legislation would "erode investor protections in a number of ways: it fails to restore the liability of aiders and abettors of fraud for their actions; it limits many wrongdoers from providing full compensation to innocent fraud victims, by eroding joint and several liability; it could force fraud victims to pay the full legal fees of large corporate defendants if they lose; it provides a blanket shield from liability for companies that make knowingly fraudulent predictions about an investment's performance and risks; and it would preserve a short, three-year statute of limitations for bringing fraud actions, even if fraud is not discovered until after that time."

Securities fraud lawsuits are the primary means for individuals, local governments

and other investors to recover losses from investment fraud—whether that fraud is related to money invested in stocks, bonds, mutual funds, individuals retirement accounts, pensions or employee benefit plans.

As the draft report stands, investors would be the losers. And their hopes of receiving convictions in suits similar to those against such well-known con men as Michael Milken and Ivan Boesky would be severely hampered.

In the name of the little guy, Clinton should not let that happen.

[From the New York Times, Nov. 30, 1995]

OVERDRAWN SECURITIES REFORM

The securities bill that Congress is about to pass addresses a nagging problem, frivolous lawsuits by investors against corporations, but in such cavalier fashion that it may end up sheltering some forms of fraud against investors. President Clinton should veto the bill and demand at least two fixes to protect truly defrauded investors.

The bill seeks with good reason to protect corporate officials who issue honest but unintentionally optimistic predictions of corporate profitability. In some past cases, opportunistic shareholders have waited for a company's stock price to fall, then sued on the grounds that their money-losing investments were based on fraudulent misrepresentations of the company's financial prospects. Their game was to use these "strike" suits to threaten companies with explosively expensive litigation in the cynical attempt to win lucrative settlements.

Such suits are a real, if infrequent, problem that can discourage responsible management from issuing information that investors ought to know. The bill would stymie these suits in part by immunizing predictions of corporate profitability that are accompanied by descriptions of important factors—like pending government regulatory action—that could cause financial predictions to provide false. But the language is ambiguous, leading critics to charge that it would protect corporate officials who knowingly issue false information. The President should ask Congress for clarification.

Some provisions of the bill would protect investors by, for example, requiring accountants to report suspected fraud. But other provisions threaten to shut off valid suits. The bill would prevent private litigants from going after lawyers and accounts for inattention that allows corporate fraud. Worse, the bill limits the authority of the Securities and Exchange Commission to sue accountants and others for aiding fraud. The bill would also provide a short statute of limitation that could easily run out before investors discover they have been victimized.

Mr. Clinton should demand that Congress extend the statute of limitations so that investors will have time to file suit after they discover fraud. He should also demand that the bill restore the S.E.C.'s full authority to sue accounts who contribute to corporate fraud. So far, Mr. Clinton has been curiously restrained. A well-targeted veto might force this bill back on the right track.

[From the Bond Buyer, Dec. 4, 1995]

SECURITIES LITIGATION REFORM: A MATTER OF PRINCIPLE

(By Craig T. Ferris)

WASHINGTON.—There are moments when an issue should be decided solely on principle, not politics.

One of those moments will occur late this week when the House and Senate are expected to send President Clinton the securities litigation reform legislation that a conference committee finalized last week.

When the bill arrives on his desk, Clinton should veto the measure on principle because it is bad legislation that could undermine investor confidence in the municipal market.

Despite a few changes from the original House and Senate bills, the final measure is still what state and local groups have termed "a bad bill that has resulted from bad House and Senate bills."

While some backers of the measure say it is needed to curb frivolous securities fraud lawsuits, state and local representatives, plus investor groups, contend that it will hurt investors and prevent individuals, local governments, and pension plans from filing legitimate securities fraud lawsuits.

The bill is substantially flawed, particularly because it does not extend the statute of limitations for securities fraud actions and does not restore the ability of investors to sue aiders and abettors of securities fraud.

Sen. Paul Sarbanes, D-Md., raised and excellent point last Tuesday night when he told conferees that the final bill does not do enough to protect local governments that invest the money of taxpayers and retirees in securities.

"As any reader of the newspaper knows, local governments are often victims of unscrupulous brokers. These government officials want meaningful remedies if they are defrauded," Sarbanes said.

He also said 11 state attorneys general oppose the measure because they argue it would "curtail our efforts to fight securities fraud and to recover damages for our citizens if any of our state or local funds suffer losses due to fraud. In a letter, the attorneys general told Sarbanes the legislation "is unwise public policy in light of rising securities fraud and substantial losses suffered by states and public institutions from high-risk derivatives investments."

These are all excellent reasons why Clinton should veto the measure. Unfortunately, politics may overshadow principle.

Clinton and the Securities and Exchange Commission are under pressure to support the measure—both from House and Senate Republicans who will have a strong say in the funding levels for the SEC and from Senate Republicans who are considering whether to confirm Clinton's two pending nominees for seats on the SEC.

Those pressures appear to be major reasons why the SEC has done little to push the conference committee to include greater protection for investors, particularly state and local governments.

But even if Clinton ignores politics and vetoes the bill, it is likely to become law anyway.

The original House and Senate bill were approved by veto-proof 329-to-99 and 70-to-29 votes, and there is every reason to believe that the final version of the legislation will be approved by both chambers by similar margins.

Despite those drawbacks, the president should stand on principle and veto the measure. It is a bad bill and it should not become law.

[From Money, September 1995]

CONGRESS AIMS AT LAWYERS AND ENDS UP SHOOTING SMALL INVESTORS IN THE BACK

[By Frank Lalli, managing editor)

Imagine a law that makes it much easier for crooks to swindle investors and far more difficult for the victims to sue to get their money back. A law so extreme that it would:

Allow executives to deliberately lie about their firm's prospects.

Prohibit investors from suing the hired guns who assist a fraudulent company, the so-called aiders and abettors, including the accountants, brokers, lawyers and bankers.

Ratify a court ruling that throws out any suit that isn't filed within three years after the fraud took place, even if no one discovers the crime until after that deadline.

And potentially force investors and their lawyers who lose a case to pay the winner's entire legal fees, if the judge later rules that the suit was not justified.

Sounds too radical to be real, doesn't it? Yet legislation that would do all this and more has passed both the House and Senate by overwhelming margins (325 to 99 and 69 to 30). It is now headed for a conference committee where the relatively minor conflicts are expected to be ironed out.

The more responsible members of Congress who backed the effort were looking for a way to discourage frivolous securities suits. But several powerful financial lobbyists and their pals ended up putting small investors in the crosshairs instead. At a time when massive securities fraud has become one of this country's growth industries, this law would cheat victims out of whatever chance they may have of getting their money back. For instance, had this law been on the books thousands of fraud victims might not have collected anything, rather than the billions they rightfully recovered by suing the operators behind such notorious scams as Charles Keating's $288 million savings and loan swindle, the $460 million Towers Financial fraud and Prudential Securities more than $1.3 billion limited partnership hustle.

Take Bill Ayers, 53, a Vietnam War vet who runs a prosperous engineering consulting firm in Crystal City, Va. In the mid-'80s, he plowed more than $1 million into bonds issued by First Humanics, before realizing that the nursing-home chain was built on fraud. He wasn't alone. In all, at least 4,000 people invested more than $80 million in 21 separate bond offers. Despite all that money, Humanics declared bankruptcy in 1989, and the company head, Leo ("Lee") Sutliffe surfaced on his Florida yacht with the nursing homes' former interior decorator.

How did a sophisticated guy like Ayers get fooled? Simple, really. He relied on the company projections, which turned out to be phony, and on bond feasibility reports by Touche Ross (now Deloitte & Touche), which were shoddy. "In reality," says Ayers, "the accounting system was nonexistent." For example, in one case, Touche Ross counted closet space as patient rooms. Then to get the profit-per-room projections to actually work, at least one home slashed its daily food budget to less than $3 per patient.

When Ayers finally caught on five years later, he led a successful class-action lawsuit that ultimately was settled for $45 million from the accountants, lawyers and bank trustees. Sutliffe, meanwhile, got 15 months in federal prison for mail fraud and was fined $1 million.

"But I'd be out of luck under this new law," says Ayers. Sutliffe's lies about the chain's profitability and the bonds' 10 percent to 14 percent yields would have been protected. His aiders and Abettors, principally Touche Ross, also would have been shielded. And before Ayers could have filed the class-action claim, he and his fellow plaintiffs might have been forced to post a prohibitive multimillion-dollar bond to cover the defendants' legal fees just in case the suit was later thrown out of court.

What's worse, he would not have been able to sue in any event because he did not discover the fraud within the three-year time limit; in fact, the statute of limitations would have run out on nearly every Humanics' victim. As Ayers put it: "This law will hurt the people who've already been hurt by the frauds."

So how could such misguided legislation get this far? It's an interesting tale that illustrates how thoroughly the 104th Congress has become the Lobbyists' Congress. Ironically, one of the original ideas behind this reform legislation last year was to increase the three-year statute of limitations imposed by an ill-advised Supreme Court decision. But after the Republicans swept to power, major political contributors, led by the Big Six accounting firms that are smarting over billion-dollar judgments against them in the S&L scandals, helped draft this legislation to attack what they called an "explosion" of frivolous securities suits. They got their way, despite the lack of evidence of any such explosion. The true measure of indiscriminate litigiousness—the number of companies sued each year—has remained relatively level for the past 20 years. What's more, 80 percent of federal judges, who are largely Reagan and Bush appointees, think frivolous suits are a minor concern.

In the final analysis, this legislation, which Sen. Alfonse D'Amato (R-N.Y.), for one, has hailed as "a big win for American consumers," would actually be a grand slam for the sleaziest elements of the financial industry at the expense of ordinary investors.

To make matters worse, this law will soon be followed by other G.O.P.-backed reforms that aim to reduce the information investors get while also curtailing securities regulation. Former Securities and Exchange Commissioner Rick Roberts, a Bush appointee, says he fears these initiatives could undermine our securities markets. "If you look at the whole picture, Congress is taking away the right to bring an action if there's a financial fraud; it's [cutting] the level of information investors receive; and, third, [it] will try to slash the SEC budget so there are no public remedies," Roberts told Money's Ruth Simon. "If I was an investor, I would be getting very queasy about plugging my money into the securities market."

But the financial fat cats haven't sung yet. There is still time to stop these reckless efforts, starting with this litigation reform bill. President Clinton's counsel, Abner Mikva, told Money's Peter Keating: "I think the President would not sign it, [but] we use the word 'veto' very sparingly around here." If you would like to join Money in urging the President to veto this litigation bill, please send us your thoughts, and we will relay them with our endorsement to the President and to key congressional lawmakers. Write to: Protect Our Rights, Money, Room 32-38, Time & Life Building, Rockefeller Center, New York, N.Y. 10020; or send electronic mail to: letters@moneymag.com.

[From MONEY Magazine, October 1995]

LET'S STOP THIS CONGRESS FROM HELPING CROOKS CHEAT INVESTORS LIKE YOU

"I never thought I would urge Bill Clinton to do anything but retire," wrote Miles W. Haupt of Poulsbo, Wash. "But please add my name to your list of people requesting a presidential veto of the small investor rip-off bill you wrote about in September." Haupt is just one of more than 400 MONEY readers who have joined us in urging the President to veto the litigation reform legislation steaming through Congress. This misguided law would, in fact, help white-collar criminals get away with cheating investors. As I write this on Sept. 1, we are receiving 60 letters of support a day; we've gotten a grand total of six in opposition.

The tone of the letters runs from dismay to disgust. The largest number argue that the legislation would undermine confidence in the securities markets. For example, Lester K. Smith of De Kalb, Ill. wrote: "For many years the government has said that Americans do not save and invest enough. Now they want to take away most of the legal safeguards which allow us to save and invest without fear of being cheated." Anastasia R. Touzet of Flora, Miss. concluded: "Are we going back to having to buy gold and silver coins and burying them in the backyard? Is this the America everybody wants? I don't."

Others focused on the special interests that helped draft the bills, with Elizabeth J. Granfield of New Canaan, Conn., for one, mocking the "FOR SALE sign on the congressional lawn." Bill Follek echoed that theme on the Internet: "Congress is trying to flat out legalize white-collar crime; that's what this Congress means by reform."

But the angriest responses by far came from Republicans denouncing their own party for pushing these bills. "I am a 64-year-old lifelong Republican," wrote John A. Cline of Virginia Beach, "but I'm fed up with the party's assault on the public. These acts will backfire. I very well may vote for a third person or even for 'what's his name' who's in there now." Another lifelong Republican, 78-year-old George W. Humm of New Richmond, Ohio, who spent 45 years in the securities business and now arbitrates brokerage disputes, said he was appalled and only hoped Clinton "has the guts to veto this monstrous bill."

Also, Thomas Denzler of New York City pointed out that "tort reform is not necessarily a bad idea" and then quickly added: "But in the area of securities, it is a stupid and venal idea. Shame on Robert Dole and Newt Gingrich." And Donald J. Scott of Henderson, Nev. summed up the tenor of the outcry in one sentence: "The Contract with America is going down the drain."

The legislation that swept through Congress this summer by overwhelming margins (325-99 and 69-30) would do four things:

Allow executives to deliberately lie about their firm's prospects.

Stop investors from suing hired guns who assist fraudulent firms, including accountants, lawyers, brokers and bankers.

Give investors just three years to sue, even if the fraud isn't discovered until after that statute of limitations expires.

Make investors who lose a case potentially liable for the winner's entire legal fees.

As we noted in last month's column, lawmakers originally intended to curb frivolous securities suits. But those good intentions got picked clean by powerful lobbyists, led by major accounting firms, who came swooping down on the bills like hungry crows. The accounting firms and their pals want to protect their wallets after being forced to pay billions in fines and settlements in recent years for their part in various scams—from the savings and loan scandals to the notorious MiniScribe swindle.

Operating through various political action committees and other corporate fund-raising efforts, the major accounting firms and their lobbyists contributed well over $3.3 million to legislators' campaigns—50% more than they gave in '92. In February, for instance, one so-called grass-roots operation sent out software that let members customize letters to selected lawmakers in "a minute or two." In all, a quite sophisticated and effective campaign.

The two bills—HR 1058 and S 240—are now headed for a conference committee to iron out minor conflicts. So at this point, the only way this legislation will get stopped is if the President vetoes it when it hits his desk, perhaps as early as this month. (For more on other ill-advised securities reforms, see "How Washington Could Tip the Scales Against Investors" on page 122.)

You can still make your voice heard. Send your thoughts to us; we will relay them to the President and key lawmakers. Write: Protect Our Rights, Money, Room 32-38, Time & Life Building, Rockefeller Center, New York, N.Y. 10020; send E-mail to: letters@moneymag.com.

[From Money Magazine, November 1995]

YOUR 1,000 LETTERS OF PROTEST MAY STOP THIS CONGRESS FROM JEOPARDIZING INVESTORS

You got through to the President. More than 1,000 money readers so far have written us urging President Clinton to veto this Congress' misguided securities litigation reform, as this column proposed in September and October. Bette Hammer of North Port, Fla. summed up your message: "These bills are legalizing white-collar crime." As we said we would, we have been forwarding every one of your letters to the President and to key Washington lawmakers.

What will happen? Will the President veto the legislation? Will lawmakers rework it into an acceptable form? Or will the President back off to win favor with powerful business interests, particularly those in California's Silicon Valley that he may need so he can get re-elected?

There were no clear answers as we wrote this column in early October. But this much we do know: Your deep disgust with this so-called reform is having a profound impact in Washington. One source told Money Washington bureau chief Tereas Tritch: "To say 'Money magazine' has become the shorthand phrase for all the editorial opposition to these bills." Furthermore, as we were preparing this column, the President sent us the letter here expressing his serious objections to the proposed law. It concludes with a promise: "As we seek to develop thoughtful, balanced reforms to our nation's securities laws, I will keep your readers' views in mind."

He would be wise to do that. There are a lot of votes at stake. Take M.L. and A.H. Spratley of Chatsworth, Calif. They describe themselves as "registered Republican(s) for over 40 years who have never voted for a Democrat . . . but now have no choice but to vote for Mr. Clinton in 1996." That is, unless he fails to "veto the outrageous bills." A politically savvy source summed up the situation this way: "If the President vetoes this, he may win the vote of the common man, but he may lose the money and support of high-tech that he needs to win in California."

Whatever the outcome, however, the struggle over the securities litigation reform bills, H.R. 1058 and S. 240, offers a picture-window view of how laws are being created by the lobbyists and for the lobbyists in this 104th Congress. And, more positively, it also provides a revealing peek at the potentially enormous power that ordinary people have when they find a way to amplify their voices, as they are doing on this issue.

A little background: Earlier this year, following a multimillion-dollar lobbying effort by accountant, high-tech and securities interests, the House and Senate passed differing versions of securities litigation reform,

each with overwhelming bipartisan support (325 to 99, and 69 to 30). Lawmakers said they wanted to discourage frivolous securities suits. That is a fine goal. But as one moderating amendment after another was voted down, the legislation the Republican majority and the lobbyists produced went far beyond curbing meritless lawsuits to all but legalizing securities fraud. For example, though the Senate bill would have similar effects, the House bill would definitely undercut investors in at least two specific ways:)

Defrauded investors could no longer collect damages from company executives who tricked them out of their money by deliberately lying about their firms' prospects.

And if investors sued and lost, the judge could more easily force them and their lawyers to pay the winners' entire legal fees. As a consequence, a number of legitimate cases would never get filed. Sen. Arlen Specter (R-Pa.), for one, foresees "a profoundly chilling effect on litigation brought under the securities acts."

In addition, both bills failed to reinstate fundamental investor protections stripped away by two recent, ill-advised Supreme Court decisions:

Defrauded investors can no longer sue hired guns who assist a dishonest company, the firm's so-called aiders and abettors, including accountants, brokers, lawyers and bankers.

And, worse, investors cannot sue at all if they fail to file within three years after the fraud occurs, even when the crime is not discovered until after the deadline.

In his letter to Money, the President clearly rejects the House version, which is more extreme than the Senate alternative. "I could not support that bill," he writes. But he holds out hope that the Senate bill could get improved enough for him to sign it into law. The horse-trading would normally be done by a hand-picked committee of bipartisan lawmakers from both houses. But partly because of your 1,000 letters of protest, the Republicans calling the procedural shots are stalling on convening such a House-Senate conference committee.

Key Republicans, and some nervous lobbyists, fear that House conservatives, notably Chris Cox (R-Calif.), would insist on preserving a few of the House's most extreme provisions in the committee's final compromise bill. If that happened, odds would soar that the President would veto the bill, and that many Senate Democrats and a few Republicans who voted for the Senate version would switch over and sustain the veto. Result: No securities litigation reform at all.

To avoid that scenario, Senate Republicans are trying to convince House colleagues to accept the current Senate version as the final bill. The President might veto that one also. But chances are, he would not do that unless he was sure enough Senate Democrats who supported that version—including Massachusetts' Edward Kennedy, New Jersey's Bill Bradley and West Virginia's Jay Rockefeller—were willing to flip-flop to sustain his veto.

You can bet that the lobbyists who have been pressing for years to protect their corporate clients from being sued for fraud will have a lot to say about the Republican tactics and the outcome. MONEY has learned that the big accountants, who were shaken by the billion-dollar judgments against them in the savings and loan scandal, would be more than satisfied to get today's Senate bill. Securities industry lobbyists would go along with it too; their hot-button issue is retaining the truncated three-year statute of limitations on fraud suits. Fortunately for them, Sen. Alfonse D'Amato (R-N.Y.), who has accepted more than $800,000 in campaign contributions since 1989 from the securities industry, deleted a provision that would have extended the time limit to five years. People don't call him The Senator from Wall Street for nothing.

However, only lobbying interests are demanding the House bill's bullet-proof protection for lying executives. The Senate language, though also ludicrously lax, does at least allow for executives to get in trouble for statements "knowingly made with the purpose and actual intent of misleading investors." The burden would be on the investors, though; they would have to prove that the company official actually intended to defraud them, rather than, say, simply tried to entice them with recklessly inflated claims. If the Senate version becomes law, Sen. Paul Sarbanes (D-Md) says, "A lot of very fast games by some very fast artists are going to be played on the investing public." Still, a Washington source says: "Silicon Valley is insatiable. Unless they're protected from fraud, they won't go along."

So what will the President do if today's Senate bill lands on his desk as the final legislation? Or if he gets an only slightly altered version?

We can only hope that he stands up for small investors like you by vetoing it. Anything less could undermine the public's confidence in the financial markets. Why? Because while Congress is trying to slam the courthouse door shut, it is also threatening to force securities cops off the beat. Late in September, for example, the Senate voted to cut the Securities and Exchange Commission's budget by 10%, even though the reduction might well compel the SEC to lay off enforcement agents.

What should you do? Obviously, if you believe as we do that today's securities litigation legislation foolishly sacrifices investors' interests on the altar of radical reform, keep writing to us. We will relay your thoughts to the key lawmakers and to the President.

Write to: Protect Our Rights. MONEY, Room 32-28, Time & Life Building, Rockefeller Center, New York, N.Y. 10020. Send a fax to: 212-522-0119. Or send E/mail to: letters@moneymag.com.

[From Money Magazine, December 1995]

NOW ONLY CLINTON CAN STOP CONGRESS FROM HURTING SMALL INVESTORS LIKE YOU

The debate over Congress' reckless securities litigation reform has come down to this question: Will President Clinton decide to protect investors, or will he give companies a license to defraud shareholders?

Late in October, Republican congressional staffers agreed on a so-called compromise version of the misguided House and Senate bills. Unfortunately, the new bill jeopardizes small investors in several ways. Yet it will likely soon be sent to Clinton for his signature. The President should not sign it. He should veto it. Here's why:

The bill helps executives get away with lying. Essentially, lying executives get two escape hatches. The bill protects them if, say, they simply call their phony earnings forecast a forward-looking statement and add some cautionary boiler-plate language. In addition, if they fail to do that and an investor sues, the plaintiffs still have to prove the executives actually knew the statement was untrue when they issued it, an extremely difficult standard of proof. Furthermore, if executives later learn that their original forecast was false, the bill specifically says they have no obligation to retract or correct it.

High-tech executives, particularly those in California's Silicon Valley, have lobbied relentlessly for this broad protection. As one congressional source told Money's Washington, D.C. bureau chief Teresa Tritch: "High-tech execs want immunity from liability when they lie." Keep that point in mind the next time your broker calls pitching some high-tech stock based on the corporation's optimistic predictions.

Investors who sue and lose could be forced to pay the winner's court costs. The idea is to discourage frivolous lawsuits. But this bill is overkill. For example, if a judge ruled that just one of many counts in your complaint was baseless, you could have to pay the defendant firm's entire legal costs. In addition, the judge can require plaintiffs in a class action to put up a bond at any time covering the defendant's legal fees just in case they eventually lose. The result: Legitimate lawsuits will not get filed.

Even accountants who okay fraudulent books will get protection. Accountants who are reckless, as opposed to being co-conspirators, would face only limited liability. What's more, new language opens the way for the U.S. Supreme Court to let such practitioners off the hook entirely. If such a lax standard became the law of the land, the accounting profession's fiduciary responsibility to investors and clients alike would be reduced to a sick joke.

Moreover, the bill fails to re-establish an investor's right to sue hired guns, such as accountants, lawyers and bankers who assist dishonest companies. And it neglects to lengthen the tight three-year time limit investors now have to discover a fraud and sue.

Knowledgeable sources say the White House is weighing the bill's political consequences, and business interests are pressing him hard to sign it. "The President wants the good will of Silicon Valley," says one source. "Without California, Clinton is nowhere."

We think the President should focus on a higher concern. Our readers sent more than 1,500 letters in support of our past three editorials denouncing this legislation. As that mail attests, this bill will undermine the public's confidence in our financial markets. And without that confidence, this country is nowhere.

FRATERNAL ORDER OF POLICE, NATIONAL LEGISLATIVE PROGRAM,
Washington, DC, November 30, 1995.

Hon. JOHN D. DINGELL,
U.S. House of Representatives
2328 Rayburn House Office Building
Washington, D.C. 20515-2216

DEAR CONGRESSMAN DINGELL: The attached letter to President Clinton reflects our strong opposition to the Securities Litigation Reform Act (S240/HR1058).

While the letter urges the President to veto the bill, we haven't discarded the possibility that Congress will do the right thing—that is, to protect investors from fraud, and, where fraud occurs, protect the rights of investors to seek redress.

When a citizen needs protection, public safety personnel are there. On behalf of the 270,000 rank and file police officers who belong to the Fraternal Order of Police, we ask for your help, and your protection, on this critically important legislative issue.

Sincerely,

GILBERT G. GALLEGOS,
National President,
Fraternal Order of Police.

FRATERNAL ORDER OF POLICE, NATIONAL LEGISLATIVE PROGRAM,
Washington, DC, November 29, 1995.

Hon. WILLIAM JEFFERSON CLINTON,
President of the United States,
Washington, DC.

DEAR PRESIDENT CLINTON: On behalf of the National Fraternal Order of Police, I urge you to veto the "Securities Litigation Reform Act" (HR1058/S240). The recently released draft of the House/Senate conference report clearly reflects a dramatic reduction in the ability of private, institutional and government investors to seek redress when victimized by investor fraud.

As a matter of fact, the single most significant result of this legislation would be to create a privileged class of criminals, in that it virtually immunizes lawyers, brokers, accountants and their accomplices from civil liability in cases of securities fraud.

This bad end is reached because of several provisions of the legislation: first, it fails to restore the liability of aiders and abettors of fraud for their actions; second, it limits wrongdoers from providing full compensation to victims of fraud by eroding joint and several liability; third, it could force fraud victims to pay the full legal fees of corporate defendants if the defrauded party loses; and, finally, it retains the short three year statute of limitations for bringing fraud actions, even in cases where the fraud is not discovered until after three years has elapsed.

Mr. President, our 270,000 members stand with you in your commitment to a war on crime; the men and women of the F.O.P. are the foot soldiers in that war. On their behalf, I urge you to reject a bill which would make it less risky for white collar criminals to steal from police pension funds while the police are risking their lives against violent criminals.

Please veto HR1058/S240.

Sincerely,

GILBERT G. GALLEGOS,
National President,
Fraternal Order of Police.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, November 29, 1995.

DEAR REPRESENTATIVE: The AFL–CIO opposes the conference agreement on H.R. 1058, the Securities Litigation Reform Act of 1995. The conference agreement significantly weakens the ability of stockholders and pension plans to successfully sue companies which use fraudulent information in forward-looking statements that project economic growth and earnings. There is a new "safe harbor" provision in this conference agreement that allows evidence of misleading economic information to be discounted in court if it is accompanied by "appropriate cautionary language."

The AFL–CIO believes this compromise will vastly increase the difficulties that investors and pension plans would have in recovering economic losses. Similarly, the joint and several liability provisions in this bill provide added, and unwarranted, protection for unscrupulous companies, stockbrokers, accountants and lawyers.

In short, this bill tips the scales of justice in favor of the companies and at the expense of stockholders and pension plans. Both of these latter groups are forced to rely exclusively on information provided by these companies when evaluating a stock, but this information would not be able to be used in court to recover economic damages for misleading information.

The Congress should reject the conference agreement on H.R. 1058.

Sincerely,

PEGGY TAYLOR,
Director, Department of Legislation.

NATIONAL COUNCIL OF INDIVIDUAL INVESTORS,
Washington, DC, November 27, 1995.

Hon. WILLIAM J. CLINTON,
President of the United States,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to express our opposition to the recent draft conference report on the Securities Litigation Reform legislation (H.R. 1058/S. 240). We share the concerns of the bills' sponsors that truly frivolous lawsuits harm all Americans. We believe the framework for securities litigation should be improved to more adequately protect the interests of individual investors.

Unfortunately, the draft conference report fails to treat the American investor fairly. For example, as currently drafted, the bill would have cost the victims of the Keating savings and loan fraud over $200 million more than they otherwise lost. Of particular concern to us are the failure to increase the statute of limitations in securities fraud cases, the "safe harbor" provisions that reduce the standards for accuracy in forward looking statements, the "aiding and abetting" provision which limits investors' ability to recover fraud-created losses, and the "most adequate plaintiff" provision naming the largest investor to be the plaintiff.

The National Council of Individual Investors (NCII) is an independent, non-profit membership organization of individual investors established to help them improve their investment performance through education and advocacy.

The fact that the draft conference report does not fairly balance industry concerns with the needs of investors is best demonstrated by its failure to extend the statute of limitations. Specifically, the draft conference report ignores entirely the devastating practical effects of the U.S. Supreme Court's 1991 Lampf decision. Although the Senate bill as introduced included a provision to lengthen the statute of limitations for investors to file securities fraud actions from three years to five years, this provision was dropped.

The result is that defrauded investors will continue to be forced to file suit for redress within one year after discovering the fraud, but in no case more than three years after the fraud was committed. Virtually every law enforcement official—including the SEC and state securities administrators—supports a longer limitation period. The failure to extend the limitation period will make it virtually impossible for defrauded investors to recover in cases of sophisticated and complex frauds that easily can remain concealed for many years. For example, the current statute of limitations for federal cases had to be waived in the billion dollar fraud case against Prudential Securities, Inc. to provide redress for the tens of thousands of victims of securities fraud.

Also of grave concern to us is the draft conference report's safe harbor for forward looking statements. Incredibly, the conference report prevents investors from recovering losses created by reckless and even deliberately fraudulent statements (including oral statements), so long as the perpetrators accompany the fraudulent statements with "cautionary" language saying actual results "may differ." Supporters of the expanded safe harbor claim that it will result in an increased flow of market information. We strongly favor increased investor access to information that is truthful. Obviously however, investors are harmed, not helped, by inaccurate information.

Moreover, in a radical departure from existing law, the draft conference report undermines companies' well-established "duty to update" information on their performances. Under this doctrine, even if a statement or prediction is true when made, there is a duty to correct such a statement if it becomes materially misleading in light of later events. The conference report takes language from the House bill that was not in the Senate bill stating that corporate insiders have no duty to update their predictions even if they turn out to be false. Forcing investors to rely on information known to be false is clearly unfair.

Investors also need effective remedies when they become victims of fraud. Particularly when swindlers have bankrupted a company, investors must be able to look to those who facilitated the fraud for compensation. Here again, the draft conference report fails to protect individual investors. Instead, it protects those who "aid and abet" frauds from civil liability by letting the U.S. Supreme Court's decision in the Central Bank case stand and from SEC action when their conduct is reckless.

We favor higher standards of ethics for those professionals on whom investors rely for information and counsel. Unfortunately, the draft conference report lowers those standards and, by doing so, reduces the likelihood that investors will have effective recourse when they are victims of fraud.

Finally, the conference report draft undermines the rights of individual investors, particularly small ones, in class action suits. Under current law, the court may name any member of a class, to be a representative of the class, regardless of whether he or she lost $1,000 or $1,000,000. The draft conference report includes a provision from the Senate bill defining the "most adequate plaintiff" as the plaintiff with the "largest financial interest" in the case. This provision compromises the rights of individual investors by requiring the court to appoint the largest investor, which in many instances will be an institutional investor, whose interests may differ dramatically from the small individual investor. For example, the largest investor may be able to accept settlements with less than full recoveries or may be more concerned with maintaining good relations with corporate defendants.

In the interest of protecting individual investors from securities fraud, protecting the capital markets from inaccurate information, and protecting the right to redress for small investors, we strongly urge you to oppose, and if necessary, veto this legislation.

Sincerely,

GERRI DETWEILER,
Policy Director.

THE ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK,
New York, NY, November 15, 1995.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing on behalf of the Association of the Bar of the City of New York to urge that certain changes be made in the proposed "Private Securities Litigation Reform Act of 1995", as it currently appears in the form of a Draft Conference Report dated October 23, 1995.

The Association's Committee on Securities Regulation and Committee on Federal Courts have studied intensively the proposed legislation in its various versions, have submitted detailed reports to Committees of both the House and Senate,[1] and have testified before both the House and Senate subcommittees. There is much about the proposed legislation that is commendable. It takes significant steps to redress abuses identified by Congress, including prohibition of the payment of referral fees to brokers, of the making of bonus payments to individual plaintiffs, and of the payment of attorneys' fees from SEC disgorgement funds. Our prior reports recommended these steps and also supported the enhanced disclosure of settlement terms to class members now contained in Section 102 and the proportionate liability concept contained in Section 202. The Association opposed other proposals (*e.g.*, "loser pays" provisions, provisions modifying the fraud on the market theory, and provisions redefining the recklessness scienter standard) that were wisely deleted from the proposed legislation.

Nevertheless, the proposed legislation should not become law unless certain provisions are changed: certain provisions relating to forward-looking statements that are fundamentally inconsistent with the objectives of the securities laws and the interests of investors, and other provisions relating to Rule 11 of the Federal Rules of Civil Procedure that would be even more onerous than a prior version of Rule 11 that was found to be unworkable and an unreasonable burden on an already burdened civil justice system, and that reflect a lack of balance in certain respects. In addition, if the foregoing changes are made, there are certain other provisions of the proposed legislation that we believe should be changed in order to improve the quality of the bill.

PROVISIONS THAT REQUIRE CHANGE

Safe Harbor for Forward-Looking Statements

The safe harbor provision is at the heart of our concern about the proposed legislation. The proposed statutory language, while superficially appearing to track the concepts and standards of the leading cases in this field, in fact radically departs from them and could immunize artfully packaged and intentional misstatements and omissions of known facts.

Existing law distinguishes between projections, expressions of belief and other "soft" information, and statements of existing facts. The former are protected by the "bespeaks caution" doctrine if they are sufficiently hedged with concrete warnings tailored to the uncertainties that affect the outcome predicted. But a knowingly false statement or omission of material facts known today would not be protected by hedging language. For example, a prediction about the future success of a new drug could be protected by the bespeaks caution doctrine if the uncertainties that attend the development and introduction of new drugs are adequately described. But a failure to disclose that the company's tests to date were already known to have raised substantial questions about the drug's safety or efficacy would not be protected by cautionary language about the necessity and difficulty of securing FDA approval.

The proposed legislation does not reflect this distinction between statements about or omissions of currently existing facts and projections and other soft information. Its definition of "forward-looking statement" now covers any "statement of the assumptions underlying or relating to [a projection or other forward-looking statement] . . ." [proposed Section 13A(i) of the 1933 Act]. Assuming that the standards for protection discussed in the next paragraph are met, even a knowingly false statement of an assumption would not give rise to liability. And even an omission to state, for example, the results of the company's testing would not give rise to liability (again, assuming the standards are met) because the proposed legislation protects any "omission of a material fact . . . with respect to any forward-looking statement . . ." [proposed Section 13A(c)(1)(A) of the 1933 Act].

Proposed Section 13A(c)(1) of the 1933 Act provides that a defendant is not liable with respect to a forward-looking statement if and to the extent that either of the following occur:

1. The forward-looking statement is identified as such and "is accompanied by meaningful cautionary statements identifying substantive factors that could cause actual results to differ materially from those projected in the forward-looking statement," or

2. The plaintiff fails to prove that the defendant (or an officer of a defendant corporation) had "actual knowledge . . . that it was an untrue statement of a material fact or omission of a material fact. . . ."

Accordingly, under the proposed legislation, even if the plaintiff proves that the statement or omission of a currently existing material fact was known to be false, the existence of cautionary language would be enough to protect that knowing falsehood.

Protecting knowingly false statements or omissions of material existing facts is not consistent with the purposes of the federal securities laws and encourages exactly the kind of conduct those laws were designed to eliminate. There is no public policy objective that justifies protecting that kind of conduct in our capital markets. This significant problem can be eliminated by simply adding language to make it clear that the safe harbor does not protect misstatements or omissions of existing material facts that would otherwise give rise to liability.

Finally, the statutory language does not require the cautionary statement to be addressed to the risks that are foreseeable or most likely to occur. The approach in federal case law has been to require "[not just any cautionary language . . . [but] disclaimers . . . [that] relate directly to that on which investors claim to have relied." Kline v. First Western Government Securities, Inc., 24 F.3d 480, 489 (3d Cir. 1994); see, e.g., Harden v. Raffensperger, Hughes & Co., 65 F.3d 1392 (7th Cir. 1995); In re Worlds of Wonder Securities Litigation, 35 F.3d 1407 (9th Cir. 1994); In re Donald J. Trump Casino Securities Litigation, 7 F.3d 357, 371–72 (3d Cir. 1993), cert. denied, 114 S. Ct. 1219 (1994) ("cautionary statements must be substantive and tailored to the specific future projections, estimates or opinions in the prospectus which the plaintiffs challenge").

Section 13A(c)(1)(A)(i) should be revised to make it clear that cautionary statements are only "meaningful" if they identify the substantive factors that are most likely to cause actual results to differ materially—that is, they should be "tailored" to the real risks associated with the forward-looking statement.

Sanctions Against Lawyers and Parties

Section 103 of the proposed legislation provides for mandatory findings, upon the final adjudication of any case, as to whether each party and counsel has complied with Rule 11 of the Federal Rules of Civil Procedure. If the rule has been violated, under the proposed legislation the imposition of sanctions against an offending party or lawyer is mandatory. There is a presumption that an offending plaintiff or plaintiff's lawyer must pay all the legal fees and costs of the entire action, while an adverse finding against a defendant or defendant's lawyer creates a presumption that the defendant or defense counsel must pay the fees and costs directly caused by the dereliction. There are a number of serious problems with Section 103.

In its current form, Rule 11 authorizes federal courts to impose sanctions for pleadings, motions, and other steps that are taken for the purpose of harassment, are frivolous, are without evidentiary support, or are otherwise abusive. There is neither a mandatory finding nor mandatory sanctions. Prior to 1993, the rule provided for mandatory sanctions, but findings were made only upon the motion of an opposing party. The result was a large volume of collateral litigation. The Rule was changed in 1993 upon the recommendation of a nonpartisan advisory committee and after approval by the Supreme Court and the Congress. Those amendments to Rule 11 were designed, among other things, to reduce the collateral litigation by clarifying the rule's standards and removing the requirement of mandatory findings and mandatory sanctions will bring back a high level of collateral litigation in this area, a burden which the justice system can ill afford. Indeed, a major purpose of the proposed legislation is to reduce litigation.

Earlier drafts of the proposed legislation had included a "loser pays" provision, which was rejected by the Congress. The proposed legislation, by creating a presumption that the sanctions for violation of Rule 11 in connection with a plaintiff's complaint should be payment of all the legal fees and costs of the action, takes a significant step back in the direction of a "loser pays" rule.

While Section 103 permits the court to relieve counsel or a litigant from such draconian sanctions upon proof by the person seeking relief that the award would impose an unreasonable burden or would be unjust, or that the Rule 11 violation was de minimis, the threat that a hostile judge would impose sanctions that could wipe out a lawyer or litigant would have a chilling effect on even the most meritorious suits.

We believe that Rule 11 should remain in its current form, which accords substantial discretion to the parties in deciding whether to request sanctions and to the trial judge in tailoring the sanctions to the wrongdoing.

OTHER COMMENTS

Pleading Requirements

The pleading requirement regarding the defendants' state of mind is more demanding in the proposed legislation than in S. 240. The proposed legislation would require that in a private action for money damages where the plaintiff must show that the defendant acted with a particular state of mind, "the complaint shall, with respect to each act or omission alleged to violate this title, specifically allege facts giving rise to a strong inference that the defendant acted with the required state of mind."

This language is derived from the case law developed in the United States Court of Appeals for the Second Circuit, but it incompletely sets forth the Second Circuit standard. *See Shields v. Citytrust Bancorp., Inc.*, 25

[1] "Report on Private Securities Litigation Reform Legislation" (S. 1976, the Dodd-Domenici Bill), the Record of the Association of the Bar of the City of New York (the "Record"), Vol. 50, No. 1, Jan/Feb 1995 and "Report on Title II of H.R. 10 (HR 1058) "Reform of Private Securities Litigation," The Record, Vol. 50, No. 5, June, 1995.

F.3d 1124, 1128 (2d Cir. 1994). On the Senate floor, Senator Specter offered an amendment, which was adopted by the Senate and contained in S. 240, that was designed to adopt the complete Second Circuit standard used by the courts: a strong inference that the defendant acted with the required state of mind may be established either—

(A) by alleging facts to show that the defendant had both motive and opportunity to commit fraud; or

(B) by alleging facts that constitute strong circumstantial evidence of conscious misbehavior or recklessness by the defendant.

Without the complete Second Circuit standard, courts would be given no guidance by the proposed legislation as to how a plaintiff can plead the required state of mind without the benefit of access to the defendants' thought processes and internal documents. Moreover, elimination of the Specter amendment might constitute evidence of legislative intent that such standard may not be used by the courts for guidance.

Enforcement Actions Based On Aiding and Abetting

The proposed legislation ineffectively deals with the consequences of the Supreme Court's decision in the *Central Bank* case, in which the Court held that there is no implied civil liability for aiding and abetting fraudulent conduct in violation of Rule 10b–5 promulgated under the 1934 Act. While its holding related to private litigation, the reasoning of the Court in *Central Bank* has led some to question the SEC's authority to prosecute aiders and abettors.

The proposed legislation does not restore aiding and abetting liability in private actions. In cases where the issuer has gone bankrupt, even though others have acted knowingly and in spite of the proposed legislation's adoption of proportionate liability, injured investors may be left with no recourse under the federal securities laws. The proposed legislation confirms the SEC's authority to pursue aiding and abetting claims, which we support. But the SEC can only prevail if the defendant has "knowingly provide[ed] substantial assistance" to the primary wrongdoer, thereby probably barring the Commission from pursuing aiders and abettors who act recklessly.

As stated in our Report on S. 1976, we believe that this restriction on the ability of the Commission to act is unwise. Some recent notorious cases have involved professionals whose reckless conduct permitted unscrupulous but ultimately judgment-proof promoters to defraud the investing public of hundreds of millions of dollars. Since liability in SEC actions would be limited to aiders and abettors who know of the fraudulent conduct and render substantial assistance anyway, the legislation could provide an incentive to professionals to close their eyes to red flags suggesting the existence of fraud in order to avoid obtaining actual knowledge.

Very truly yours,

STEPHEN J. FRIEDMAN,
Chairman,
Committee on Securities Regulation.

EDWIN G. SCHALLERT,
Chairman,
Committee on Federal Courts.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Speaker, I thank the gentleman from Virginia, Mr. BLILEY, for yielding and commend him, my colleague and friend from Orange County, Mr. COX, and the bipartisan group in both bodies who have worked so hard to bring the securities litigation reform conference report to the floor. I join them in strong support of the conference report and urge the House to vote for it.

Early in March, the House began the process of enacting a much needed reform of our securities laws. Today's conference report builds on that effort and melds the best features of both the House and Senate-passed bills into a measure worthy of support.

As many of my colleagues have already stated, the future of our Nation's competitive advantage lies in our ability to develop products that are on the cutting edge of technology and research. The business ventures which undertake such activities are among the fastest growing segments of our economy. Indeed, they are the pride of our economy and, for many of us, the pride of our districts and States.

As a corporate lawyer, I am well aware that many of these business ventures are saddled by the costs and distractions of unwarranted and meritless lawsuits, filed when stock prices fluctuate for reasons beyond the control of business management. The consequences of these abusive suits are costly legal proceedings that, in virtually every 10b–5 case, lead to settlements. Despite the absence of wrongdoing by management or management's advisers, corporations are essentially forced to pay large sums to avoid even larger expenses associated with putting on a legal defense.

During our debate in March, for example, I cited several cases, including that of Sun Microsystems, the world's leading manufacture of computer work stations, Silicon Graphics of Mountain View, and Rykoff-Sexton of Los Angeles. They are only a few of the many examples of the huge waste in resources defending, as well as prosecuting, meritless cases.

Also targeted without regard to their actual culpability are deep pocket defendants, including accountants, underwriters, and individuals who may be covered by insurance. As a consequence, the increased costs they suffer are passed along to businesses. Indeed, American companies pay higher premiums for director and officers insurance. One high-technology company had its premiums increased from $29,000 per year for $2 million in coverage when it was privately held, to $450,000 per year for $5 million in coverage when it went public. Its Canadian competitor pays $40,000 for $4 million in coverage.

It is critical to remember that investors are on both sides of these lawsuits. For one side, the return on their investments is reduced by the costs borne by the securities industry generally and the company in which they invested.

On the other side, even where they are legitimate claims investors are inadequately compensated because, under the current scheme, lawyers have incentives to settle quickly and move on to the next case.

These costs have consequences. Companies targeted because of their volatility of their stock prices have resources diverted from research and development, new product development, and market expansion. Millions of dollars that could be used for productive business purposes are consumed by wasteful lawsuits. Jobs are lost or never created.

The conference report before us ends abusive practices and restores investor control over lawsuits. Most importantly, it removes the incentives for abusive lawsuits, and requires courts to sanction parties for frivolous or factually unsupported arguments and motions.

Mr. Speaker, if our Nation is to continue to compete in the global market and to excel in those technologies that improve our living standard and that of the world, we need to reform our securities litigation system. We need to ensure that small high-technology and emerging growth companies can devote their resources to research and product development and promotion, instead of paying for the ill-gotten gains derived from abusive lawsuits.

I encourage my colleagues to support H.R. 1058.

Mr. MARKEY. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. CONYERS], the ranking member on the Committee on the Judiciary.

Mr. CONYERS. Mr. Speaker, I thank the distinguished gentleman from Massachusetts for yielding me this time. As the distinguished gentleman from Michigan and dean of the House, Mr. DINGELL, has pointed out, this is classic special interest legislation of, for, and by special interest lobbyists. Among the many outrageous provisions of the legislation is the 3-year statute of limitations. Unless a victim brings suit within 3 years, that victim can be forever barred, even if circumstances prevented his or her knowledge of the cause of action. That could leave those who would rob our seniors and other investors laughing all the way to the bank.

Witness the Washington Public Power System nuclear reactor case. In that case, there was a highly complex scheme to defraud, relying on borrowed money, obscured by delayed construction, and eventually resulting in a massive bond default. A 3-year statutory bar in that case could have let the wrongdoers go scott free, because the discovery of the actual wrongdoing took years.

In the Prudential Securities case, in which over $1 billion was paid to bondholders, the settlement required an actual waiving of the statute of limitations. That tells us that, if anything,

the current law is already too burdensome for victims. Making it even more restrictive, as this measure proposes, is an outrage.

We also conveniently eliminate the civil RICO law that provides treble damages for securities fraud. It is a law that is continually relied on by our Nation's seniors and others who invest their life savings in retirement accounts only to have those accounts then stolen through fraud.

We create a safe harbor for misleading corporate statements about future investments which lure unsuspecting investors; in effect it's a license to lie. We also create immunization for all those wonderful middlemen in securities fraud schemes—lawyers, accountants, and brokers—who represented more than half of the legal judgments in the Keating scandal. We also create a wonderful new trick in the law, a loser pays provision, so that a fraud victim that dares sue a big corporation could end up paying the corporation's legal bill.

Then we eliminate joint and severe liability, just to further prevent full recovery for even more fraud victims—that is if victims can still bring suit after the civil RICO and statutory limitation bars. This is the biggest rip-off that we are perpetrating.

This is no longer about the crooks in the investment and securities fraud. This is about what we are going to do. Keep a straight face if you can, but I believe that the Members of this House can do a little better in protecting the needs of our seniors and average investors than that very distinguished other body.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. OXLEY].

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

Mr. Speaker, I rise in support of the conference report on securities litigation reform.

Legislation to curb abusive securities-fraud lawsuits was approved by veto-proof margins by both Houses of Congress earlier in the year.

The conference report before us takes a moderate approach to the problem of frivolous securities class-action lawsuits, also known as strike suits.

I would not suggest for a moment that all shareholder lawsuits are frivolous. Certainly, real cases of fraud do occur.

However, there is a collection of class-action lawyers out there who are filing meritless fraud suits against publicly traded companies, especially high-technology firms, whenever their stock prices fall.

A relatively small group of lawyers is responsible for the bulk of these suits, characterized by professional plaintiffs and victims on retainer. They have used the securities laws to win billions from corporations and their accountants.

Strike suits force American companies large and small to squander time and money defending unsubstantiated allegations. Even though 93 percent of these cases never go on trial, each lawsuit cost an average of 1,000 hours of management time and almost $700,000 in legal defense fees. The average settlement costs a company $8.6 million.

Meanwhile, defrauded mom and pop investors recover only 7 cents for every dollar lost in the market.

The reforms under consideration will return the focus of securities laws to their original purpose—protecting investors and and helping actual victims of fraud.

This legislation has been described as a boom for securities firms, accounting firms, and public companies. I might add that it is a boon for employees of those companies, as well as anyone who invests in them in the hope that their stock will go up, not down.

These reforms are long overdue. They're good for American business, they're good for American competitiveness, and they're good for American investors.

□ 1215

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Speaker, I thank the gentleman for yielding me time. There are few Members of this House, Mr. Speaker, who represent more of the financial community than I do in the communities in my New Jersey district. And so when this House originally considered securities reform, I thought it would make a real contribution. I was wrong.

There was an opportunity to deal with the abuses. Instead, we have raised an enormous new threat to the economy in the innovation and technology of our country. The American economy rests on the confidence of small family investors, retirees, and small business people who feel comfortable putting their life's savings in these markets, knowing if they are defrauded that they have recourse; that the little man and the big corporate leader have equal standing. Today, we break that balance and we raise the prospect that America, which uniquely has brought all Americans into its investment markets, can lose.

This can be done right. I rise, Mr. Speaker, in support of the motion to recommit, in the belief that this time, if we have a legitimate conference, where the decisions are made by the conferees and not before they are even named, we can have a better bill.

The examples are clear. This is weaker than the original bill written by the other body. The language of "knowingly made with a purpose and actual intent of misleading investors" was dropped. The one protection we had for the little investor, for our retirees in our districts, for our little businessmen, now has no recourse.

House language was developed to provide there be no duty on corporate insiders to update their predictions, even if they are found to be false, but that language survived.

Mr. Speaker, I advise Members that this is an important enough provision to do it right. Vote for the motion to recommit, and if it fails, defeat the bill. Let us do it right.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, I thank the chairman. Members, first of all, there is no motion to recommit. The Senate had that motion, and the Senate has already acted on the conference report. There will be a straight up or down vote on the conference report, and I rise in strong support of that vote in favor of the conference report.

There is a reason why a majority of the Democrats joined the majority of the Republicans in this House in passing this bill earlier this year. There is a reason why so many Democrats from California, who live in the high-tech communities, rise in support of this bill in this conference report. It is because this bill finally addresses a legal system out of control.

The gentlewoman from California, Ms. HARMAN, said it best. There are two sets of stockholder investors at risk here. On the one hand, there are stockholders who honestly believe they have been defrauded. This bill protects their right to sue and to collect if, in fact, there has been a fraud committed against them. There is another group of stockholders. They are the stockholders who are left with the company who gets sued. They are the stockholders that have to lose money because their company has to buy exorbitant insurance coverage to protect themselves from these strike suits.

If Members do not think it is high, let me cite one high-tech company which was paying $29,000 a year for $2 million worth of coverage. When they went public, their insurance immediately jumped to $450,000 a year for a $5 million policy. Their counterpart in Canada, their competition, pays only $40,000 a year for a similar policy. It is because of our legal system gone awry that insurance costs have risen so high because of these strike suits.

The investors in America's companies should not have to pay these exorbitant insurance costs and these strike suit legal costs. We should fix this system.

If Members do not think it is broke, let me cite one good example from California. A company in California was strike sued immediately when their stock prices changed. A lawyer in California brought a suit saying, oh, there must have been fraud, the price

of the stock dropped. And all the parties to the lawsuit, including the accountants in the office of the company, the board of directors, everyone had to go through an extensive period of a year of discovery.

It got so expensive, that in the interest of the shareholders, who still were invested in the company, they agreed to settle at 10 cents on the dollar, where 90 percent of these cases are settled. And so they settled it, because it was cheaper to pay the lawyers to go away than it was to continue fighting the lawsuit.

Guess what? Immediately thereafter another lawyer representing the stockholders who were still with the company brought another lawsuit against the company, alleging that it should not have paid anything to these lawyers for this frivolous lawsuit. They got sued for settling; they got sued in the firsthand. Danged if you do, danged if you don't.

The law creates that kind of awful situation where stockholders get burned on both ends. The legal profession benefits. We need to fix this law so stockholders are protected, not lawyers. I urge adoption of the conference report.

Mr. MARKEY. Mr. Speaker, can we get a recap of the time at this point?

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MARKEY] has 19½ minutes remaining and the gentleman from Virginia [Mr. BLILEY] has 17 minutes remaining.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. WYDEN], the Democratic nominee for the Senate.

Mr. WYDEN. Mr. Speaker, I thank my good friend from Massachusetts for his courtesy, and I would only say to my colleagues that there are two ways in America to reduce fraud and protect investors and consumers. We can do it through litigation, and under any circumstances this involves playing catchup ball after a fraud has been perpetrated; or we can detect and deter fraud up front, and that is what this legislation requires.

For the first time in America, under this bill, accountants would be affirmatively required to search for, attempt to detect fraud, and report it to management. If management did not correct it, it would then have to be passed on to Government regulators.

I am of the view, and we saw this under the leadership of the gentleman from Michigan [Mr. DINGELL] that had this requirement been in effect in America, Charles Keating could have been stopped in his tracks cold. Because in the Keating case, the auditors had the goods. And instead of reporting the fraud, they simply shrunk away.

The fraud reporting requirement in this legislation, in my view, provides an opportunity to change the psychology in corporate board rooms all across America. Because in the future, management will know that they cannot have an auditor in their pocket. They will know that an auditor has a legal responsibility to report fraud when this legislation is signed.

So I ask my colleagues to support the bill. It provides a chance to try a fresh approach. Litigation is appropriate where consumers are fleeced, but let us do more to prevent fraud up front by requiring the auditors to blow the whistle. That is what this legislation requires, and I thank my good friend for yielding me the time.

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume to say that I want to applaud the gentleman from Oregon and thank him for all his good work in the fraud section of this bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Speaker, I think something that has been pointed out previously but deserves to be pointed out again, is that this is a bipartisan bill in terms of over 50 percent of the Democrats supporting it.

In a sense, speaking to my Democratic colleagues, what I think is important for us to realize is that just because something is good for public corporations does not mean it is bad for America. I think that is something we need to understand as individuals, but also as a party as well.

If we talk about the specifics of this legislation, what occurs out there in the real world is that when a stock goes down, a company gets sued automatically, essentially. And there are professional plaintiffs out there that do this. The value added to the economy, to investors, to everyone in America of those lawsuits is negative. The effects are negative. The effects hurt America.

As a party, we care about jobs. As individuals and all Americans, we care about jobs. The effect of this, the existing system, is to hurt access to capital. Hurting access to capital hurts existing businesses, growth businesses, upstart businesses, which are really the major creators of wealth in new jobs in this country.

Mr. Speaker, in an era where we are competing in a world economy, to keep this shackle on us, especially when the value we are getting in terms of this focus of preventing fraud, and I think, as the gentleman from Oregon pointed out, this legislation, in terms of the real world, the real effect, will have a positive effect. This is not throwing out protections at all. That is a hyperbole that has been discussed on the floor.

When we look at the specifics of what this legislation does, both in terms of affirmative duties of accountants, but in terms of SEC regulations as well, it is that investors' protection is not strong. What is cut out in this bill is frivolous lawsuits that have cost investors and cost our economy across America untold adverse effects over the years.

Mr. Speaker, I rise today in support of the conference agreement on securities litigation reform.

Yesterday, the Senate overwhelmingly endorsed this proinvestor bill and today, I am confident that the House will echo its support with equal strength. Quite honestly, it behooves me that anyone who understands this bill could oppose it. It is a simple decision, a decision between stimulating growth or promoting frivolous, mercenary lawsuits.

For far too long, economic growth and shareholder returns have been stifled by a ring of legal shackles that pumps the pockets of a few at the expense of many.

This bill will right a terrible injustice: the abusive practice of hiring professional plaintiffs and holding other shareholders as pawns in meritless securities lawsuits.

This bill will restore power to real investors in securities lawsuits, changing the rules so that actual investors, not predatory lawyers, call the shots. This bill will give the Government tough new powers to prevent securities fraud and to punish such fraud when it does take place.

South Florida is home to a great number of dynamic enterprises—growth companies. For these growth companies, passage of H.R. 1058 is a high priority, because H.R. 1058 is a jobs bill. When this bill becomes law, the innovators in my district will be able to spend more resources and effort in creating new jobs, and waste less time confronting frivolous lawsuits.

There's a false notion that this bill weakens the law. The fact is, this bill strengthens the law. It will strengthen the integrity of the law. It will strengthen the people's respect for the law. It will do this by putting fraudulent legal schemes by predatory lawyers out of business. H.R. 1058 will strengthen our capabilities for combating fraud.

This is bipartisan legislation. The majority of Members of my party, the Democratic Party, in this Chamber today will vote for this legislation. Progressive Democrats who also may be called New Democrats—Democrats who want innovative businesses to flourish and create jobs—support this bill.

Mr. Speaker, America's capital markets grew to be the strongest in the world in no small part because of our legal system's honesty and integrity. Reforming securities litigation laws will correct an unfortunate flaw in our system and give it the full strength we need to stay competitive in the world. For the good of every American who invests in stock or a pension plan, I urge my colleagues to vote for this bill, and I urge the President to sign it.

Mr. MARKEY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Speaker, the time will not allow me to tell the story of Z Best Carpet. I would need 10 minutes, but I will do the best I can, because I understand the motivation for this bill. I understand the problems that the proponents of this bill raise, but I would be interested, and maybe the gentleman from California [Mr. COX],

at some point, or one of the other proponents of the bill, could explain for me why they needed to go as far as they went.

Why did the opponents of this want to immunize from liability a company that, with full knowledge, and with fraudulent intent, lies about their future prospects? Not makes a mistake, not makes a prediction which turns out to be wrong, not even is reckless in making a suggestion, but with full knowledge of the facts decides to lie about the future in order to attract investors, in order to drive up the stock, and in order to make ill-gotten gain.

That provision goes too far in this bill, and that alone should force the Members of this body to reject this conference report.

Z Best Carpet, a company started by a 20-year-old, just went bankrupt, after a guy who had a total con job, pretending to restore carpets, getting lawyers and accountants to certify what he was doing was real, having a public offering, putting out press releases with false statements, attracting tens of millions of dollars of investors, whose money was lost completely by virtue of this totally empty business. If this bill were in place with this provision that immunizes fraudulent statements about future predictions, where he would predict huge earnings based on the total phony statement of revenues that never existed, all the people who were involved in that future prediction would be immunized from liability.

The safe-harbor provisions and the recitals of potential problems in the future do not do anything to take away from the fact that he decided to put something in writing which he knew to be false, and that is wrong.

□ 1230

What happened here was a settlement was made. The investors recovered 55 cents on the dollar. If this bill were in place, they would have gotten nothing. I do not think that is right. I think in trying to deal with a serious problem, my colleagues have gone too far. I do hope that the body rejects this particular proposal.

Mr. COX of California. Mr. Speaker, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from California, but I will respond to the response, if the gentleman will make it short.

Mr. COX of California. Mr. Speaker, I am not sure I understood the qualification, but if the gentleman is yielding to me I would be pleased to respond to the question that he earlier raised.

Mr. Speaker, I have before me a letter from CALPERS, the California Public Employees' Retirement System, which as you know is the largest publicly funded retirement system in the country.

The SPEAKER pro tempore (Mr. LAHOOD). The time of the gentleman from California has expired.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Speaker, this is a comment by CALPERS, by our publicly funded retirement system in California, which takes care of the retirement assets of all of our workers. They are very concerned about the status quo, because right now there is not sufficient disclosure for them to make decisions about how to invest. They want to make sure that when a company tries to help them with what is called forward-looking information, that they do not risk a lawsuit.

Mr. Speaker, it is impossible, if we are being fair in our definition of "fraud," to say that when we are talking about future events someone did it fraudulently. Existing law requires that there be statements.

Mr. BERMAN. Mr. Speaker, will the gentleman yield?

Mr. COX of California. I yield to the gentleman from California.

Mr. BERMAN. Mr. Speaker, I want to protect forward-looking statements and I want to protect that ability to attract investors. I am not asking that they be necessarily accurate all the time, or right, or correct. I am saying that when they know what they are saying in the future that their nonexistent revenue will grow by 30 percent each year, that that should not be immunized.

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

Mr. Speaker, the first and perhaps the most important overall criticism of this bill is it severely undercuts the deterrent function of the laws against fraud. Those are the first protections that the marketplace provides to investors to induce them into the marketplace so that, in fact, there are robust, long-term levels of investment in our economy.

Let me give the specific concerns which we have about this bill. It is absolutely unbelievable. First, the new safe harbor provision. We should call it a safe ocean. By the way, the SEC is going to need a two-ocean navy to police this safe ocean which is constructed in this bill.

It confers immunity from liability even for intentionally fraudulent forward-looking statements, intentional written misrepresentations about forward-looking information. Even if for the express purpose of defrauding investors, it may be entirely immunized from liability as long as they are accompanied by meaningful cautionary language.

Second, the new safe harbor, safe ocean, may rescind the duty to update past projections, even if a company learns that they were false and misleading. A company's duty to provide updated information if it learns that a previous forward-looking statement is false may be eliminated based on the language in the draft conference report.

If so, the company would be free to leave false information in the public domain and to withhold, to withhold accurate, updated information even if its purpose is to deceive or mislead investors.

Third, a new provision invites the courts to legalize reckless conduct. The conference report fails to codify the recklessness standard used by the Federal courts and expressly instructs the courts not to infer from the legislative history of this bill any congressional intent to endorse recklessness as a liability standard.

The conference report, furthermore, eliminates the SEC's ability to prosecute those who recklessly aid and abet fraud. The conference report fails to restore any form of civil liability for those who aid and abet fraud.

The conference report fails to restore a reasonable standard of limitations, only 3 years. It took years, many more than 3 years, to find out what frauds were perpetrated under Garn-St Germain that passed this House in 1981. We were learning in 1987 and 1988 and 1989. We are telling poor, innocent investors if they cannot find out what these malefactors are engaged in in 3 years, we are sorry, they have lost their life savings. That is wrong. It is an unreasonable number and the S&L crisis instructs us that it is wrong. We should do better by the investors of this country.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. BLILEY] has 14 minutes remaining, and the gentleman from Massachusetts [Mr. MARKEY] has 11½ minutes remaining.

Mr. BLILEY. Do we have the right to close, Mr. Speaker?

The SPEAKER pro tempore. The gentleman is correct.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Speaker, I rise in strong support of the conference report on securities litigation reform and as a member of the conference committee, I urge my colleagues to vote in favor of this revised and improved bipartisan legislation.

Anyone looking at the growing number of strike suits being brought against American companies today can only conclude that our legal system needs repair. This conference report provides the necessary reforms to address and remedy these problems.

As the Representative from Silicon Valley, I know that businesses in my region place themselves in of two categories: those that have been sued for securities fraud and those that will be. The vast majority have already been sued—resulting in hundreds of millions of dollars in needless expenses.

This legislation provides companies with relief, but not a blank check. The

right of investors to sue in cases of actual fraud is protected by this bill.

It does this by eliminating fishing expedition lawsuits, ending the use of professional plaintiffs, stopping the practice of offering bounties to plaintiffs for signing their names to documents, and allowing companies to make forward-looking statements without liability as long as these statements are accompanied by specific warnings that their predictions may not come true.

Further, this legislation has evolved greatly since we considered this issue last March. On nearly every point of contention, it has been modified to meet the concerns of the Senate, the SEC, and the administration to protect the consumers from actual fraud.

Mr. Speaker, the securities litigation reform conference report is good for investors and businesses alike.

I urge all my colleagues to support this important bipartisan legislation.

Mr. MARKEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I rise to compliment the work of Timothy Forde and Consuela Washington, who were the two counsels for the minority who worked on this bill throughout the course of this year. They developed an alternative bill which dealt fully with all of the frivolous lawsuits that had been brought over the past decade and would have cured the problem. I just want to recognize their good work at this time, and also mention the work of Jeffrey Duncan and Alan Roth and their help on this.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Speaker, a little earlier this afternoon, a previous speaker repeated a myth that I think is widely characterized, or could be widely characterized, as a scare tactic. Sometimes we are prone to repeat things over and over again in hopes that either we ourselves start to believe them, or that our colleagues will be scared into believing them.

Mr. Speaker, what that speaker said is that lawsuits automatically are filed when a stock price falls 10 or 20 percent, and that is just simply not the truth.

Three recent detailed studies document the falseness of this argument. In one, a comparison of the number of stock price drops of 10 percent or more in 1 day between the years of 1986 and 1992, and the number of suits filed against those companies whose stocks dropped revealed that only 2.8 percent of those companies ever were sued.

The second study was done by Baruch Lev of the University of California at Berkeley. It was completed in August 1994; in it, a test sample of 589 cases of large stock price declines following a quarter earnings announcement. Extensive research by Lev has revealed that only 20 lawsuits amounting to 3.4 percent of the sample ever were sued.

As Lev noted in his finding, it was hardly consistent with the widespread belief that shareholder litigations are automatically triggered by large stock price declines.

Lev's study was consistent with a third study by academics at the University of Chicago. This was back in March 1993. That study took in 51 companies that sustained 20 percent or greater declines in earnings or sales and that revealed that only one company was the target of a shareholder lawsuit.

So, I will say, my colleagues can keep repeating these myths, they can hope that they can convince themselves and their colleagues to believe them, but the fact of the matter is when we look at these academic studies that it is simply not true, and this conference report should be voted down.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. WHITE].

Mr. WHITE. Mr. Speaker, I would like to just respond to the previous speaker, because I can tell my colleagues that 11 months ago I was a lawyer in private practice in Seattle. Anybody who has been practicing law, or involved in this area in the real world recently, knows for sure that this stuff happens.

Mr. Speaker, I can tell my colleagues that there are lawyers in Seattle, WA, who have computer hookups into the stock market and who look at those carefully to decide who to sue. I can tell my colleagues that, frankly, we are in a system right now that anybody who is familiar with it knows it is badly broken and needs to be fixed.

Mr. Speaker, let me say a couple of words about why this system as it works now is so bad, because it is really counterproductive to the very goals we are trying to achieve. The current system prevents people from disclosing information investors would like to have because they can never be sure that they will not be sued for it.

It hurts small companies, because those are the ones that have volatile stock prices. Those are just the companies that need to continue to prosper and who can least afford the cost of a big lawsuit. The worst thing, the thing that bothers me most about the current state of the law, is that it is turned into an elaborate game of chance, not based on right or wrong or justice or injustice, but based on a system that allows lawyers to extort companies and force them to go through a long procedure, even if they are totally innocent, before they can be proven to be innocent.

Mr. Speaker, this law is badly needed. It frankly does not go far enough, but it is a step in the right direction. I urge all my colleagues to support the conference report.

Mr. MARKEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. GONZALEZ], the ranking minority member of the Committee on Banking and Financial Services.

Mr. GONZALEZ. Mr. Speaker, as has been emphasized at different times during this last year, particularly, legislation that jeopardizes the rights of honest investors will have a number of very negative consequences, of course.

First, creating substantial obstacles to legitimate lawsuits will significantly diminish deterrence, arguably the most important function of the antifraud provisions of the securities laws. Of course, through the years, and my membership on the Committee on Banking and Financial Services since I came here in 1961, we have faced this repeatedly.

Second, if deterrence is, in fact, diminished, then we are likely to see a significant increase in deceitful and dishonest activity in the market. We have witnessed that in the past.

□ 1245

It is human nature to do what you can and get away with it. If people know that they are unlikely to be caught or to be held accountable for their actions, the temptation is for many to push the frontiers of what they can get away with. This is especially true when the rewards can be immense. Indeed, this is why each of us supports reforms of the procedures governing securities class action suits.

The argument that plaintiffs' lawyers will push the frontiers of what they can get away with if there are not proper mechanisms to hold them accountable for their actions does have merit. But plaintiffs' lawyers are not endowed with any qualities that we know of that makes them succumb to temptation more quickly or frequently than anyone else. And nowhere are the rewards as tempting as they are in the field of securities investments where companies, corporate executives, and financial professionals can potentially make immense profits merely by shading or withholding the truth.

In fact, there have been so many massive financial frauds and scandals related to securities in recent years that they can be recalled by reference to a single name, Prudential, Salomon Brothers, Kidder Peabody, Drexel, the Washington Public Power Supply System, the famous or infamous Lincoln Savings, PharMor, Miniscribe, Centrust. All of these loom large in our memories or some of the older ones. To that list we can now add Orange County, Barings, Daiwa, New Era, and the Common Fund. It is remarkable that investor confidence in our markets has not been shaken by these events.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. LOFGREN].

Ms. LOFGREN. Mr. Speaker, I rise in support of this legislation. When the

bill came before the House last March, I was actually torn. The legislation brought before us then overreacted to what was a very real problem.

I represent an area in California, Silicon Valley, that is home to numerous high-technology companies. These firms are high-growth, entrepreneurial companies with cutting edge new ideas. They are companies of the future. Due to the changeable nature of high-technology industries, stock prices for enterprises can be somewhat volatile.

Current law allows these price fluctuations to form the basis for lawsuits even when no real fraud has occurred. Our local newspaper has found that 19 of the 30 largest companies in Silicon Valley have fallen prey to securities suits. Most of the others expect to be sued soon. Many high-technology companies accordingly now refuse to provide any information about their future performance in order to avoid liability, which deprives all investors of important information.

This is a problem for our economy. Although I was concerned about the original House version of this bill, I am very pleased with the conference report, as it resolves most of the issues I saw at that time.

Unlike the House passed bill, the conference bill has no loser-pay provision, preserves joint and several liability, adopts fair changes to pleading requirements, which are already the law in one Federal circuit, and codifies what I believe is a reasonable safe harbor provision that has already been endorsed by the Securities and Exchange Commission.

Mr. Speaker, I have opposed most of the extreme litigation reform measures pushed through this Congress, but this bill is quite different from those other proposals.

Let me address one final point. This bill is not perfect. It does not address some issues that could have been addressed such as the issues of the statute of limitations and civil liability for aiding and abetting fraud. Those problems, if they are problems, can, if need be, be dealt with in subsequent legislation. But this bill does not create those problems. It does not solve those problems. It is neutral on those problems and is not a valid reason for not endorsing this very moderate, sensible bill that I hope our President will sign. I urge my colleagues to vote for it.

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

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE].

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

Mr. Speaker, the engine of economic growth in this country is under assault from some lawyers who give the term "gone fishing" an entirely new meaning. These lawyers are trolling for easy money won from vulnerable companies whose only crime is being subject to a volatile market.

Small entrepreneurial high-technology companies in Massachusetts are being hit with strike suits which seek damages for a loss in stock value. Since going public, recently a number of companies in Massachusetts have been subject to not just one but two and three such suits. One was filed less than 24 hours after this company disclosed quarterly earnings lower than the previous quarter.

This is not unusual. Hundreds of suits are filed by lawyers and professional plaintiffs who prey on small high-technology firms because their stocks tend to be more volatile and they are more inclined to settle. In fact, between 1989 and 1993, 61 percent of all strike suits were brought against companies with less than $500 million in annual sales and 33 percent against companies with less than $100 million in sales.

The problem is critical because these high-technology companies are the innovators where many of our cutting edge technologies are being discovered. Biotechnology companies, for example, in my district are developing treatments for cancer and AIDS. Strike suits are jeopardizing the development of those life saving products by holding companies hostage and forcing them to divert important resources to fighting these suits.

I want to commend the gentleman from Virginia [Mr. BLILEY], and the gentleman from Texas [Mr. FIELDS], for bringing this bill forward. I think it is a step in the right direction. It is going to help our country. It is going to help our entrepreneurial sector. I think it should be passed, and I think it should be supported by everyone in this House.

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, first of all, I would like to thank the long and hard efforts of the majority staff, David Cavicke, Linda Rich, Brian McCullough, and Ben Cohen.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members have five legislative days to revise and extend their remarks and include extraneous material on the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

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

Mr. MARKEY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, just so that all who are listening can understand, the cases which we are talking about at this time constitute one-tenth of 1 percent of all cases brought in Federal district court, approximately 125 companies a year.

Yes; we agree that frivolous suits have to be dealt with and we can construct a guaranteed procedural safeguard to ensure that they are not brought. But what we have here is a specific attempt to ensure that this one category is stigmatized but all of the other frivolous lawsuits are not dealt with; 125 companies sued under this, tens of thousands of companies suing other companies, mostly for breach of contract.

Listen to this: Here is a quote from a small high technology company in its prospectus. Here is what it says: "Litigation in the software development industry has increasingly been used as a competitive tactic, both by established companies seeking to protect their existing position and by emerging companies attempting to gain access to the market."

Imagine that, companies suing other companies trying to keep them off balance. Using the courts for that purpose, Pennzoil versus Texaco, Polaroid versus Kodak, tens of thousands of cases a year. Why do we not apply the very same procedural and substantive test for frivolousness to those cases? If our courts are being clogged, use them for those cases as well. They are the same lawyers, the very same lawyers giving the very same advice, but now in companies suing companies.

I will tell my colleagues why they do not want it, because businesses want to preserve the right to bring frivolous cases against other businesses. They just do not want to be sued by investors, investors from their very own company.

This is what the debate is all about, not whether or not frivolous cases should be dealt with. They should be, but whether or not in fact we are dealing with the problem that exists in the clogged courthouses of this country. This bill deals with an ice cube, not the iceberg which is out there of frivolous lawsuits which should be dealt with. This bill should be defeated.

Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. FARR].

[Mr. FARR of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. MARKEY. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. DINGELL], ranking Democrat on the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I commend and thank my dear friend, the gentleman from Massachusetts [Mr. MARKEY] for the outstanding job he has done on this legislation.

With foresight that would impress Nostradamus, the legendary counsel to the Senate Banking Committee, Ferdinand Pecora, wrote a book in the 1930's

to remind the public "what Wall Street was like before Uncle Sam stationed a policeman at its corner, lest, in time to come, some attempt be made to abolish the post."

Percora went on to describe "a widespread repudiation of old-fashioned standards of honesty and fair dealing in the creation and sale of securities." William O. Douglas, who went on to serve as the second SEC Chairman and later as a Supreme Court Justice, was more blunt: "Big business behaved like bandits raiding a frontier."

Because the bill we are about to vote on goes far beyond what is needed to provide a reasonable remedy to the problem of frivolous lawsuits, we could be inadvertently opening the door to an era that will remind some of a time we said would never be repeated.

There is no question that when President Roosevelt signed the statutes we are so profoundly altering here today, he was convinced he was closing the door on the problems that had so painfully been revealed by the 1929 crash. FDR said that "the merchandise of securities is really traffic in the economic and social welfare of our people. Such traffic demands the utmost good faith and fair dealing on the part of those engaged in it. If the country is to flourish, capital must be invested in enterprise. But those who seek to draw upon other people's money must by wholly candid regarding the facts on which the investor's judgment is based."

I wonder how many of the Members who will be voting here in just a few minutes know about any of this. The Speaker reminds us all to pay attention to the lessons of history, but in the midst of the longest uninterrupted bull market of the century, it may be easy to wash away memories of the catastrophic economic and market conditions that gave rise to our securities laws. But that's a grave mistake. Because then you would be disregarding the fact that between 1929 and 1932, the value of all stocks listed on the NYSE shrank by 83 percent, and that half of all the stock sold to investors from 1920 to 1933 turned out to be totally worthless.

The bill before us simply goes too far.

There is an expression that says that a fanatic is someone who, when he has lost sight of his objective redoubles his efforts. This legislation suffers from that quality.

I am no rival for Nostradamus, but I worry that this bill is one we may come to regret deeply within the next 3 to 5 years. We have passed well-intended but disastrous legislation in the past. The names Garn, St Germain, Smoot and Hawley may remind you.

This bill is going to do for the securities industry and for the investors what the names Garn and St Germain did for the depositors and for the stockholders and for the savings and loan industry. It is also going to have a factor akin to Smoot-Hawley in the field of trade.

I urge my colleagues, do not let your name be associated with this mistake. Listen to reason and demonstrate that this bill can and should be improved, and you can do that only in one way, and that is by voting no.

Remember the great scandals of recent history, all of which would have received an immunity bath for a large part of the participants, particularly those who were aided and abetted by this particular legislation: Orange County, Boesky, Milken, Dennis Levine, Keating, Prudential Securities, and the Common Fund.

I would also urge Members to take a look just at the safe harbor provision. Never before in my memory has a legislation body given immunity bath not only to people who participated in wrongdoing but, worse than that, to people who knowingly, actively, willingly, and enthusiastically permitted, participated in the generation of fraudulent documents and in the active participation of fraudulent misbehavior in the securities market. I urge my colleagues to vote no on this conference report. The bill is a bad one. It should be defeated.

□ 1300

Mr. BLILEY. Mr. Speaker, it gives me great pleasure to yield the balance of my time to the gentleman from California [Mr. COX] who has put an enormous amount of work on this bill and done so much to bring us to this point.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California is recognized for 6 minutes.

Mr. COX of California. Mr. Speaker, I thank the distinguished chairman of the full committee, whose leadership has in fact brought us to this point, for yielding me this time.

Mr. Speaker, I would like to draw us back a bit to consider why we are here. The purpose of our securities laws, after all, as enacted in 1933 and 1934 in particular, I mention to the former chairman of the full committee, is to protect investors and to maintain the confidence of the public at large in our markets so that we can increase our national savings, our capital formation, and our investment for the benefit of all Americans.

Investors today are not protected from crooks and swindlers who seek to line their own pockets by terrorizing honest men and women through the device of a strike suit. They are literally using, these crooks and swindlers, our Nation's securities law, to undermine confidence in our markets, to attack investors, who are the victims of their extortion.

That, over and over again, has been what happened when investors found themselves targeted for extortion by abusive and manipulative lawsuits. There is no relief for the victims of these fraudulent lawsuits at present. The investors are cheated, always. In every case they are the ones who are made to pay.

Now, it is true that the same people whose financial self-interest is about to be regulated in this important legislation have lied about this bill. They have lied about its effects, about its purpose. They have spent millions of dollars in order to defeat the regulation. They are not forgiven for this, it is not a forgivable act, but it is predictable.

Let us escape from the hyperbole and focus on what this bill does. It bars professional plaintiffs. We have heard testimony in one case, a lead plaintiff had appeared in over 300 lawsuits. The judge said this surely must be the unluckiest investor in the world. Another man over 75, another plaintiff over 200 times, bringing suits of this kind. We ban attorney conflicts of interest so people who are purportedly represented by class action lawyers, even though they may not know they themselves are members of the class, will be taken seriously as the client. One strike suit lawyer rather famously said "I have the best practice in the world. I have no clients." Well, now they will. We mandate in this bill full disclosure to the investors, to plaintiffs in the class action lawsuit, what are the terms of any proposed settlement, so that the lawyer's conflict of interest will not disadvantage them, so that routinely we will not have lawyers getting millions of dollars while the investors get but pennies on the dollar.

More than anything else, we want to protect our free enterprise economy from this kind of predation. In my district in Southern California, there is a company that has I think experienced this as badly as anyone else, the problems of the strike suit. The company in Rainbow Technologies. They make a software key that prevents piracy of software. It is a fundamental foundation of the entire software industry.

They faced one of these suits 2 years ago at Christmastime. In fact one of the directors was served on Christmas Eve. All the employees were terrorized, there was a great deal of bad press. I have some of it here: "Software maker insiders accused of investor fraud." In fact, the lawsuit itself was filed with reckless disregard of the truth. These were fraudulent claims made against honest people. The employees, the honest people who worked for this company, were completely demoralized.

But it was worse than that. It was worse than all of the money that these people had to spend to vindicate themselves. Their efforts to obtain a qualified outside director fell through. They have to date been forced to drop their directors and officers liability insurance. The kinds of damage that this company suffered, they won their case,

it went away, are of no interest to the lawyers who recklessly filed the lawsuit. The chief architect of the lawsuit was quoted in paper saying "We dropped the suit. That is how the system is supposed to work." But getting away with this kind of damage to honest people is not the way the system should work.

Alliance Pharmaceuticals in San Diego, CA, was sued 24 hours after announcing merely a delay in new product development. They make a miracle drug that can help as many as 80,000 premature babies every year whose lungs are not yet formed enough to breathe air.

In a television report about this company and its product, we learned from a mother of a baby who was on the verge of death that she prayed, "Dear God, please save our baby," and God did.

The agent of this miracle was Alliance Pharmaceuticals. The company came through with the medication I described which could be available for 80,000 kids nationwide. The mother said, "I just wish everyone could have been in that room to see the joy and excitement on everybody's faces. A baby who was about to die, made a 180 degree turnaround." Yet this company too was victimized by a baseless suit, for which there was no recompense.

We want to make sure that in the future the people, the honest men and women in America who are helping us advance, that these people have protection against this kind of suit, and that is why this legislation is supported by Democrats and Republicans, by the Washington Post, by the economists. It is bipartisan, it is enormously popular, it is much needed, and I thank the chairman for bringing it to the floor.

Mr. BILBRAY. Mr. Speaker, I rise in support of the conference report. I want to make a few facts clear to my colleagues. This conference report helps correct the injustices now brought by abusive strike suits, and restores a measure of fairness and sanity to our judicial system.

Right now, American investors, consumers, and taxpayers are being taken to the cleaners by those who exploit the system for their benefit, not that of the little guy.

A number of my colleagues have made statements that somehow this bill will pave the way for scoundrels and rascals to plunder innocent investors. Although I am only a freshman, let me assure these colleagues, who have been here longer than I, that the scoundrels and rascals are plundering investors right now. Without this bill, they will continue to do so.

The strike suits that are filed by these rascals have the effect of hindering needed scientific research, stalling economic growth, and wasting time and taxpayer dollars within our judicial system.

Strike suits in my San Diego district have forced small high-technology and biotechnology firms to devote scarce time and resources to questionable trial proceedings, rather than focusing on research and development for a drug or device which could help improve the quality of life for the ill or elderly.

The investor and consumer is also hurt by these suits, because they destroy any incentive for firms to voluntarily make forward-looking information available, on which investors rely to make their own decisions.

Mr. Speaker, this conference report is absolutely essential to my district, and my State of California. It is essential for the little guy in our society; the small investor, the small businessman, and patients and consumers. We should all support this bill, and send it to the President immediately to be signed into law.

Mr. DEFAZIO. Mr. Speaker, I strongly oppose the securities litigation conference report.

The laws governing securities litigation can certainly stand to be improved, but the language of this conference report does much more harm than good. This legislation—written by and for the large securities firms—is antismall investor and antiworking family.

The conference report reduces consumers protection. An investors ability and right to sue unscrupulous securities firms should not be stifled or circumscribed by Congress. For example, the language includes a sweeping loser-pays provision that will make it extremely difficult for anyone without a multimillion-dollar trust fund to challenge a large corporation in court.

Supporters of this legislation claim that there is an explosion of frivolous suits. The fact is that the number of securities class action suits has shrunk over the past 20 years. During the last several years, suits have been filed against only 120 companies annually—out of over 14,000 public corporations reporting to the SEC.

I cannot support this legislation. This conference report goes against the interests of working people and small investors. I sincerely hope that the President will veto this legislation so that Congress can then enact true reform of our Nation's securities litigation laws.

Miss COLLINS of Michigan. Mr. Speaker, I rise in opposition to H.R. 1058, the so-called Securities Litigation Reform Act. This legislation actually weakens Federal securities fraud laws, and is just another example of the majority in this Congress trying to reduce the penalties for certain kinds of crimes committed by their wealthy supporters while continuing to maintain or increase discriminatory penalties for other kinds of crimes more commonly resorted to by poor people.

In addition, I have received hundreds of letters from State and local officials, mayors, municipal and county treasurers and finance officers representing an extraordinary bipartisan national consensus that the pending measure would imperil the ability of public officials to protect billions of dollars of taxpayer moneys in short-term investments and pension funds that have been entrusted to them. Many of these officials are both issuers of municipal bonds and investors of taxpayer money. In other words, they can be both plaintiffs or defendants in securities fraud class action lawsuits. They have joined with me to oppose this legislation because it will make it nearly impossible to recover taxpayer losses due to fraud, particularly if something like the Orange County fiscal crisis occurs elsewhere in the country.

Mr. Speaker, I am opposed to this discriminatory measure.

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO,

Washington, DC, December 4, 1995.

DEAR REPRESENTATIVE: On behalf of the 1.3 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing to express our strong opposition to the conference agreement on H.R. 1058, the Securities Litigation Reform Act of 1995.

This legislation would deny important rights which now protect consumers, stockholders, and pension plans from securities fraud. It would create new and unfair pleading and burden of proof requirements for victims, and it calls for the adoption of the so-called English Rule which unjustly requires the loser of a law suit to pay the defendant's court costs. We believe these changes discriminate against lower and middle income citizens and would severely limit justified litigation, thus acting to lessen deterrence to securities fraud.

Moreover, we are concerned that this legislation would have an adverse impact on public employee pension systems. One needs only to look to Orange County, California as an example of a case where alleged securities fraud has resulted in the loss of employee retirement funds. If this legislation is adopted, it could limit the ability of those who have been wronged to recover their full damages.

We ask that you oppose the conference agreement on H.R. 1058.

Sincerely,

CHARLES M. LOVELESS,
Director of Legislation.

Mr. FAZIO of California. Mr. Speaker, let's face it. The current securities litigation laws leave companies wide open to predatory or frivolous lawsuits. The present situation is a virtual gold mine for class action attorneys who actively seek to put together lawsuits out of unforseeable investor losses. Companies can be sued anytime the value of their stock drops. The cost of defending against these meritless actions often forces settlement agreements as a means to an end. Not only are the companies at risk, but those serving as financial advisors are also on the hook as well.

This comes with a high cost. Over 53 percent of the high-technology companies in California's Silicon Valley have been sued. Public perception of companies with high short-term capital needs and potentially high long-term payoffs is being undermined. Investor confidence is lost, and companies remain vulnerable when, despite their best efforts, they do not do as well as they predicted.

I believe H.R. 1058 is an important step toward protecting companies and their shareholders from the costs of frivolous and downright predatory security lawsuits. It restores balance to the legal system. I have also asked the President to sign this compromise bill this year so these reforms are not further delayed. Securities litigation reform is needed now.

Mr. BLILEY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

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

Mr. MARKEY. 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 320, nays 102, answered "present" 1, not voting 9, as follows:

[Roll No. 839]

YEAS—320

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (TX)
Flake
Flanagan
Foley
Forbes
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Luther
Maloney
Manton
Manzullo
Martini
Matsui
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Metcalf
Meyers
Mica
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Porter
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Rose
Roth
Roukema
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Torres
Towns
Traficant
Upton
Vento
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—102

Abercrombie
Baldacci
Becerra
Bellenson
Berman
Bevill
Bonior
Borski
Brown (FL)
Bryant (TX)
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
de la Garza
Dellums
Dicks
Dingell
Dixon
Doggett
Durbin
Engel
Evans
Fattah
Fields (LA)
Filner
Foglietta
Ford
Gephardt
Gibbons
Gonzalez
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hilliard
Hinchey
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kildee
Klink
Lantos
Levin
Lewis (GA)
Lipinski
Markey
Martinez
Mascara
McDermott
McKinney
Meek
Menendez
Mfume
Miller (CA)
Mink
Moakley
Mollohan
Nadler
Oberstar
Obey
Olver
Owens
Pastor
Payne (NJ)
Pomeroy
Poshard
Rahall
Rangel
Rivers
Roybal-Allard
Sanders
Schroeder
Scott
Serrano
Skaggs
Stark
Studds
Stupak
Taylor (MS)
Thompson
Thurman
Torricelli
Velazquez
Volkmer
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Yates

ANSWERED "PRESENT"—1

Lowey

NOT VOTING—9

Chapman
DeFazio
Fowler
Parker
Portman
Ros-Lehtinen
Stokes
Tucker
Wilson

□ 1329

The Clerk announced the following pairs:

On this vote:

Mr. Parker for, with Mr. DeFazio against.

Mr. Portman for, with Mr. Stokes against.

Mrs. CHENOWETH changed her vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PARKER. Mr. Speaker, on rollcall No. 839, I was unavoidably detained. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. PORTMAN. Mr. Speaker, on rollcall No. 839, I was unavoidably detained. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. STOKES. Mr. Speaker, during rollcall No. 839 on H.R. 1058 I was unavoidably detained. Had I been present I would have voted "nay."

PERSONAL EXPLANATION

Mrs. FOWLER. Mr. Speaker, due to a death in the family, I was not present for rollcall vote No. 839. Had I been present I would have voted "yea."

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1963

Mr. KLECZKA. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 1963.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REREFERRAL OF H.R. 103 TO COMMITTEE ON THE BUDGET

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that the bill, H.R. 103, which was improperly referred to the Committee on Government Reform and Oversight, be rereferred to the Committee on the Budget as the primary committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

DISCHARGING COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT AND REREFERRAL OF H.R. 564 TO CERTAIN STANDING COMMITTEES

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform and Oversight be discharged from the consideration of the bill, H.R. 564, which was misreferred, and that H.R. 564 be rereferred to the Committee on the Budget as the primary committee and, in addition, to the Committee on Transportation and Infrastructure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DISCHARGING COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT AND REREFERRAL OF H.R. 842 TO CERTAIN STANDING COMMITTEES

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform and Oversight be discharged from consideration of the bill, H.R. 842, which was improperly referred, and that H.R. 842 be rereferred to the Committee on Transportation and Infrastructure as the primary committee and, in addition, to the Committee on the Budget.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MARITIME SECURITY ACT OF 1995

Mr. QUILLEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 287 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 287

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 1350) to amend the Merchant Marine Act, 1936 to revitalize the United States-flag merchant marine, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on National Security. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on National Security now printed in the bill. Each section shall be considered as read. Before consideration of any other amendment, it shall be in order without intervention of any point of order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution. That amendment may be offered only by the chairman of the Committee on National Security or his designee, shall be considered as read, may amend portions of the bill not yet read for amendment, shall be debatable for ten minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. During further consideration of the bill for amendment, the chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. QUILLEN] is recognized for 1 hour.

Mr. QUILLEN. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the distinguished ranking member of the Committee on Rules, my good friend, the gentleman from Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

AMENDMENT OFFERED BY MR. QUILLEN

Mr. Speaker, I ask unanimous consent that House Resolution 287 be amended at page 2, line 19, by striking "10 minutes" and inserting "20 minutes." The Committee on Rules approved 20 minutes of debate on the manager's amendment, but the resolution erroneously only provides for 10 minutes of debate.

I understand that the minority has been consulted on this matter and that there is no objection to the unanimous-consent request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. QUILLEN:

Page 2, line 19: Strike out "ten minutes" and insert "20 minutes".

Mr. QUILLEN. Mr. Speaker, House Resolution 287 is an open rule providing for the consideration of H.R. 1350, the Maritime Security Act of 1995. The rule provides 1 hour of general debate divided equally between the chairman and ranking minority member of the Committee on National Security, and makes in order as an original bill for the purpose of amendment the committee amendment in the nature of a substitute, with each section considered as read.

Under the rule, it shall first be in order to consider an amendment offered by the chairman of the National Security Committee or his designee. Consistent with the unanimous-consent request, such amendment shall be debatable for 20 minutes equally divided between a proponent and an opponent, and shall not be subject to amendment or demand for division of the question.

Members who have preprinted their amendments in the CONGRESSIONAL RECORD prior to consideration may be given priority in recognition, and the rule provides one motion to recommit with or without instructions.

Mr. Speaker, I proudly served during World War II aboard the aircraft carrier *Antietam*. Back then the United States had the largest commercial, privately owned merchant shipping fleet in the world. Now we only rank 16th. Complying with Federal laws and Coast Guard requirements have resulted in higher operating costs for U.S.-flag carriers, and as a result there are less than 150 U.S.-flagged vessels. It is outrageous that we've let our merchant marine fleet diminish to this point.

The Maritime Security Act will ensure the availability of a U.S. merchant marine fleet crewed by U.S. merchant seaman to provide sealift capacity for wartime or national emergencies.

Without passage of this bill, the United States will have to rely on foreign-flag shipping to conduct foreign commerce and for any future military operations. We cannot stand by and allow this to happen. The Maritime Security Act will preserve a viable U.S.-flag merchant marine and domestic shipbuilding industry by creating new commercial opportunities for American shipbuilders and streamlining the regulatory process.

Mr. Speaker, I commend the National Security Committee for bringing forth this bipartisan bill. It's taken almost 10 years for the Congress to enact a comprehensive bill to revitalize our sinking maritime program.

The future of our merchant marine fleet is at stake. We owe it to our country to see that all of our defense components—including our sealift capabilities—are second to none.

I urge my colleagues to vote "yes" on this open rule and to support this bill.

Mr. Speaker, I include for the RECORD the following material from the Committee on Rules:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of December 1, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	56	66
Modified Closed [3]	49	47	20	24

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS—Continued

[As of December 1, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Closed[4]	9	9	9	10
Total	104	100	85	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of December 1, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 261 (11/9/95)	C	H.J. Res. 115	Cont. Resolution	A: 223–182 (11/10/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of December 1, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 229–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

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

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentleman from Tennessee [Mr. QUILLEN], my colleague and dear friend, for yielding me the customary 30 minutes.

Mr. Speaker, once again I am happy to see my Republican colleagues bringing an open rule to the floor.

This open rule makes in order a bipartisan manager's amendment which will be offered by Mr. SPENCE and which I urge my colleagues to support.

This amendment makes important changes in re-employment rights for merchant seamen, shipbuilding loan guarantees, and cargo preference requirements.

And this bill does more than promote maritime commerce. It will ensure that during wartime we will not have to rely on ships flying flags other than the American flag to carry American troops and supplies.

Mr. Speaker, a lot of people probably don't realize how badly we needed U.S.-flagged ships during the gulf war. We transported 79 percent of the cargo and troops for that war on U.S.-flagged ships. If, heaven forbid, we ever find ourselves in that position again, we need to be sure that our ships can carry our troops and supplies.

But, Mr. Speaker, our merchant marine fleet is shrinking. In World War II, the United States had the largest commercial shipping fleet in the entire world. Today we are the world's largest trading nation but 15 countries have bigger fleets than we do.

For a country with a maritime heritage as proud as ours, a heritage dating back to the earliest days of the Republic, this is unacceptable.

The bill we are considering today will help preserve that heritage, strengthen our merchant marine fleet, and protect our troops.

In 1948 there were 716 vessels flying the U.S. flag. Today less than 150 vessels fly the U.S. flag in international trade. American ships are becoming an endangered species. Let's not let them become extinct.

Without this maritime security program, maritime operators will have no incentive to fly the U.S. flag or hire U.S. merchant mariners.

I urge my colleagues to support our merchant marines, support this rule, and support this bill.

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

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Tennessee [Mr. QUILLEN], chairman emeritus of the Committee on Rules, my mentor, for yielding.

Mr. Speaker, if there ever was a bill that was overdue in this House, it is this one.

Mr. Speaker, this rule which passed in committee by voice vote should be passed overwhelmingly, as it provides for full and open consideration of some absolutely critical legislation.

Mr. Speaker, the Maritime Security Act of 1955 is a vital first step toward revitalizing our merchant marine. Make no mistake about it, this bill does not provide all of the answers to fully restoring the strength of our merchant marine. But it is a huge first step in that direction.

Mr. Speaker, our merchant marine industry is in desperate condition. Forty years ago, this Nation had a merchant fleet of over 4,000 vessels. Today, that number is under 400. We are now in the sorry state where 96 percent of U.S. exports leave this country on foreign ships.

Mr. Speaker, since 1981, we have lost one-third of our shipyards, 50,000 shipyard jobs, and 100,000 jobs in shipyard supply companies.

This situation must be reversed, and now. It must be reversed to preserve jobs, good jobs in the maritime industry. It must be reversed to maintain our trade competitiveness.

And last and most important, it must be reversed to preserve a critical component of our national security apparatus.

Remember Desert Shield, and Desert Storm? Remember the incredible sealift operations that were required? Unfortunately, a lot of that cargo had to go on foreign ships. Some of those ships didn't want to sail into dangerous waters and others were not sure they supported our position of defending Kuwait.

Now, we have another major military operation beginning in Bosnia. Make no mistake about it, this is a mistaken mission, but one that will require a major amount of sealift as well.

Mr. Speaker, every time our soldiers on the ground have to rely on a foreign ship for their supplies, they are in peril.

We must act now to deal with this dangerous and unacceptable situation. If something is not done today to strengthen our merchant marine fleet the size of the fleet could drop to less than 100 ships. We cannot allow that to happen and that is where H.R. 1350 comes in.

The National Security committee has done an outstanding job in drafting legislation which begins the process of restoring our merchant marine yet stays within the guidelines of the 7-year balanced budget.

Unlike the current policy, H.R. 1350 employs a more market-based approach to helping the merchant marine.

The legislation does away with the policy of paying foreign wage differentials and establishes a flat per ship rate.

The Maritime Security Act eliminates outmoded regulations, which hamper our fleet's ability to operate. Regulations, such as the requirement to undergo Federal hearings in order to change a trade route or to replace older vessels with new ones.

These changes will give our fleet more incentive to hold down costs, and more flexibility to operate and compete with foreign vessels.

And it is most important to point out. The bill saves money. The program set up will have a spending limit of $100 million per year, as compared to the current level of roughly $210 million per year.

And so importantly, Mr. Speaker, in exchange for the benefits they receive under the program, vessels which participate will be required to provide their services to the Secretary of Defense during a national emergency.

Mr. Speaker, this is really the crux of the matter in my view. When our troops go into harm's way they need the assurance that their supplies will be there for them. We owe them nothing less.

The U.S. merchant marine is a vital aspect of that supply source, and that is why we must pass this legislation today.

□ 1345

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from California [Ms. HARMAN].

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

I rise in support of this open rule and of H.R. 1350. As a member of the maritime panel of the Committee on National Security, I want to commend

the gentleman from Virginia [Mr. BATEMAN], the ranking member, the gentleman from Mississippi [Mr. TAYLOR], for their leadership in bringing this bipartisan measure to the floor today.

While I support the Maritime Security Act, I must note that efforts to improve the U.S. merchant marine industry thus far have been comprised of Band-Aids, when major reconstructive surgery is needed. Even this much needed bill before us is, regrettably, a Band-Aid dictated by fiscal restraints.

I have established in my district, home to the Port of Los Angeles, a maritime advisory committee whose members share with me local perspectives on maritime issues. It is clear that a robust national maritime program is required to protect U.S. national security interests, many of which we just heard about from the gentleman from New York.

I believe we must approach maritime defense issues in much the same way as we should approach nonmaritime defense issues. For both it is critical that we have an industrial base that can meet both commercial and military requirements as well as retain and build high-skilled, high-wage jobs on which that base relies. We can no longer afford to maintain two distinct industrial bases.

Mr. Speaker, the future of our merchant marine is at stake. I urge my colleagues to carefully weigh the consequences of not having a merchant marine, consequences that affect our military readiness as well as our Nation's competitive and rightful place on the world's oceans. I urge support of the rule and for H.R. 1350 as amended by the bipartisan manager's amendment.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. BATEMAN], distinguished chairman of the Committee on National Security Subcommittee on Military Readiness.

Mr. BATEMAN. Mr. Speaker, I thank the distinguished chairman emeritus as well as the chairman of the Committee on Rules and the distinguished ranking member and the gentleman from Massachusetts [Mr. MOAKLEY], for the statements that they have made in support of H.R. 1350.

I am extremely proud that this bill is finally coming to the floor of the House. I want to assure all of my colleagues that this bill comes here as a bipartisan measure. Beyond that, it even comes here as a bicameral measure, because there have been close consultations with our counterparts in the other body to the end that this year at last we will have a Maritime Security Act.

Those who have preceded me, I think, have made it abundantly clear that the national security of the United States is the bedrock upon which this bill, this legislation is founded. No one who really thinks about our national security could possibly make an argument that our country is secure if we do not have an American-flag merchant marine. It is a sad fact of life that without this provision, we virtually assure the disappearance of the American flag from the oceans of the world. That has not just economic consequences for some ship operators, not just economic consequences for some American merchant mariners who would lose their jobs; it has enormous consequences for the very security of these United States.

This Nation is a maritime power, and, as long as it remains a power, it must be a maritime power. Geography dictates that as much today as it did in 1781, when the French fleet, under the Count de Grasse, defeated the British fleet in the Battle of the Capes and sealed the doom of Cornwallis' army at Yorktown. From that date through all of our history, the United States's security has depended upon its maritime capability.

As I said, we face the complete eradication from the seas of the world of an American-flag merchant marine unless we take this modest step.

I would like to tell my colleagues that this was an enormous boost for the American-flag merchant marine and that it would entirely revitalize that merchant marine. That, unfortunately, I cannot tell you. But I cannot emphasize too strongly that there will be no American-flag merchant marine without the Maritime Security Act. We are in the dismal situation where we speak to survival, not just revitalization.

I thank the gentleman for yielding time to me.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. GENE GREEN].

Mr. GENE GREEN of Texas. Mr. Speaker, I thank my colleague from Massachusetts for yielding time to me and for allowing me to rise in support of not only the rule but the bill.

The question before our House today is a very basic one. Will we act in an affirmative manner and support the continued existence of the U.S.-flag merchant marine by passing H.R. 1350, the Maritime Security Act of 1995. I for one strongly urge this needed measure because I believe that the continued existence of our U.S.-flag merchant fleet is of utmost importance to our Nation, both in our economic terms and our defense terms.

The Port of Houston is in my congressional district and is the largest port for foreign tonnage. Throughout this last century, the Nation's Chief Executives and Congress have recognized the American merchant marine as a national asset. When the prosperity of the American shipping industry was at a low ebb, there was a general recognition by the President and Congress that it should not be allowed to be a wasted asset. Today our U.S.-flag merchant fleet is indeed at its lowest point.

One can say that it is a fading asset. However, the enactment of H.R. 1350 will prevent it from becoming a wasted asset, one which we as a nation cannot afford to lose.

As the health of our U.S. merchant marine steadily became less robust, this body in a bipartisan effort overwhelmingly enacted maritime revitalization legislation in the last several sessions. Unfortunately, the technical considerations in the Senate precluded passage in that body. It is therefore imperative now that we enact H.R. 1350 to provide the wherewithal to reverse the downward spiral in the American-flag fleet itself. This bill and rule deserves our overwhelming support.

Positive and pragmatic action is needed to nourish and sustain the growth of our maritime assets. We cannot afford to have any more U.S.-flag vessels exit the American flag. If this legislation is not enacted by this body, be assured that many vessels will leave the American-flag. Is that what we want? I hope not. I believe not.

I, for one, wholeheartedly support the rule and H.R. 1350 and urge all my colleagues to also support it.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank my friend from Tennessee for yielding time to me.

I am a strong proponent and supporter of this legislation. I congratulate the Members who worked so diligently on this legislation. They have done a remarkable job when one reads it. One provision that is vitally important to the Great Lakes ports, of course, I am very much in favor of. The current cargo preference law unfairly penalizes our ports. In effect, it shuts them out completely of shipping the Federal food aid.

Now, since 1985, we have been working on this particular problem that is this preference which was expanded to the 75-percent level. Our local companies and the people in our area, especially on the Great Lakes, have suffered because of this. We used to be able to ship Wisconsin grown products from our own harbors. Of course, that was changed and we now have to truck these products, taken by rail, flown to other ports, mainly along the gulf coast.

Obviously, this is very costly, very inefficient. It is estimated that this preference costs the taxpayers over half a billion dollars. So naturally when we correct these inequities, I am very much in favor of that. Furthermore, so are the taxpayers.

Furthermore, Federal agencies in charge of the Public Law 480 program

place meeting the cargo requirements ahead of fairness and equity in our ports.

Now, on our Great Lakes, we are competitive. We are cost-effective. We are willing and able to do the work. For example, one Green Bay firm, the Leicht Co., dropped from 150 employees down to 20 employees since 1985 as a direct result of this preference inequity.

Therefore, that is why I say this is a good piece of legislation because it corrects that.

Mr. Speaker, the Great Lakes cargo equity provision is about jobs and it is about fairness. We must return fairness to the maritime practices that affect the working people and the ports of the Great Lakes. The unfair cargo preference policy discriminates against local companies and working people, especially on the Great Lakes.

Mr. Speaker, these unjust practices have cost thousands of jobs. So with this legislation we are now saying that we are standing up for the working people in America by passing some equity legislation again to create more jobs. This is a good provision for businesses. It is a good provision for the Great Lakes communities. But it is best of all for the American people, the American working people and the taxpayers of the United States who are going to save through these provisions over a half a billion dollars.

I again congratulate the people who have worked so diligently and so hard on this legislation. This is the type of legislation we need to bring America into the 21st century and allow us to compete with any country in the world.

□ 1400

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Speaker, before I begin, I would like to pay tribute, and I am sure that the gentleman from Virginia [Mr. BATEMAN] and the gentleman from Mississippi [Mr. TAYLOR] and the staff now of the merchant marine panel of the Committee on National Security, wants to recognize the work of the gentleman from Massachusetts [Mr. STUDDS] who helped to pioneer this work with the Merchant Marine Committee. Unfortunately this legislation, as has been noted at least indirectly in previous discussion, was killed in the other body, and so we find ourselves playing catch up today.

Why is it so important then that we emphasize this bipartisan approach in the work that has been done by the gentleman from Massachusetts [Mr. STUDDS] and others over the years?

Three things. It revitalizes, helps to revitalize, the U.S. shipping industry. It keeps U.S. ships and American merchant mariners afloat and helps guarantee the availability of supplies of troops overseas.

In June of 1992, Mr. Speaker, General Colin Powell said, and I quote:

> Since I became Chairman of the Joint of Chiefs of Staff, I have come to appreciate firsthand why our merchant marine has long been called the fourth arm of defense.... The war in the Persian Gulf is over, but the merchant marine's contribution to our nation continues. In war, merchant seamen have long served with valor and distinction by carrying critical supplies and equipment to our troops in far away lands. In peacetime, the merchant marine has another vital role-contributing to our economic security by linking us to our trading partners around the world and providing the foundation for our ocean commerce.

As has been noted, the U.S. merchant maritime industry, once the world's leader, is on the verge of being lost to foreign competition. That is why I regard this bill, Mr. Speaker, as only a first step, an interim step, and I am sure we are going to have bipartisan support to see that we extend this next year. We must move now to resuscitate, and that is the correct word, resuscitate, this vital national resource. In the time of crisis we cannot depend upon foreign-flag ships and crews for defense sealift and sustainment requirements.

Mr. Speaker, this bill costs the taxpayers a fraction of what the Department of Defense would pay to build or charter the same amount of sealift. If we allow this industry to sink, and I mean that literally, we will lose more than just U.S.-flag ships. Our ability to effectively influence worldwide shipping standards which effect domestic and international trade will be diminished and, in fact, lost. A vital U.S. commercial fleet also means jobs for Americans. U.S. commercial fleet also means jobs for Americans. U.S.-flag ships abide by U.S. tax, environmental, safety, and labor laws and standards. American-crewed, American-made ships support U.S. interests.

Mr. Speaker, I come here today to join with my colleagues on both sides of the aisle to say that we are just making the first step in seeing to it that we have a revitalized American merchant marine. I want to see American-built ships and American shipyards, American shippers with American crews, setting the standard for the rest of the world.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I would say to my colleagues this is probably one of the most enjoyable times that we have. It is that, as my colleagues know, we did away with, I think the Republicans, with a pretty good committee in the Merchant Marine and Fisheries Committee both under Mr. FORD and Chairman STUDDS. It was one of the most bipartisan committees except with the tuna bill, Mr. Speaker, and we worked pretty well together, and that is what we are doing here. It is not about the 1996 elections, it is not about partisan politics. It is about American jobs, it is about American security, it is about national security, and it is about the betterment of this country.

I take a look at what we can do, and I agree with the gentlewoman from California, Ms. HARMAN's analysis. It is that both under Democrat and Republican rule we have not done very much for our merchant marine fleet, and I think this is a small challenge to do that.

I would like to thank specifically the gentleman from Virginia [Mr. BATEMAN] who serves not only in the maritime panel, the national security panel, but on the old Merchant Marine and Fisheries Committee. He has done the lion's share of fighting with our leadership to make sure that we can bring this up, and I sincerely mean that.

As my colleagues know, during Desert Storm we had to go back, and we used a lot of our ships that had the old boilers. We had to find merchant marine and sailors that even knew how to use those, and they were not very effective. As my colleagues know, we lost millions of dollars in strapping materials, tiedown materials that just hold down the equipment to foreign ships during Desert Storm. We had to onload and offload several ships many, many times costing millions of dollars and the dollars saved. So I do not know if it is on my colleagues' checklist on when they support a bill or not, but it is bipartisan, it is taxpayer friendly, it is jobs, American jobs, both private and union jobs, and it gives national security strength.

I would look at the items that also saved dollars. During Desert Storm it cost about a $174 per ton of cargo under non-U.S. flags. With U.S. flags it was $122. That is a 30-percent savings in those areas, and, when we are getting ready, against my personal will, to go into Bosnia, the C–17 and enhancing our merchant marine so that we can carry cargo and we can put American products on American ships with American seamen, I do not see how my colleagues could not support this, and I thank my colleagues on the other side of the aisle, and I thank the gentleman that was instrumental in doing this.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Speaker, as the former chairman of the now defunct Merchant Marine Subcommittee, I am keenly aware of the deteriorating health of the U.S. maritime industry. The number of U.S.-flag vessels has declined substantially, from 716 in 1948 to less than 150 today, as have the number of American officers and seamen trained to operate these vessels. Although the United States continues to

be the world's largest trading Nation, the U.S. commercial shipping fleet now ranks 16th in size in the world.

Why is this? Why are we allowing foreign flag vessels to take over our Nation's commercial shipping fleet? U.S.-flag vessels must comply with Federal tax, environment, safety, and labor laws. Foreign flag vessels do not. Foreign flag vessels hire foreign citizen crews. They do not have to pay their crew minimum wage or provide them with health, pension, or vacation benefits. They do not have to pay U.S. taxes. In addition, foreign flag vessels have absolutely no obligation to comply with the health and safety standards established by our government. In contrast, U.S. shipowners hire U.S. citizens and must comply with Federal laws protecting the welfare of the crew members. With these higher labor and other requirement costs, U.S. shipowners are at a serious disadvantage. No American company can successfully compete under these circumstances.

We must take action to save the U.S. maritime industry. In addition to commercial shipping activities, privately owned vessels play a significant role in U.S. military readiness. The Defense Department relies on the domestic merchant marine for military sealift operations. In the recent Persian Gulf war, 95 percent of all equipment and supplies needed by American soldiers in the field was moved by sealift—one-third was shipped on privately owned U.S.-flag vessels. In time of crisis, we cannot depend on foreign ships and foreign crews for sealift and sustainment requirements. Why should we rely on Third World crews who have no allegiance to the U.S. to deliver equipment, medical supplies, and materials that American service men and women need as they fight to protect America's interests abroad? We should not and we cannot.

The Maritime Security Act of 1995 ensures a maritime security fleet comprised of privately owned U.S.-flag, U.S. crewed vessels that we can readily rely on to carry our exports throughout the world and to carry our military supplies during a national emergency. I urge you to please vote in favor of H.R. 1350. We need American-crewed, American-made ships to support our national interests.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the House Committee on Appropriations.

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman from Tennessee [Mr. QUILLEN] for yielding me this time, and I want to congratulate him, the gentleman from New York [Mr. SOLOMON], and the gentleman from Massachusetts [Mr. MOAKLEY] on what I think is an outstanding rule which I heartily support. I also want to thank and congratulate the chairman, the gentleman from Virginia [Mr. BATEMAN] and the ranking member, the gentleman from Mississippi [Mr. TAYLOR] on the Merchant Marine Subcommittee of the Committee on National Security for bringing forward this very important piece of legislation.

I indeed rise to echo the comments of the gentleman from Illinois [Mr. LIPINSKI] who preceded me and rise in support of H.R. 1350, the Maritime Security Act of 1995. I understand that some Members and some organizations may have a problem spending tax dollars to support U.S.-flag, U.S.-manned merchant marine vessels. But we cannot allow the United States, the world's preeminent economic and military power, to lose our presence in the world's trading lanes. We cannot lose our ability to supply and protect our troops during overseas deployments, one of which may well be beginning in the next few weeks.

Mr. Speaker, sealift during Desert Storm-Desert Shield accounted for over 90 percent of the lift of supplies and logistics in those operations. Seventy-eight percent of all of the cargo for those operations was actually shipped on U.S. flags. What this bill does is try to maintain what we have left in terms of a U.S. merchant marine fleet. That is an issue which obviously from the debate that has transpired here already today has strong bipartisan support. Twenty-one freshman Republicans already expressed their support for this bill in a "Dear Colleague" letter. The U.S. Navy League and other defense groups support the bill. The bill is also important to the defense of our country, so much so that the appropriation committees of the House and Senate have agreed to fund this program out of the defense 050 account subject to passage of this authorization bill.

I might add that bill will be before the House tomorrow. I would urge its passage, and any Members interested in this particular provision should also be inclined to vote for that Commerce-State-Justice appropriations bill.

We included this provision in that bill, and I think that the sponsors of this particular bill were eager to get it passed into law because our own military commanders, our uniformed soldiers and sailors, continually tell us how very, very critical the U.S. merchant marine is to our Nation's security.

Mr. Speaker, General Rutherford, the commander of our military's transportation command, testified before the Senate last July that his command supports the proposal for a maritime security program which assures access to the type and quantity of sealift capacity and mariners necessary to meet Department of Defense contingency operations. With the $46 million that is appropriated by the Subcommittee on Commerce, Justice, State, and Judiciary subject to this authorization, I would expect that the Department of Defense and the Department of Transportation will work together to expeditiously implement a program that will support the nucleus of an American merchant marine ship estimated to be about 52 ships of LASH, roll-on/roll-off container vessels and other militarily useful U.S.-flag vessels.

Mr. Speaker, H.R. 1350 provides what our military commanders say they need, and most important this revised and reformed program will spend 50- to 60-percent less than programs that have existed before. So to preserve American jobs and to provide an effective American merchant marine I strongly urge an aye vote on the final passage of H.R. 1350. I urge an aye vote on this rule, and I urge an aye vote tomorrow on the rule and the bill involving the appropriations for Commerce-State-Justice which will be before us again within 24 hours.

□ 1415

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Speaker, I thank my friend from Massachusetts for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 1350, the Maritime Security Act, and also the rule pertaining to the act. This has been a very emotional Congress, and it is nice to see bipartisanship. Everyone is agreeing with this bill. It is a good bill. The legislation is critical to the future and continued existence of our Nation's commercial maritime fleet.

As you are aware, last year the House overwhelmingly passed legislation to promote our maritime industry. Unfortunately, the 103d Congress adjourned before the Senate had the opportunity to cast its vote. During the intervening period, several U.S.-flag carriers have chosen a course of action which inevitably led to the reflagging of a number of U.S.-flag liner vessels. The decision to reflag was based on their perceived inability to compete successfully with their foreign counterparts who receive tremendous support and a great deal of incentives from their respective governments, while the U.S. Government promotional programs for this industry have been systematically reduced, eliminated, or attacked.

While foreign nations recognize the importance of maintaining and supporting a strong national flag commercial maritime presence, the U.S.-flag merchant marine has been targeted by its adversaries because it has received government support.

For each direct or indirect expression of support accorded to the U.S. fleet, the American merchant marine has contributed substantially to the economic and national security interests of our Nation. U.S.-flag carriers

manned by patriotic and dependable American crews responded each and every time our country called for their assistance in times of war and national emergency, in Haiti, Somalia, Desert Storm, and now in Bosnia. As we celebrate the 50th anniversary of the end of World War II, let us remember the thousands of U.S.-flag cargo ships that were lost during that war and the thousands of merchant mariners who lost their lives in the service of their country.

Without the efforts of the U.S.-flag merchant marine and heroic actions of the men and women who manned those vessels, perhaps the welfare of this Nation would not be as sound as it is today.

Mr. Speaker, H.R. 1350 is critical to the future and continued existence of America's future maritime fleet. At the same time, the fleet is crucial to our national security. We therefore cannot justify turning our backs on this industry and its loyal work force and must enact the Maritime Security Act swiftly because it represents the best chance for Congress to preserve such an essential resource. It will maintain and create jobs, American products, American ships, American seamen, and workers.

Mr. Speaker, I urge my colleagues to support the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. PICKETT].

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

Mr. Speaker, the deteriorating condition of the maritime industries of the United States, including the ship repair industry, is a serious and growing danger to U.S. economic and military security. Both our strategic sealift capability and our shipyard mobilization base are at risk and will be increasingly at risk without decisive action by this Congress and this President to enact appropriate remedial legislation.

H.R. 1350 provides a practical, balanced, and cost-effective plan to put in place an integrated and plausible maritime policy. This legislation will begin the process to help our Nation restore and enhance its maritime industrial base.

Members serving on the merchant marine panel have taken a hands-on approach in dealing with the sharply divergent interests that exist within the maritime industries. Chairman BATEMAN is to be commended for his leadership in getting to the floor a bill that is supported by the National Security Committee and the Department of Defense. H.R. 1350 represents a major breakthrough in defining a plan to deal fairly and responsibly with the problem. It is the product of compromise and substantial agreement among the members of the National Security Committee.

H.R. 1350 does carry a cost. The rapidly deteriorating situation cannot be remedied without expending a modest amount of national resources. Any course of action will have costs to our Nation. The challenge is to develop and implement policies that meet our requirements in the most cost-effective manner possible. H.R. 1350 meets this test.

Mr. Speaker, H.R. 1350 will enable our Nation to maintain and sustain a viable maritime industry. The U.S.- and foreign-flag ships trading in and out of U.S. ports will all benefit. Economic and security requirements dictate that our Nation have a strong merchant marine industry.

What we have before us is the very minimum that must be done to begin the job of revitalizing our merchant fleet and ensuring the future of our shipbuilding and ship repair yards. I urge my colleagues to pass this legislation.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HUNTER] to close the debate.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding me time, and thank him for the generous allocation of time.

Mr. Speaker, I think everything that could be said about this bill has been said, but let me add my thanks to the gentleman from Virginia, Mr. HERB BATEMAN, and the gentleman from Mississippi, Mr. GENE TAYLOR, for their leadership in the merchant marine panel on the Committee on National Security, in being the driving forces to put this bill together and get it to the floor.

This is a national security bill. A little earlier this year, General Robert Rutherford, commander of the U.S. Transportation Command, told Congress that we had to have our own and maintain our own sealift capability. His words were "We can't plan on the availability of foreign-flag ships and mariners to go into a theater of war."

In the Persian Gulf operation, about 80 percent of the equipment that we brought to that theater was brought with sealift. About 20 percent was with airlift. It is a little known fact that actually a lot of the sealift that we brought were what I call rent-a-ships. They were ships that, if the foreign policy of this country had been scrutinized a little more severely by our allies, possibly would not have been available; or if the dangers to those ships as they entered the gulf area had been more severe, possibly those ships would not have been available to move American supplies and logistics capability into the gulf.

This is a national security bill. One nice thing about it is the carriers that sign up for this program do not just supply ships, they supply the entire integrated service of transportation. They supply the terminal facilities, they supply the rail systems, they supply the services of the freight forwarders. So you can take equipment from a specific place in the United States and you can guarantee that it is going to be moved all the way through the system into the theater of war or operations that we are maintaining anywhere around the world.

For those people who are free traders and say we should not be subsidizing anything, I would remind them that even Adam Smith, who was the father of free trade, said the one area where you have to guarantee by government expenditures that you have strength and have continuing capability is in the area of maritime security.

If we do not expend these funds, and we are making a fairly dramatic cut from the program that existed before, we are not going to have that guarantee that when the men and women of this country in uniform go to project power around the world, that the equipment that they need will be there for them. We are making that guarantee with this bill.

Once again, my commendations to the gentleman from Mississippi, Mr. GENE TAYLOR, and to the gentleman from Virginia, Mr. HERB BATEMAN, the great chairman of the panel, for all their hard work.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time.

Mr. QUILLEN. Mr. Speaker, I urge adoption of the rule and the passage of the bill.

Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 287 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1350.

□ 1424

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1350, to amend the Merchant Marine Act, 1936 to revitalize the United States-flag merchant marine, and for other purposes, with Mr. DICKEY in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from South Carolina [Mr. SPENCE] will be recognized for 30 minutes, and the gentleman from Mississippi [Mr. TAYLOR] will be recognized for 30 minutes.

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE].

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

Mr. Chairman, before I begin, I want to commend the chairman of this committee's Readiness Subcommittee and the committee's special oversight panel on the Merchant Marine, the gentleman from Virginia [Mr. BATEMAN] for his leadership and hard work on this important legislation. Likewise, the panel's ranking Democrat member, the gentleman from Mississippi [Mr. TAYLOR], should be commended for his leadership on this bill.

H.R. 1350 establishes a Maritime Security Program to ensure that this country retains privately owned, U.S.-flag and U.S.-crewed vessels to provide a sustainment sealift capability in time of war, national emergency, or when our national security interests require.

Over the years our effort to revitalize this capability has been a bipartisan one. I am proud to say that our committee, which recently received jurisdiction over this issue, has continued this bipartisan tradition. Maintaining our U.S.-flag fleet capable of supplying U.S. troops abroad is too important to get bogged down in partisanship.

Over 80 percent of U.S. sustainment cargo in Desert Storm moved by sea and on vessels which are covered under this bill. Without this legislation, our sealift in the future will likely move on foreign-owned and foreign-flag vessels crewed by citizens from Third World countries. That scenario is not acceptable to me as we all have a responsibility for assuring that our military is supplied in as timely and efficient a manner as possible. This bill helps to assure this goal.

I urge my colleagues' support for this bill and for the manager's amendment which will be offered at the conclusion of general debate.

Before reserving the balance of my time, I would like to announce that Chairman BATEMAN will serve as manager of the bill on this side of the aisle.

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

Mr. TAYLOR of Mississippi. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me begin by thanking the ranking Democrat, the gentleman from California [Mr. DELLUMS], for the opportunity to manage this bill. The gentleman in his time as chairman of the Committee on National Security did a magnificent job of looking after the interests of our Nation's shipbuilders and all of our maritime interests, and I think to a very large extent the bipartisan cooperation we are seeing today is an extension of what has been going on for the past 2 years when he was the chairman.

Mr. Chairman, on the day that I was born, the United States was the world's undisputed maritime power. Today, we still have the world's largest and most capable Navy. However, our Nation's merchant fleet is one of the smallest and our ships are some of the oldest in the world. And to be honest, there is not enough commercial shipbuilding on order to maintain the American merchant fleet for another decade.

On Saturday, the U.S. Navy will commission our Nation's newest Nimitz class nuclear aircraft carrier CVN-74, the JOHN C. STENNIS. This carrier is named in honor of a great Mississippian and American who served as the chairman of the Senate Armed Services Committee and the Senate Appropriations Committee.

All Mississippians take great pride in having this magnificent ship named in honor of one of our State's most distinguished citizens.

Unfortunately, the *John C. Stennis* is one of only a handful of ships that were built in our Nation this year. And everyone of those ships were built for the Department of Defense. Not one large oceangoing ship was built in this country last year.

By contrast, the Japanese built 28 percent of all the merchant ship tonnage this year. The South Koreans built 35 percent of the merchant ship tonnage. The six largest shipbuilders in the United States did not even make the list—together they did not deliver a single merchant ship.

I wish that I could tell you that things are better with regard to the U.S. flag merchant fleet. Unfortunately, I cannot. Our Nation's privately owned U.S. flagged merchant fleet is old, small, and shrinking.

In 1985, the U.S. flag merchant fleet consisted of 477 tankers and dry cargo vessels. By 1995 that number had dropped 363. It is estimated that in the year 2000—5 years from now—there will be only 130 merchant ships in the U.S. fleet.

Economically, that means that we are losing jobs for our merchant mariners, shipbuilders, steelworkers, and the tens of thousands of Americans who work in related industries.

Militarily, it means that the world's finest soldiers, sailors, marines, and airmen have to depend on foreign ships and crews for their supplies. Over 90 percent of everything that was shipped to support our troops during desert shield and desert storm was delivered by sea.

Yet, in a nearly flawless war, when not a single American supply ship was damaged or sunk by our enemy—our great Nation had to charter over 80 foreign flag ships to supply our troops. Not because we wanted to, but because there simply were not enough American ships to supply and arm our Nation's Armed Forces.

And, without the assistance of these foreign ships, the world's greatest fighting force would have been helpless for the lack of fuel, food, weapons, and ammunition.

I'd like to be able to tell you that the measure before us today solves all of these problems. Unfortunately, it doesn't fix any of them. It does, however, buy us some time. It helps to keep what is left of the U.S. flag merchant fleet in service for another year. It continues the Title 11 Shipbuilding Loan Program for another year. It gives our Nation's merchant mariners who are recalled to man our Nation's ships in times of national emergencies the same re-employment rights as our national guardsmen and Armed Forces reservists.

□ 1430

Mr. Chairman, on a personal note, I hope that next year the chairman of our panel, the gentleman from Virginia [Mr. BATEMAN], and I can stand before this body with a much more ambitious bill. I think it is very safe to say that Mr. BATEMAN had to learn the job of being in the majority and we Democrats had to learn the job of being in the minority. But I hope that having had a year of experience in these positions, and having had a number of very prominent Members of this body speak on behalf of the American Merchant Marine, I hope that Mr. Johnson was taking names, and I hope Mr. Braver and Mr. Peranich were taking names, because I think we would be very smart in the next few weeks to hunt these people down and get them to cosponsor the very ambitious shipbuilding and ship operating bill for the United States of America for next year.

Mr. Chairman, I rise in support of the bill and I reserve the balance of my time.

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

Mr. Chairman, these remarks will be much more brief than what is in the prepared statement. So much has been said already in the course of the discussion on the rule about this bill and its merits, I do not want to unduly trespass upon the time of my colleagues to further extol it.

There are very few simple bottom-line things that I hope all Members will focus upon as they come to the floor for the vote on this bill. First of all, we have reformed an existing Merchant Marine subsidization program. It is less than one-half the cost of the preexisting program. We are providing a sealift surge capability for our national security at a cost of no more than $100 million a year, when the Department of Defense has estimated that to provide that same amount of backup national security sealift capability would, by any other methodology, cost the taxpayers of America $800 million a year.

Mr. Chairman, we are not bringing to the floor an entitlement program, we are bringing to the floor a program

which will be sustained on the basis of an annual appropriation, not an entitlement. As I have previously indicated, a program that is less than one-half the cost of the existing program.

Mr. Chairman, when we have heard so repeatedly from people who are so very, very knowledgeable that we are here today dealing in this bill not with the creation of a robust American Merchant Marine but the very survival of the American Merchant Marine, I would hope that when Members come to the floor of the House, unless they believe it is a matter of indifference whether or not an American flagged Merchant Marine survives, that they will be here in support of H.R. 1350.

Mr. Chairman, let me begin by thanking the gentleman from Mississippi [Mr. TAYLOR] for his very able assistance in producing a bill which enjoys strong bipartisan support. I would also like to express my appreciation to the National Security Committee's very able chairman, Chairman FLOYD SPENCE and to the very able ranking member, the Honorable RON DELLUMS. Without each of these members support and assistance we would not be before the House today.

H.R. 1350 is a very simple and very modest proposal. Support for H.R. 1350 will be a statement by this body and by its Members that you wish to see the American flag continue to fly from vessels carrying this Nation's commerce. But Mr. Chairman even more important, a vote to support H.R. 1350 will assure that our fighting men and women will have the supplies and food and ammunition to sustain their efforts when they are operating in some distant land. The lessons of Desert Storm should not be forgotten so quickly.

I recognize that there are those who have in the past questioned the need for a U.S. merchant fleet to support our troops in time of war, national emergency or where the national security dictates our involvement. Those same individuals had their eyes opened during Desert Storm when the entire free world was mobilized to fight one common enemy. Over 80 percent of our sustainment cargo moved by sea. During that conflict we were forced to use foreign vessels to supplement the available U.S. flag tonnage. Our country was indeed fortunate that we were engaging an enemy that was so vilified by the entire civilized world. The next time circumstances could be different. We may not have a unified world effort.

Let me take just a moment to comment on some key elements of this program and how it differs from the current program. As many of you know the current program is designed as an entitlement program. That program was very expensive. This bill prohibits the granting of any future contracts under this entitlement program. That program will essentially expire next year. H.R. 1350 replaces the old program which had steadily rising payments to the vessel operators with specific set payments each year—$2.3 million the first year, declining the next year to $2.1 million. It is estimated that this program is more than 50 percent cheaper than the current entitlement program. Just as important as the reduction in payments to the vessel operators, is the fact that the funding of this program is subject to annual appropriations. I wish to emphasize that point. If this program is not working or if we are not retaining the assets we need, then Congress can in any year of this 10 year program vote to end it at that point in time.

I would like to make one more point before I yield to the gentleman from Mississippi. The Congressional Budget Office has scored the annual cost of this program at $100 million, with the first year cost at $46 million. This is as I have said, roughly one-half the cost of the current program. For the Defense Department to build or buy this same sealift capacity, it has been estimated that it would cost over $5 billion. Just to maintain that type of fleet and to man it with skilled mariners would easily exceed the annual cost of this Maritime Security Program. In short I believe we have designed a program that reflects the budget restraints we are operating under but at the same time serves to fill a critical shortfall in the sealift capability that is essential to our national security.

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

Mr. BATEMAN. Mr. Chairman, I am pleased at this time to yield to the gentleman from Arizona [Mr. STUMP], the chairman of the Committee on Veterans' Affairs, for purposes of a colloquy.

Mr. STUMP. Mr. Chairman, I thank the gentleman for yielding, and for the purposes of clarifying the bill's reemployment rights provision, I would like to enter into a colloquy with the gentleman.

My understanding is that the administration, investigation and enforcement provided for in H.R. 1350 for reemployment rights for Merchant Mariners will be done by the Department of Transportation, not the Department of Labor; is that correct?

Mr. BATEMAN. Yes, that is correct. Administration, investigation and enforcement will all be performed by the Department of Transportation, and to the extent necessary, by the Department of Justice. Nothing will be done by the Department of Labor, and these provisions will not impact upon that Department.

Mr. STUMP. Mr. Chairman, could the gentleman also confirm my understanding that this bill in no way gives veterans status to merchant mariners?

Mr. BATEMAN. That is also correct, it would not.

Mr. STUMP. Mr. Chairman, I thank the gentleman for yielding and I urge my colleagues to support this bill.

Mr. BATEMAN. Mr. Chairman, I thank the gentleman and I reserve the balance of my time.

Mr. TAYLOR of Mississippi. Mr. Chairman, I yield 4 minutes to the gentlewoman from Oregon [Ms. FURSE], an active member of the former Committee on Merchant Marine and Fisheries.

Ms. FURSE. Mr. Chairman, I thank my colleague for yielding me this time.

Mr. Chairman, I rise today in very strong support of H.R. 1350, the Maritime Security Act. As someone who served on both the Committee on Merchant Marine and Fisheries, and the Committee on National Security, and who worked very hard to gain passage of legislation to restore our Nation's maritime industry, I know just how important this legislation is to preserving but also to enhancing our sealift force and maintaining an international commercial transportation capability.

H.R. 1350 is important legislation because it is designed to close two gaping holes in the security of America, one in our defensive structure and the other in our economic base. As a Congresswoman from Oregon, the maritime industry is absolutely vital to my community. The coastal areas and the Columbia River are key players in our local economy as well as bearers of our Nation's heritage.

The people who make their living in the maritime industry have a proud history, but, unfortunately, today there are thousands of people who have lost their jobs or who are struggling to make ends meet as a result of the massive decline in the maritime industry. That decline has come about since 1981.

The legislation before us today, Mr. Chairman, is a first step in saving two of America's most precious resources, domestic shipyards and the U.S.-flagged Merchant Marine. This bill will preserve and also create jobs for American seafarers and shipbuilding workers. And we have the best in this country, the best seafarers and the best shipbuilding workers. These industries will receive genuine improvements that will make a real difference.

These are the industries we need to compete in a global market. Continued American leadership in international trade and a sound national defense both rely heavily on our ability to transport goods and other supplies overseas, including our precious men and women in uniform. Today, unfortunately, we are losing that ability.

Mr. Chairman, H.R. 1350 makes a number of other important reforms in merchant seaman reemployment rights and in cargo preference requirements that will increase efficiencies and, ultimately, will reduce costs. These reforms are long overdue.

As I said earlier, I have served on both of these important committees. I know how important this bill is to our national economic and defensive securities, but it is also important to the people we serve, the people who work in the maritime industry. Their families, their communities, their lives are also at stake, as is our security, both national and economic.

I find it rather disheartening, Mr. Chairman, to be here repeating something I said on this same floor in 1993, but I am glad to be able to be here to speak again in support of this great bill. If we do not put together and implement a sensible maritime policy as soon as possible, there will not be a

maritime industry left to salvage. We must get H.R. 1350 passed as soon as possible.

I really want to congratulate the sponsors of this bill and I urge all my colleagues to support H.R. 1350.

Mr. TAYLOR of Mississippi. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, Napoleon once said that an army marches on its stomach. A great deal has changed in history and the security of nations, but Napoleon's observation is as true today as it was so many years ago. In the Persian Gulf war, the United States found that it had the fighting men, it had the world's finest equipment, we had the fighting will, but we lacked the ability to get our forces to the area of combat safely, quickly and efficiently.

For more than 40 years, Mr. Chairman, we have witnessed the rapid but the certain deterioration in the merchant marine capabilities of the United States from the world's largest fleet. In 1945 there were 2,000 flagged vessels of our country, there are today less than 350. To some, it is a loss of pride; to others, an indication of an unfavorable economic trend. But in the final analysis, there is a more important measure of this deterioration in our presence in the world seas. It is our inability in times of national crisis to ensure that our national interests are protected.

Today, Mr. Chairman, the committee deserves to be complimented because H.R. 1350, the Maritime Security Act, can at least assure the situation will not deteriorate further. Indeed, while saving money for the Federal Government, we can at the same time assure that our security interests are protected in maintaining some minimal presence of American crewed and flagged vessels on the high seas.

There is not a developing nation in the world that does not recognize the importance of what we are doing here today. Every nation has recognized that, as it has had to save money and to assure its public treasury, it had an equal interest for security and economic reasons in the viability of a national fleet. Some will argue this should be done simply in the marketplace, with no Government presence whatsoever, the problem being that those are not the rules by which the world plays.

Mr. Chairman, other nations have decided to involve themselves and their merchant fleets. If we do not, the outcome is simple. There will be no fleet at all.

Finally, to those who would argue that we should simply allow the market to run its course, I would remind them that while other nations might, the United States is not simply another nation. We have the world's greatest security commitments and requirements. We have invested in a vast national security infrastructure, and this is its most vulnerable individual component.

I rise therefore, Mr. Chairman, to congratulate the committee, the Members of the House who have spent so much effort bringing this legislation to the floor today, and I urge my colleagues, by an overwhelming vote, to give their affirmative votes, and I thank the gentleman for yielding.

Mr. TAYLOR of Mississippi. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. STUDDS], the chairman of the former Committee on Merchant Marine and Fisheries.

Mr. STUDDS. Mr. Chairman, I rise in strong support of the bill somewhat wistfully, precisely as the former chairman of the former committee of jurisdiction over these matters. I note with some pleasure that the tradition of that committee, in terms of bipartisan tranquillity, has extended to this Congress, of all places, and to this floor at this time on this subject with many of these Members who are very familiar with this problem.

□ 1445

I would also like, for the umpteenth time, to express my appreciation to the members of the Committee on National Security, whatever its title is this year, on both sides, with whom we worked in such a collegial and productive fashion in the last Congress, in an equally bipartisan fashion, to craft legislation which I modestly observe was perhaps a bit stronger and more extensive even than the bill before us now.

That bill died where so many bills die, in the other body, for reasons someone referred to them as technical. I do not think they were technical; I think they were basically political and regional, but they died. It went to its final resting place in that burial of so much good legislation, that plot across the building there.

Mr. Chairman, this is good legislation, but we should not kid ourselves that this is going to solve the problem. We are drawing a minimal line below which we will not let this fleet sink. No Member should think that we have resolved the question of the United States as a maritime power going into the next century by adopting this legislation, even in the unlikely event that the other body can move itself to agree with us. But it is important, it is essential, and I am delighted to join with the members of the Committee on National Security on behalf of this.

Mr. Chairman, I would wistfully observe that had this subject been as important in the minds of the Members on the other side as they say that it is, that their first action might not have been the abolition of the aforementioned, much-lamented and grieved-for Committee on the Merchant Marine and Fisheries. But, nonetheless, that has been done, and I am delighted to be a part of what I hope is a lasting legacy in this and future legislation.

Mr. Chairman, I support the proposed legislation in part because it is absolutely necessary that Congress act now to save our merchant fleet. Twice in the last 2 years, the House has passed legislation that in all modesty would have done more in that regard that this bill, only to have our efforts come to naught in the Senate. But time not only is no longer on our side—it has run out. Today, we are being asked to set a floor below which our commercial fleet cannot be allowed to fall. We should not fool ourselves into believing we are doing anything else. In the future, Congress must again take up the task of formulating the kind of policies necessary to attract new, modern vessels to the U.S. fleet, with their owners assured of a long-term, binding commitment of the U.S. Government to foster and maintain such a fleet.

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

Mr. BATEMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. WICKER].

Mr. WICKER. Mr. Chairman, I certainly rise today in support of H.R. 1350, the Maritime Security Act of 1995, and strongly encourage my colleagues to support this bipartisan effort. I would like to commend the gentleman from South Carolina [Mr. SPENCE] and the gentleman from Virginia [Mr. BATEMAN] as well as my colleague, the gentleman from Mississippi [Mr. TAYLOR], for their leadership, and also the committee for unanimously reporting this legislation.

Mr. Chairman, it is the most sweeping maritime reform in 6 decades, and it will provide for a modern, cost-competitive American maritime fleet while reducing Federal spending by one-half. The legislation will also reduce or eliminate regulations that prevent American ship-operating companies from competing on an equal basis with foreign-flag operators.

Today, Federal regulations determine where our U.S. flagship can operate. These regulations mandate equipment and rules that penalize vessels which fly our flag. They discourage investment in modern, efficient vessels. H.R. 1350 will eliminate regulations that make no sense, that cost American jobs, and that tie the hands of American companies.

Most importantly, H.R. 1350 will give America a commercial private-sector sealift fleet to serve our economic and military objectives and promote a strong national defense that is unquestioned by friend and foe alike.

Supporters of the fleet have included former President Reagan and Gen. Colin Powell, who referred to the program as the "workhorse" of our operations in missions such as Desert Shield and Desert Storm.

The U.S. Constitution lays out only one specific responsibility for the Federal Government, and that is to provide for a national defense of our country. We must work to provide the best and most cost-effective defense America can afford.

H.R. 1350 will cut redtape, strengthen our Nation's maritime force, and solidify our Nation's defense at a bargain to the taxpayers. I strongly urge my colleagues to vote for the Maritime Security Act of 1995.

Mr. BATEMAN. Mr. Chairman, I would like to inquire if the gentleman from Mississippi [Mr. TAYLOR] has further speakers.

Mr. TAYLOR of Mississippi. Mr. Chairman, to the best of my knowledge, we have no more requests for time.

Mr. BATEMAN. Mr. Chairman, we have no further requests for time on this side of the aisle.

Mr. TAYLOR of Mississippi. Mr. Chairman, may I say good things about the gentleman from Virginia [Mr. BATEMAN] before he closes?

Mr. BATEMAN. Mr. Chairman, I am always happy to yield for that purpose.

Mr. TAYLOR of Mississippi. Mr. Chairman, I want to encourage all of my colleagues, Democratic and Republican, to support this measure. It is, as the gentleman from Virginia [Mr. BATEMAN] said before the Committee on Rules last week, a modest measure, doing the best we can with what we have to maintain the U.S. merchant fleet.

I have every confidence that the new chairman of the maritime panel can come up with a much more ambitious program for next year and, as his ranking minority member, I intend to work with him to the fullest on that.

Mr. Chairman, I want to take the comments to heart of what the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Committee on Appropriations, said about the need for the American merchant fleet. I think we ought to be on the gentleman's doorstep asking for his help to do the things that we know need to be done.

Mr. Chairman, with that, I yield back the balance of my time, and encourage the passage of the bill.

Mr. BATEMAN. Mr. Chairman, I will take but a moment further, but I feel it is necessary for me to do that in order for me to express my gratitude and, I should hope, the appreciation of all the Members of the House for the cooperation and leadership that I have received as chairman of the merchant marine panel from the gentleman from Mississippi [Mr. TAYLOR], and to also commend the gentleman from Massachusetts [Mr. STUDDS], and the gentleman from Illinois [Mr. LIPINSKI], who have always played a critical role in trying to support the American merchant marine community. They have done yeoman's work in this field. It is a part of a truly bipartisan effort.

So, Mr. Chairman, thanks to all of them, and thanks to all those who came to the floor to express their support for this vitally needed legislation.

Mr. DIAZ-BALART. Mr. Chairman, I rise today to offer my support for H.R. 1350, the Maritime Security Act of 1995.

Mr. Chairman, history has only begun to tell the story of the need for our country to have a viable merchant marine fleet. During the Vietnam war, the demand was not always met by the merchant marine fleet because some of the vessels that were flagged in other countries had crews that refused to crew the fleet during this conflict. More recently, during Desert Shield/Desert Storm, trained mariners were ready to go to sea, but because they had no rehire rights they could not take a chance on losing their civilian jobs. Because of this lack of reemployment, the United States had to rely on pensioners who were in their 60's, 70's and even 80's to service these cargo and supply vessels.

H.R. 1350 reverses a trend and ensures the existence of a fleet of militarily useful U.S.-flag commercial vessels and their American citizen crews, necessary for the military security requirements of our Nation. Fortunately there is consensus in Congress that H.R. 1350 needs to be enacted into law as soon as possible. The Maritime Security Act is supported by all segments of the U.S.-flag maritime industry—the American seafarers and the American shipbuilders.

I am proud to be supporting H.R. 1350 with enthusiasm.

Mr. UNDERWOOD. Mr. Chairman, as an island community 3500 miles west of Hawaii, we on Guam appreciate the immense importance of our national maritime policy. As an American community once occupied by enemy forces, we also greatly appreciate sound national security policies.

The Maritime Security Act of 1995 serves to ensure an American merchant fleet crewed by Americans. These vessels would ensure the availability of critical assets in the event of a major conflict. I support these very important national security goals.

I would point out that the purpose of this act is to help the American merchant marine fleet compete with foreign shipping interests. I must take issue when the competition is so skewed that there is no competition at all. In Guam's case, the Jones Act requires that goods shipped to Guam from other U.S. ports, such as from the west coast, must be carried on American vessels. Guam would rather have the open competition. Yes, subsidize the American carriers, if necessary, to even the playing field, but by all means, do not subsidize and then close the markets. In Guam's case, we have the worst of all worlds.

Because the Guam shipping rates are so high compared to rates to Japan, we are actually in a position to lose business in our port from the United States military to these foreign ports. It is actually cheaper for the United States military to move its supplies to a foreign port and to re-supply United States naval ships from these foreign ports, than it is to ship those same supplies to Guam. In an era of strict budgetary constraints, the Navy's Military Sealift Command is contemplating this very scenario. What happened to national security concerns? What happened to loyalty to American workers in the American port of Guam? Very simply, what happened is that the shippers who receive these subsidies, and who have the captive Guam market because of the Jones Act, have made it impossible for the Navy to operate out of Guam due to their exorbitant shipping rates.

And we Americans who live on Guam are finding it increasingly untenable to be the ones whose shipping rates provide the windfall profits to shipping companies because of Jones Act restrictions.

Mr. Chairman, I can support the shipping subsidies if it helps the fair and open competition. But I would urge Congress to open Guam's market to fair and open competition.

Mr. POMEROY. Mr. Chairman, I rise in support of H.R. 1350, the Maritime Security Act of 1995.

Both our national security and commercial interests are well-served by preserving a viable U.S.-flagged maritime industry. A domestic fleet of ocean-going vessels provides vital sealift capability to our military and ensures that foreign shipping interests do not gain total control over America's foreign trade. For these reasons, all Americans should support the maintenance of a healthy domestic shipping industry.

While the legislation before us today protects the future of our domestic shipping capability, it does so while dramatically reducing costs to the Federal Government. H.R. 1350 reduces operating assistance payments for militarily useful U.S.-flag ships by more than 50 percent, from $225 million annually to $100 million. What's more the bill eliminates outdated and unnecessary rules and regulations which impede the ability of U.S.-flag commercial vessels to compete and to expand and modernize their fleets.

Finally, Mr. Chairman, I am pleased that the committee successfully revised the application of cargo preference requirements for shipments of agriculture commodities under the Public Law 480 Food for Peace Program. The revision will ensure that Great Lakes ports, which are not served by large U.S.-flag vessels, are not precluded from participating in such shipments.

This provision is especially important to North Dakota and the entire upper Midwest because we export a significant amount of agriculture products through Great Lakes ports. As I have said before on this floor, I do not view the interest of domestic shipping agricultural trade as incompatible. H.R. 1350 strikes an important balance that serves the interests of both industries.

I congratulate the chairman of the Armed Services Committee, Mr. SPENCE, and the ranking minority member, Mr. DELLUMS, for bringing this bipartisan legislation to the floor today. The bill was unanimously supported by the Committee on National Security and deserves the support of all Members.

Mr. FLANAGAN. Mr. Chairman, I rise in strong support of H.R. 1350, the Maritime Security Act of 1995, sponsored by the gentleman from South Carolina [Mr. SPENCE] and the gentleman from Virginia [Mr. BATEMAN], and urge my colleagues to support it also.

Mr. Chairman, this year marks the 50th anniversary of the end of World War II. On May 18 and September 2 of this year, all segments of America's Armed Forces were praised and their exploits recounted for the commemoration of the 50th anniversaries of V–E Day and V–J Day, respectfully. One segment that I believe was not given the full credit it deserves was the U.S. merchant marine.

The United States led the free world to victory, in part, because its skilled men and women worked around the clock in America's machine shops and shipyards to produce the vessels needed to carry the critical supplies and ordinance to our fighting men and women overseas. Those ships were all crewed with brave, young American merchant mariners who sailed through thousands of miles of treacherous waters, often unprotected from submarine attacks.

It was America's industrial strength that helped to overwhelm our German and Japanese enemies, though only because American shipyards also supplied the transportation to move it. Between 1941 and 1945, more than 51,000,000 tons of merchant shipping was built by U.S. shipyards, representing some 10,000 Liberty and Victory freighters and T–2 tankers, all U.S. manned and produced by a revolutionary process called prefabrication in which a vessel could be built from start to finish in just 4 days. At the height of the Liberty-building program, shipyards in Baltimore and San Francisco and other port cities were launching three ships a day. Germany's U-boats could not sink such an output at the rate losses were replaced.

We will retain a small part of this industry component if the House votes in favor of H.R. 1350 today. With the enactment of this important legislation, America will have the nucleus of a merchant fleet flying the Stars and Stripes proudly on the fantails of our ships, ready to provide the kind of protection and competition to American shippers who would otherwise be at the mercy of foreign-flag fleets.

With this bill, our Nation will also have a civilian fleet which we can count on during times of both war and peace. Further, it will have a maritime manpower base and intermodal cargo carrying capability essential to strong sealift under our own control.

Mr. Chairman, I strongly urge my colleagues to support the national security of our country by voting for this bill and manager's amendment to it.

Mr. REED. Mr. Chairman, I rise in strong support of H.R. 1350, the Maritime Security Act of 1995.

As a member of the Merchant Marine and Fisheries Committee and the Subcommittee on Merchant Marine in the 102d and 103d Congresses, I was actively involved in several maritime reform efforts. While that committee no longer exists, I am glad that we are making another attempt to ensure our status as a maritime power.

H.R. 1350 would support a fleet of militarily useful U.S.-flagged commercial vessels and American merchant marines for future needs. It would prevent foreign shipping interests from controlling all U.S. maritime trade. It would reduce the costs of the operating assistance program and eliminate burdensome administrative requirements. H.R. 1350 would also help our Nation's shipyards by encouraging the construction of new vessels here in America.

Throughout my tenure in the House of Representatives, I have been proud to come to the floor and vote in favor of several bills to ensure a vibrant American merchant marine and maritime industry. Such legislation is good for our economy and our national security.

Unfortunately, maritime reform and revitalization efforts failed to get the support of the other Chamber. I would urge my colleagues in the other body to get on board and support our Nation's maritime industry.

Mr. TRAFICANT. Mr. Chairman, I rise in strong support of H.R. 1350, the Maritime Security Act of 1995. I commend Chairman SPENCE and the ranking minority member of the National Security Committee, Mr. DELLUMS, for bringing this important bill forward.

The bill makes some much needed and long overdue reforms in Federal maritime programs. Most importantly, the bill replaces the Operational Differential Subsidy [ODS] Program with a new Maritime Security Fleet [MSF] Program within the Transportation Department. The new MSF Program would provide annual payments to U.S.-flag shipping companies who agree to make their vessels available to the Federal Government when needed for national security purposes.

The new MSF Program will allow the United States to maintain a modern merchant fleet, provide sealift for national emergencies, and ensure that America remains a player in ocean transportation and commerce. The MSF Program will provide for a viable United States maritime industry able to provide America with the maritime services necessary to respond to a national security crisis—such as a war in the Persian Gulf or the Korean Peninsula.

Members should note that the MSF Program will provide this service at a program cost significantly less than the current Operating Differential Subsidy Program.

The chairman's amendment includes a provision which reauthorizes and reforms the title XI program to provide Federal loan guarantees to buyers who build vessels in American shipyards. The funds authorized in the bill will provide seed money for as much as $500 million in loan guarantee authority for the construction of commercial vessels in U.S. shipyards.

For every American shipyard job that is created, 10 jobs are created in related industries throughout the country. The title XI loan guarantee program is a successful and necessary initiative.

To fully appreciate the urgent necessity of this program one must fully understand the real world of commercial shipbuilding. The international shipbuilding industry is highly competitive and dominated by nations that heavily subsidize their shipbuilding industries.

The title XI program, time and time again, allows shipbuilding projects in this country to go forward—projects that normally never would have happened without title XI.

At a time when some $20 billion of United States taxpayer money is being used to bail out Mexico, it would be a travesty and a tragedy not to continue a modest program like title XI that creates American jobs and secures our national security.

At the present time there is great pressure on the Congress to cut Federal spending. I agree that Congress should closely review each and every program of the Federal Government. There are certain responsibilities, however, that the Federal Government cannot shirk or shortchange. National security is one of them.

The new Maritime Security Fleet Program authorized in this bill will foster a continuing and effective partnership between the Federal Government and the private sector by utilizing existing industries to provide cost effective sealift, as well as a modern and efficient marine transportation system.

The maintenance of a viable and efficient maritime industry is an essential component of ensuring national security. To cut or eliminate these programs would seriously compromise our national security by compromising the U.S. military's ability to move troops and material to any point on the globe where our interests might be threatened.

Napoleon once said that an army lives on its stomach. That maxim is as true in the high-technology battlefield of 1995 as it was in the 19th century. Modern-day armies need to eat, they need to be transported and they need logistic support to function and to fight. I, for one, do not want to rely on foreign maritime fleets and crews to feed, clothe, and equip American troops during a crisis. That is why we need to pass H.R. 1350.

I urge my colleagues to support H.R. 1350.

Ms. PELOSI. Mr. Chairman, I rise today in strong support of H.R. 1350, the Maritime Security Act of 1995. This legislation preserves a strong U.S. merchant marine and it is vital to our national defense and economy.

In the years immediately following World War II, almost half of the world's commercial fleet sailed under the American flag. Today, while the United States remains the largest trading nation in the world, our merchant marine fleet now ranks 16th in size when compared to other maritime nations. This legislation would begin to reverse this dramatic decline.

H.R. 1350, which was reported unanimously by the Committee on National Security, serves several important purposes. The bill creates a Maritime Security Program which will ensure that the United States has a U.S.-flagged and crewed fleet of militarily useful commercial vessels ready at all times. This fleet will serve our country in peace and in war.

In addition, the Maritime Security Program would significantly reduce the cost of the Federal maritime operating assistance program from a $225 million annual program to a $100 million annual program. Each ship that participates in the program would receive $2.3 million per year for the first year and $2.1 million per year for the remaining 9 years of the program. When fully operational, the program would result in the retention of approximately 50 U.S.-flag vessels which would otherwise shift their operations to foreign flags of convenience with foreign crews.

This is the most sweeping maritime reform program in six decades. It will reduce Federal spending while providing for a modern cost-competitive American maritime fleet which will serve our Nation's economic and military objectives. Furthermore, it will ensure that our

American commercial fleet will be crewed by American sailors, the finest crews in the world.

I urge my colleagues to support this important legislation and vote "yes" on H.R. 1350.

Mr. JONES. Mr. Chairman, last fall the electorate called for the role of the Government to change and the size of the Government to be reduced. With downsizing and budget cutting, we in Government will need to do more for less. We must look for cost-effective entrepreneurial approaches to providing services to our country.

Reinventing Government includes programs related to national security. Not all national security programs need to be Government owned and staffed. Some activities essential to national security can be provided by provided by the private sector, functioning in a commercial environment, but readily available to the Government when needed for national security.

There is no debate whether ships and seafarers are needed to carry U.S. military cargo and supplies to the areas of conflict. The issue is whether some of the sealift can be provided by the private sector at a substantially reduced cost to the Government, compared to the alternative of a full-time Government fleet fully paid for by the Government.

Both the Bush administration and the Clinton administration recognized the need for abundant sealift capacity, especially with the reduction of forces overseas and the experiences of the Persian Gulf war. Both administrations proposed the use of U.S.-owned and U.S.-crewed commercial vessels to provide supplemental sustainment lift of military cargo and supplies. Dedicated Government-owned ships would continue to be used for immediate surge lift. The continuous carriage of cargo, called sustainment lift, would be transported on commercial vessels.

At the same time, both administrations recognized the need to reinvent the existing maritime program, reduce its costs, and deregulate its operations. They would replace the old subsidy program based on a cost differential between foreign and Government and the private industry to provide modern and efficient ships with U.S.-citizen crews when needed for war and national emergencies. Flat-fee contracts would be approximately one-half the cost of the old programs.

The new maritime program would cost the Government $100 million per year for 52 ships. The private sector would be providing to the Government 52 ships worth $5 billion paid for by the private sector. In addition to buying the vessel with private funds, the U.S. shipowner saves the Government the related inermodal transportation assets that would cost billions to duplicate. Also, rather than hiring a full-time Government crew, the Government would have use of well-trained and loyal merchant mariners when needed.

Some critics propose eliminating all support for our vital maritime industry. They fail to see how shortsighted it would be to kill a program primarily financed by the private sector which would eventually be replaced by a much more costly Government program.

Legislation reported out of the National Security Committee (H.R. 1350) and the Senate Commerce Committee (S. 1189) provides for a core fleet of approximately 50 vessels for $100 million per year. Since 1936, the old program has cost between $200 to $400 million a year.

When the Government reinvents the way it does business, it looks at the need for the program, the cost of the program, and the efficiency of the program. There is no question that there is a need for sealift. As far as the costs are concerned, the new program costs are cut in half, and, by using the private sector for sustainment sealift, the Government saves billions of dollars which otherwise would be needed to buy and maintain a Government fleet.

While I believe that there is much to be done to make our domestic commercial fleet more competitive with its foreign rivals, it is important that we recognize the role of that domestic fleet as part of our national defense capability.

I am one who supports initiatives to reduce the size and cost of Government. We must be aware of false economies, however, it would be foolish to try to save $100 million this year, only to spend billions when the Government must step in to assure its national security.

Mr. GANSKE. Mr. Chairman, I am opposed to H.R. 1350, the Maritime Security Act of 1995. I am disappointed that the House approved this legislation which will literally give away over $100 million a year to the domestic ship building industry. This measure is corporate welfare at its worst. As we move towards a balanced budget by 2002, we should not undertake this wasteful initiative.

The Maritime Security Act of 1995 is an attempt to lengthen the phase-out of subsidies for the American shipbuilding industry. The Merchant Marine Act of 1936 created the Operating Differential Subsidy [ODS] Program. This program provided payments to carriers on specified trade routes to offset the higher cost of operating under the U.S. flag and was intended to maintain a U.S. merchant fleet. Unfortunately, rather than stimulate a vibrant domestic fleet, subsidies have resulted in an aging fleet of uncertain quality and reliability. Time has proven that this program was ill advised. Wisely, these contracts were set to expire over the next 3 years.

Unfortunately, instead of allowing the free market to reinvigorate and revitalize this sector of our economy, supporters of the U.S. shipping industry have developed a new program which will effectively extend the subsidies until the year 2005 at a potential cost of over $1.2 billion. Adoption of this legislation will force the taxpayers to pay each U.S. ship more than $2 million each year.

Perhaps even more amazing, the Maritime Security Act would remove the requirement that obligates U.S. shipping companies to make their vessels available to the Government in time of national emergency. Incredibly, the bill allows these companies to substitute similar size foreign-registered, foreign-crewed ships. The result, Mr. Chairman, is that U.S. taxpayers get virtually nothing for their tax dollar. Because of continued subsidies, the domestic shipping industry will remain inefficient and uncompetitive. Companies like Cargill or Con Agra shipping products like Iowa corn and grain will continue to face uncompetitive rates higher than the world average.

At this point, Mr. Chairman, I would like to submit for the RECORD a letter I received from Citizens Against Government Waste that summarizes the serious flaws in this legislation and makes the case why it should be defeated.

COUNCIL FOR CITIZENS
AGAINST GOVERNMENT WASTE,
Washington, DC, December 5, 1995.

DEAR REPRESENTATIVE: The 600,000 members of the Council for Citizens Against Government Waste (CCAGW) urge you to reject a new subsidy in H.R. 1350, "Maritime Security Act of 1995."

The current subsidized maritime system is set to expire in 1997, and in this time of fiscal restraint, it should not be renewed. Instead, for the first time in maritime subsidy history, U.S.-flag vessel operators will be able to collect both cargo preference and direct subsidies. Earlier this year, CCAGW applauded Appropriations Subcommittee on Commerce, Justice, State, and the Judiciary Chairman Hal Rogers, for refusing to fund H.R. 1350. Today, the Department of Defense relies upon a variety of resources to meet its sealift objectives. For example, according to the General Accounting Office, during Operation Desert Shield only 15 percent of the 206 ships chartered by the Military Sealift Command were privately owned U.S.-fag vessels.

Since the 1930s, under the protectionist Jones Act, nearly $10 billion has been spent on operating subsidies for the merchant marine industry. In addition, a handful of U.S.-flag vessel operators have annually reaped $500 million in cargo preference subsidies. Members of Congress have supported these subsidies under the illusion that they ultimately help maintain a healthy U.S.-flag fleet. Instead, the industry is hopelessly dependent on taxpayer subsidies.

Strengthening our national defense is a goal that CCAGW strongly supports, but it is not an excuse to extend maritime subsidies that waste scarce tax dollars. We urge you to vote against H.R. 1350 and prevent the enactment of a new wasteful maritime subsidy. This vote will be among those considered for our 1995 Congressional Ratings.

Sincerely,

TOM SCHATZ,
President.

Mr. BATEMAN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

The amendment in the nature of a substitute printed in the bill shall be considered by sections as an original bill for the purpose of amendment, and pursuant to the rule each section is considered read.

Before consideration of any other amendment, it shall be in order to consider the amendment printed in House Report 104–375, if offered by the gentleman from South Carolina [Mr. SPENCE], or his designee. That amendment shall be considered read, may amend portions of the bill not yet read for amendment, is not subject to amendment, and is not subject to a demand for division of the question. Debate on the amendment is limited to 20 minutes, equally divided and controlled by the proponent and an opponent of the amendment.

During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition to a Member offering

an amendment that has been printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Clerk will designate section 1.

The text of section 1 is as follows:

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 "Maritime Security Act of 1995".

The CHAIRMAN. Are there any amendments to section 1?

Mr. BATEMAN. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

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

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute is as follows:

SEC. 2. MARITIME SECURITY PROGRAM.

Title VI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1171 et seq.) is amended—

(1) by striking the title heading and inserting the following:

"TITLE VI—VESSEL OPERATING ASSISTANCE PROGRAMS

"Subtitle A—Operating-Differential Subsidy Program";

and

(2) by adding at the end the following new subtitle:

"Subtitle B—Maritime Security Fleet Program

"ESTABLISHMENT OF FLEET

"SEC. 651. (a) IN GENERAL.—The Secretary of Transportation shall establish a fleet of active, militarily useful, privately-owned vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The Fleet shall consist of privately owned, United States-flag vessels for which there are in effect operating agreements under this subtitle, and shall be known as the Maritime Security Fleet.

"(b) VESSEL ELIGIBILITY.—A vessel is eligible to be included in the Fleet if the vessel is self-propelled and—

"(1)(A) is operated by a person as an ocean common carrier (as that term is used in the Shipping Act of 1984 (46 App. U.S.C. 1701 et seq.));

"(B) whether in commercial service, on charter to the Department of Defense, or in other employment, is either—

"(i) a roll-on/roll-off vessel with a carrying capacity of at least 80,000 square feet or 500 twenty-foot equivalent units; or

"(ii) a lighter aboard ship vessel with a barge capacity of at least 75 barges; or

"(C) any other type of vessel that is determined by the Secretary to be suitable for use by the United States for national defense or military purposes in time of war or national emergency;

"(2)(A)(i) is a United States-documented vessel; and

"(ii) on the date an operating agreement covering the vessel is entered into under this subtitle, is—

"(I) a LASH vessel that is 25 years of age or less; or

"(II) any other type of vessel that is 15 years of age or less;

except that the Secretary of Transportation may waive the application of clause (ii) if the Secretary, in consultation with the Secretary of Defense, determines that the waiver is in the national interest; or

"(B) it is not a United States-documented vessel, but the owner of the vessel has demonstrated an intent to have the vessel documented under chapter 121 of title 46, United States Code, if it is included in the Fleet, and the vessel will be less than 10 years of age on the date of that documentation;

"(3) the Secretary of Transportation determines that the vessel is necessary to maintain a United States presence in international commercial shipping or, after consultation with the Secretary of Defense, determines that the vessel is militarily useful for meeting the sealift needs of the United States with respect to national emergencies; and

"(4) at the time an operating agreement for the vessel is entered into under this subtitle, the vessel will be eligible for documentation under chapter 121 of title 46, United States Code.

"OPERATING AGREEMENTS

"SEC. 652. (a) IN GENERAL.—The Secretary of Transportation shall require, as a condition of including any vessel in the Fleet, that the owner or operator of the vessel enter into an operating agreement with the Secretary under this section. Notwithstanding subsection (g), the Secretary may enter into an operating agreement for, among other vessels that are eligible to be included in the Fleet, any vessel which continues to operate under an operating-differential subsidy contract under subtitle A or which is under charter to the Department of Defense.

"(b) REQUIREMENTS FOR OPERATION.—An operating agreement under this section shall require that, during the period a vessel is operating under the agreement—

"(1) the vessel—

"(A) shall be operated exclusively in the foreign trade or in mixed foreign and domestic trade allowed under a registry endorsement issued under section 12105 of title 46, United States Code, and

"(B) shall not otherwise be operated in the coastwise trade; and

"(2) the vessel shall be documented under chapter 121 of title 46, United States Code.

"(c) CERTAIN REQUIREMENTS NOT TO APPLY.—A contractor of a vessel included in an operating agreement under this subtitle may operate the vessel in the foreign commerce of the United States without restriction, and shall not be subject to any requirement under section 801, 808, 809, or 810.

"(d) EFFECTIVENESS AND ANNUAL PAYMENT REQUIREMENTS OF OPERATING AGREEMENTS.—

"(1) EFFECTIVENESS.—The Secretary of Transportation may enter into an operating agreement under this subtitle for fiscal year 1996. The agreement shall be effective only for 1 fiscal year, but shall be renewable, subject to the availability of appropriations, for each subsequent fiscal year through the end of fiscal year 2005.

"(2) ANNUAL PAYMENT.—An operating agreement under this subtitle shall require, subject to the availability of appropriations and the other provisions of this section, that the Secretary of Transportation pay each fiscal year to the contractor, for each vessel that is covered by the operating agreement, an amount equal to $2,300,000 for fiscal year 1996 and $2,100,000 for each fiscal year thereafter in which the agreement is in effect. The amount shall be paid in equal monthly installments at the end of each month. The amount shall not be reduced except as provided by this section.

"(e) CERTIFICATION REQUIRED FOR PAYMENT.—As a condition of receiving payment under this section for a fiscal year for a vessel, the owner or operator of the vessel shall certify, in accordance with regulations issued by the Secretary of Transportation, that the vessel has been and will be operated in accordance with subsection (b)(1) for at least 320 days in the fiscal year. Days during which the vessel is drydocked, surveyed, inspected, or repaired shall be considered days of operation for purposes of this subsection.

"(f) OPERATING AGREEMENT IS OBLIGATION OF UNITED STATES GOVERNMENT.—An operating agreement under this subtitle constitutes a contractual obligation of the United States Government to pay the amounts provided for in the agreement to the extent of actual appropriations.

"(g) LIMITATIONS.—The Secretary of Transportation shall not make any payment under this subtitle for a vessel with respect to any days for which the vessel is—

"(1) subject to an operating-differential subsidy contract under subtitle A or under a charter to the United States Government, other than a charter pursuant to section 653;

"(2) not operated or maintained in accordance with an operating agreement under this subtitle; or

"(3) more than 25 years of age, except that the Secretary may make such payments for a LASH vessel for any day for which the vessel is more than 25 years of age if that vessel—

"(A) is modernized after January 1, 1994,

"(B) is modernized before it is 25 years of age, and

"(C) is not more than 30 years of age.

"(h) PAYMENTS.—With respect to payments under this subtitle for a vessel covered by an operating agreement, the Secretary of Transportation—

"(1) except as provided in paragraph (2), shall not reduce any payment for the operation of a vessel to carry military or other preference cargoes under section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 App. U.S.C. 1241-1), section 901(a), 901(b), or 901b of this Act, or any other cargo preference law of the United States;

"(2) shall not make any payment for any day that a vessel is engaged in transporting more than 7,500 tons of civilian bulk preference cargoes pursuant to section 901(a), 901(b), or 901b that is bulk cargo (as that term is defined in section 3 of the Shipping Act of 1984 (46 App. U.S.C. 1702)); and

"(3) shall make a pro rata reduction in payment for each day less than 320 in a fiscal year that a vessel covered by an operating agreement is not operated in accordance with subsection (b)(1), with days during which the vessel is drydocked or undergoing survey, inspection, or repair considered to be days on which the vessel is operated.

"(i) PRIORITY FOR AWARDING AGREEMENTS.—Subject to the availability of appropriations, the Secretary shall enter into operating agreements according to the following priority:

"(1) VESSELS OWNED BY CITIZENS.—

"(A) PRIORITY.—First, for any vessel that is—

"(i) owned and operated by persons who are citizens of the United States under section 2 of the Shipping Act, 1916; or

"(ii) less than 10 years of age and owned and operated by a corporation that is—

"(I) eligible to document a vessel under chapter 121 of title 46, United States Code; and

"(II) affiliated with a corporation operating or managing for the Secretary of Defense other vessels documented under that chapter, or chartering other vessels to the Secretary of Defense.

"(B) LIMITATION ON NUMBER OF OPERATING AGREEMENTS.—The total number of operating agreements that may be entered into by a person under the priority in subparagraph (A)—

"(i) for vessels described in subparagraph (A)(i), may not exceed the sum of—

"(I) the number of United States-documented vessels the person operated in the foreign commerce of the United States (except mixed coastwise and foreign commerce) on May 17, 1995; and

"(II) the number of United States-documented vessels the person chartered to the Secretary of Defense on that date; and

"(ii) for vessels described in subparagraph (A)(ii), may not exceed 5 vessels.

"(C) TREATMENT OF RELATED PARTIES.—For purposes of subparagraph (B), a related party with respect to a person shall be treated as the person.

"(2) OTHER VESSELS OWNED BY CITIZENS AND GOVERNMENT CONTRACTORS.—To the extent that amounts are available after applying paragraph (1), any vessel that is owned and operated by a person who is—

"(A) a citizen of the United States under section 2 of the Shipping Act, 1916, that has not been awarded an operating agreement under the priority established under paragraph (1); or

"(B)(i) eligible to document a vessel under chapter 121 of title 46, United States Code; and

"(ii) affiliated with a corporation operating or managing other United States-documented vessels for the Secretary of Defense or chartering other vessels to the Secretary of Defense.

"(3) OTHER VESSELS.—To the extent that amounts are available after applying paragraphs (1) and (2), any other eligible vessel.

"(j) TRANSFER OF OPERATING AGREEMENTS.—A contractor under an operating agreement may transfer the agreement (including all rights and obligations under the agreement) to any person eligible to enter into that operating agreement under this subtitle after notification of the Secretary in accordance with regulations prescribed by the Secretary, unless the transfer is disapproved by the Secretary within 90 days after the date of that notification. A person to whom an operating agreement is transferred may receive payments from the Secretary under the agreement only if each vessel to be covered by the agreement after the transfer is an eligible vessel under section 651(b).

"(k) REVERSION OF UNUSED AUTHORITY.—The obligation of the Secretary to make payments under an operating agreement under this subtitle shall terminate with respect to a vessel if the contractor fails to engage in operation of the vessel for which such payment is required—

"(1) within one year after the effective date of the operating agreement, in the case of a vessel in existence on the effective date of the agreement, or

"(2) within 30 months after the effective date of the operating agreement, in the case of a vessel to be constructed after that effective date.

"(l) PROCEDURE FOR CONSIDERING APPLICATION; EFFECTIVE DATE FOR CERTAIN VESSELS.—

"(1) PROCEDURES.—Within 90 days after receipt of an application for enrollment of a vessel in the Fleet, the Secretary shall enter into an operating agreement with the applicant or provide in writing the reason for denial of that application.

"(2) EFFECTIVE DATE.—Unless an earlier date is requested by the applicant, the effective date for an operating agreement with respect to a vessel which is, on the date of entry into an operating agreement, either subject to a contract under subtitle A or on charter to the United States Government, other than a charter under section 653, shall be the expiration or termination date of the contract under subtitle A or of the Government charter covering the vessel, respectively, or any earlier date the vessel is withdrawn from that contract or charter.

"(m) EARLY TERMINATION.—An operating agreement under this subtitle shall terminate on a date specified by the contractor if the contractor notifies the Secretary, by not later than 60 days before the effective date of the termination, that the contractor intends to terminate the agreement. Vessels covered by an operating agreement terminated under to this subsection shall remain documented under chapter 121 of title 46, United States Code, until the date the operating agreement would have terminated according to its terms. A contractor who terminates an operating agreement pursuant to this subsection shall continue to be bound by the provisions of section 653 until the date the operating agreement would have terminated according to its terms. All terms and conditions of an Emergency Preparedness Agreement entered into under to section 653 shall remain in effect until the date the operating agreement would have terminated according to its terms, except that the terms of such Emergency Preparedness Agreement may be modified by the mutual consent of the contractor and the Secretary of Transportation.

"(n) TERMINATION FOR LACK OF FUNDS.—If funds are not appropriated under the authority provided by section 655 for any fiscal year, then each vessel covered by an operating agreement under this subtitle is thereby released from any further obligation under the operating agreement, the operating agreement shall terminate, and the vessel owner or operator may transfer and register such vessel under an effective United States-controlled foreign flag, notwithstanding any other provision of law. If section 902 is applicable to such vessel after registry under an effective United States-controlled foreign flag, the vessel is available to be requisitioned by the Secretary of Transportation pursuant to section 902.

"(o) AWARD OF OPERATING AGREEMENTS.—

"(1) IN GENERAL.—The Secretary of Transportation, subject to paragraph (4), shall award operating agreements within each priority under subsection (i)(1), (2), and (3) under regulations prescribed by the Secretary.

"(2) NUMBER OF AGREEMENTS AWARDED.—Regulations under paragraph (1) shall provide that if appropriated amounts are not sufficient for operating agreements for all vessels within a priority under subsection (i)(1), (2), or (3), the Secretary shall award to each person submitting a request a number of operating agreements that bears approximately the same ratio to the total number of vessels in the priority, as the amount of appropriations available for operating agreements for vessels in the priority bears to the amount of appropriations necessary for operating agreements for all vessels in the priority.

"(3) TREATMENT OF RELATED PARTIES.—For purposes of paragraph (2), a related party with respect to a person shall be treated as the person.

"(4) PREFERENCE FOR U.S.-BUILT VESSELS.—In awarding operating agreements for vessels within a priority under subsection (i) (1), (2), or (3), the Secretary shall give preference to a vessel that was constructed in the United States, to the extent such preference is consistent with establishment of a fleet described in the first sentence of section 651(a) (taking into account the age of the vessel, the nature of service provided by the vessel, and the commercial viability of the vessel).

"(p) NOTICE TO U.S. SHIPBUILDERS REQUIRED.—The Secretary shall include in any operating agreement under this subtitle a requirement that the contractor under the agreement shall, by not later than 30 days after soliciting any bid or offer for the construction of any vessel in a foreign shipyard and before entering into a contract for construction of a vessel in a foreign shipyard, provide notice of the intent of the contractor to enter into such a contract to each shipyard in the United States that is capable of constructing the vessel.

"NATIONAL SECURITY REQUIREMENTS

"SEC. 653. (a) EMERGENCY PREPAREDNESS AGREEMENT.—

"(1) REQUIREMENT TO ENTER AGREEMENT.—The Secretary of Transportation shall establish an Emergency Preparedness Program under this section that is approved by the Secretary of Defense. Under the program, the Secretary of Transportation shall include in each operating agreement under this subtitle a requirement that the contractor enter into an Emergency Preparedness Agreement under this section with the Secretary. The Secretary shall negotiate and enter into an Emergency Preparedness Agreement with each contractor as promptly as practicable after the contractor has entered into an operating agreement under this subtitle.

"(2) TERMS OF AGREEMENT.—An Emergency Preparedness Agreement under this section shall require that upon a request by the Secretary of Defense during time of war or national emergency, an owner or operator of a vessel covered by an operating agreement under this subtitle shall make available commercial transportation resources (including services). The basic terms of the Emergency Preparedness Agreement shall be established pursuant to consultations among the Secretary, the Secretary of Defense, and Maritime Security Program contractors. In any Emergency Preparedness Agreement, the Secretary and a contractor may agree to additional or modifying terms appropriate to the contractor's circumstances.

"(b) RESOURCES MADE AVAILABLE.—The commercial transportation resources to be made available under an Emergency Preparedness Agreement shall include vessels or capacity in vessels, intermodal systems and equipment, terminal facilities, intermodal and management services, and other related services, or any agreed portion of such nonvessel resources for activation as the Secretary may determine to be necessary, seeking to minimize disruption of the contractor's service to commercial shippers.

"(c) COMPENSATION.—

"(1) IN GENERAL.—The Secretary of Transportation shall provide in each Emergency Preparedness Agreement for reasonable compensation for all commercial transportation resources provided pursuant to this section.

"(2) SPECIFIC REQUIREMENTS.—Compensation under this subsection—

"(A) shall not be less than the contractor's commercial market charges for like transportation resources;

"(B) shall include all the contractor's costs associated with provision and use of the contractor's commercial resources to meet emergency requirements;

"(C) in the case of a charter of an entire vessel, shall be fair and reasonable;

"(D) shall be in addition to and shall not in any way reflect amounts payable under section 652; and

"(E) shall be provided from the time that a vessel or resource is diverted from commercial service until the time that reenters commercial service.

"(d) TEMPORARY REPLACEMENT VESSELS.—Notwithstanding any other provision of this subtitle or of other law to the contrary—

"(1) a contractor may operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity, as a temporary replacement for a United States-documented vessel or United States-documented vessel capacity that is activated under an Emergency Preparedness Agreement; and

"(2) such replacement vessel or vessel capacity shall be eligible during the replacement period to transport preference cargoes subject to section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 App. U.S.C. 1241-1), and sections 901(a), 901(b), and 901b of this Act to the

same extent as the eligibility of the vessel or vessel capacity replaced.

"(e) REDELIVERY AND LIABILITY OF U.S. FOR DAMAGES.—

"(1) IN GENERAL.—All commercial transportation resources activated under an Emergency Preparedness Agreement shall, upon termination of the period of activation, be redelivered to the contractor in the same good order and condition as when received, less ordinary wear and tear, or the Government shall fully compensate the contractor for any necessary repair or replacement.

"(2) LIMITATION ON LIABILITY OF U.S.—Except as may be expressly agreed to in an Emergency Preparedness Agreement, or as otherwise provided by law, the Government shall not be liable for disruption of a contractor's commercial business or other consequential damages to a contractor arising from activation of commercial transportation resources under an Emergency Preparedness Agreement.

"(3) LIMITATION ON APPLICATION OF OTHER REQUIREMENTS.—Sections 902 and 909 of this Act shall not apply to a vessel while it is covered by an Emergency Preparedness Agreement under this subtitle. Any Emergency Preparedness Agreement entered into by a contractor shall supersede any other agreement between that contractor and the Government for vessel availability in time of war or national emergency.

"DEFINITIONS

"SEC. 654. In this subtitle:

"(1) FLEET.—The term 'Fleet' means the Maritime Security Fleet established pursuant to section 651(a).

"(2) LASH VESSEL.—The term 'LASH vessel' means a lighter aboard ship vessel.

"(3) UNITED STATES-DOCUMENTED VESSEL.—The term 'United States-documented vessel' means a vessel documented under chapter 121 of title 46, United States Code.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 655. There are authorized to be appropriated for operating agreements under this subtitle, to remain available until expended, $100,000,000 for fiscal year 1996 and such sums as may be necessary, not to exceed $100,000,000, for each fiscal year thereafter through fiscal year 2005.".

SEC. 3. TERMINATION OF OPERATING-DIFFERENTIAL SUBSIDY PROGRAM.

(a) LIMITATION ON PAYMENTS FOR OLDER VESSELS.—Section 605(b) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1175(b)), is amended to read as follows:

"(b) No operating-differential subsidy shall be paid for the operation of a vessel after the calendar year the vessel becomes 25 years of age, unless the Secretary of Transportation has determined, before the date of enactment of the Maritime Security Act of 1995, that it is in the public interest to grant such financial aid for the operation of such vessel.".

(b) WIND-UP OF PROGRAM.—Subtitle A of such Act (46 App. U.S.C. 1171 et seq.), as designated by the amendment made by section 2(1), is further amended by adding at the end the following new section:

"SEC. 616. (a) After the date of enactment of the Maritime Security Act of 1995, the Secretary of Transportation shall not enter into any new contract for operating-differential subsidy under this subtitle.

"(b) Notwithstanding any other provision of this Act, any operating-differential subsidy contract in effect under this title on the day before the date of enactment of the Maritime Security Act of 1995 shall continue in effect and terminate as set forth in the contract, unless voluntarily terminated at an earlier date by the parties (other than the United States Government) to the contract.

"(c) The essential service requirements of section 601(a) and 603(b), and the provisions of sections 605(c) and 809(a), shall not apply to the operating-differential subsidy program under this subtitle effective upon the earlier of—

"(1) the date that a payment is made, under the Maritime Security Program established by subtitle B to a contractor under that subtitle who is not party to an operating-differential subsidy contract under this subtitle, with the Secretary to cause notice of the date of such payment to be published in the Federal Register as soon as possible; or

"(2) with respect to a particular contractor under the operating-differential subsidy program, the date that contractor enters into a contract with the Secretary under the Maritime Security Program established by subtitle B.

"(d)(1) Notwithstanding any other provision of law, a vessel may be transferred and registered under an effective United States-controlled foreign flag if—

"(A) the operator of the vessel receives an operating-differential subsidy pursuant to a contract under this subtitle which is in force on October 1, 1994, and the Secretary approves the replacement of such vessel with a comparable vessel, or

"(B) the vessel is covered by an operating agreement under subtitle B, and the Secretary approves the replacement of such vessel with a comparable vessel for inclusion in the Maritime Security Fleet established under subtitle B.

"(2) Any such vessel may be requisitioned by the Secretary of Transportation pursuant to section 902.".

SEC. 4. DOMESTIC OPERATIONS.

Section 805(a) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1223(a)) is amended by striking "1935" each place it appears and inserting "1995".

SEC. 5. USE OF FOREIGN-FLAG VESSELS.

(a) IN GENERAL.—Section 804 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1222) is amended by adding at the end the following new subsection:

"(f) The provisions of subsection (a) shall not preclude a contractor receiving assistance under subtitle A or B of title VI, or any holding company, subsidiary, or affiliate of the contractor, or any officer, director, agent, or executive thereof, from—

"(1) owning, chartering, or operating any foreign-flag vessel on a voyage or a segment of a voyage that does not call at a port in the United States;

"(2) owning, chartering, or operating any foreign-flag vessel in line haul service between the United States and foreign ports if—

"(A) the foreign-flag vessel was operated by, or is a replacement for a foreign-flag vessel operated by, such owner or operator, or any holding company, subsidiary, affiliate, or associate of such owner or operator, on the date of enactment of the Maritime Security Act of 1995;

"(B) the owner or operator, with respect to each additional foreign-flag vessel, other than a time chartered vessel, has first applied to have that vessel covered by an operating agreement under subtitle B of title VI, and the Secretary has not awarded an operating agreement with respect to that vessel within 90 days after the filing of the application; or

"(C) the vessel has been placed under foreign documentation pursuant to section 9 of the Shipping Act, 1916 (46 App. U.S.C. 808), except that any foreign-flag vessel, other than a time chartered vessel, a replacement vessel under section 653(d), or a vessel operated by the owner or operator on the date of enactment of the Maritime Security Act of 1995, in line haul service between the United States and foreign ports is registered under the flag of an effective United States-controlled foreign flag, and available to be requisitioned by the Secretary of Transportation pursuant to section 902 of this Act;

"(3) owning, chartering, or operating foreign-flag bulk cargo vessels that are operated in foreign-to-foreign service or the foreign commerce of the United States;

"(4) chartering or operating foreign-flag vessels that are operated solely as replacement vessels for United States-flag vessels or vessel capacity that are made available to the Secretary of Defense pursuant to section 653 of this Act; or

"(5) entering into time or space charter or other cooperative agreements with respect to foreign-flag vessels or acting as agent or broker for a foreign-flag vessel or vessels.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to a contractor under subtitle B of title VI of the Merchant Marine Act, 1936, as amended by this Act, upon enactment of this Act, and shall apply to a contractor under subtitle A of title VI of that Act, upon the earlier of—

(1) the date that a payment is made, under the Maritime Security Program under subtitle B of that title to a contractor under subtitle B of that title who is not party to an operating-differential subsidy contract under subtitle A of that title, with the Secretary of Transportation to cause notice of the date of such payment to be published in the Federal Register as soon as possible; or

(2) with respect to a particular contractor under the operating-differential subsidy program under subtitle A of that title, the date that contractor enters into a contract with the Secretary under the Maritime Security Program established by subtitle B of that title.

SEC. 6. AMENDMENT TO SHIPPING ACT, 1916.

Section 9 of the Shipping Act, 1916 (46 App. U.S.C. 808) is amended by adding at the end the following:

"(e) Notwithstanding subsection (c)(2), the Merchant Marine Act, 1936, or any contract entered into with the Secretary of Transportation under that Act, a vessel may be placed under a foreign registry, without approval of the Secretary, if—

"(1)(A) the Secretary determines that at least one replacement vessel of a capacity that is equivalent or greater, as measured by deadweight tons, gross tons, or container equivalent units, as appropriate, is documented under chapter 121 of title 46, United States Code, by the owner of the vessel placed under the foreign registry; and

"(B) the replacement vessel is not more than 10 years of age on the date of that documentation;

"(2)(A) an application for an operating agreement under subtitle B of title VI of the Merchant Marine Act, 1936 has been filed with respect to a vessel which is eligible to be included in the Maritime Security Fleet under section 651(b)(1) of that Act; and

"(B) the Secretary has not awarded an operating agreement with respect to that vessel within 90 days after the date of that application;

"(3) a contract covering the vessel under subtitle A of title VI of the Merchant Marine Act, 1936 has expired, and that vessel is more than 15 years of age on the date the contract expires; or

"(4) an operating agreement covering the vessel under subpart B of title VI of the Merchant Marine Act, 1936 has expired.".

SEC. 7. CONSTRUCTION DIFFERENTIAL SUBSIDY RESTRICTIONS.

Title V of the Merchant Marine Act, 1936 (46 App. U.S.C. 1151 et seq.) is amended by adding at the end the following new section:

"SEC. 512. LIMITATION ON RESTRICTIONS.

"Notwithstanding any other provision of law or contract, all restrictions and requirements under sections 503, 506, and 802 applicable to a liner vessel constructed, reconstructed, or reconditioned with the aid of construction-differential subsidy shall terminate upon the expiration

of the 25-year period beginning on the date of the original delivery of the vessel from the shipyard.".

SEC. 8. REGULATIONS.

(a) IN GENERAL.—The Secretary of Transportation may prescribe rules as necessary to carry out this Act and the amendments made by this Act.

(b) INTERIM RULES.—The Secretary of Transportation may prescribe interim rules necessary to carry out this Act and the amendments made by this Act. For this purpose, the Secretary of Transportation is excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code. All rules prescribed under the authority of this subsection that are not earlier superseded by final rules shall expire no later than 270 day after the date of enactment of this Act.

AMENDMENT OFFERED BY MR. BATEMAN

Mr. BATEMAN. Mr. Chairman, I offer an amendment, printed in House Report 104–375.

The CHAIRMAN. The clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BATEMAN:

Page 5, strike lines 18 through 23, and insert the following:

"(c) REGULATORY RELIEF.—A contractor of a vessel included in an operating agreement under this subtitle may operate the vessel in the foreign commerce of the United States without restriction, and shall not be subject to any requirement under section 801, 808, 809, or 810. Participation in the program established by this subtitle shall not subject a contractor to section 805 or to any provision of subtitle A."

Page 13, line 24, insert before the period the following: "and the Secretary of Defense".

Page 14, strike lines 1 through 13, and insert the following:

"(n) NONRENEWAL FOR LACK OF FUNDS.—If, by the first day of a fiscal year, sufficient funds have not been appropriated under the authority provided by section 655 for that fiscal year, the Secretary of Transportation shall notify the Congress that operating agreements authorized under this subtitle for which sufficient funds are not available will not be renewed for that fiscal year if sufficient funds are not appropriated by the 60th day of that fiscal year. If funds are not appropriated under the authority provided by section 655 for any fiscal year by the 60th day of that fiscal year, then each vessel covered by an operating agreement under this subtitle for which funds are not available is thereby released from any further obligation under the operating agreement, and the vessel owner or operator may transfer and register such vessel under a foreign registry deemed acceptable by the Secretary of Transportation, notwithstanding any other provision of law. If section 902 is applicable to such vessel after registration of the vessel under such a registry, the vessel is available to be requisitioned by the Secretary of Transportation pursuant to section 902."

Page 16, strike line 21 and all that follows through line 8 on page 17, and insert the following:

"(2) TERMS OF AGREEMENT.—An Emergency Preparedness Agreement under this section shall require that upon a request by the Secretary of Defense during time of war or national emergency, or whenever determined by the Secretary of Defense to be necessary for national security (including any natural disaster, international peace operation, or contingency operation (as that term is defined in section 101 of title 10, United States Code)), a contractor for a vessel covered by an operating agreement under this subtitle shall make available commercial transportation resources (including services). The basic terms of the Emergency Preparedness Agreements shall be established pursuant to consultations among the Secretary, the Secretary of Defense, and Maritime Security Program contractors. In any Emergency Preparedness Agreement, the Secretary and a contractor may agree to additional or modifying terms appropriate to the contractor's circumstances if those terms have been approved by the Secretary of Defense.

"(3) PARTICIPATION AFTER EXPIRATION OF OPERATING AGREEMENT.—Except as provided by section 652(m), the Secretary may not require, through an Emergency Preparedness Agreement or operating agreement, that a contractor continue to participate in an Emergency Preparedness Agreement when the operating agreement with the contractor has expired according to its terms or is otherwise no longer in effect. After expiration of an Emergency Preparedness Agreement, a contractor may volunteer to continue to participate in such an agreement."

Page 18, after line 16, insert the following:

"(3) APPROVAL OF AMOUNT BY SECRETARY OF DEFENSE.—No compensation may be provided for a vessel under this subsection unless the amount of the compensation is approved by the Secretary of Defense."

Page 20, strike lines 10 through 19, and insert the following:

"DEFINITIONS

"SEC. 654. In this subtitle:

"(1) BULK CARGO.—The term 'bulk cargo' means cargo that is loaded and carried in bulk without mark or count.

"(2) CONTRACTOR.—The term 'contractor' means an owner or operator of a vessel that enters into an operating agreement for the vessel with the Secretary of Transportation under section 652.

"(3) OCEAN COMMON CARRIER.—The term 'ocean common carrier' means a person holding itself out to the general public to operate vessels to provide transportation by water of passengers or cargo between the United States and a foreign country for compensation, that—

"(A) assumes responsibility for the transportation from the port or point of receipt to the port or point of destination, and

"(B) utilizes, for all or part of that transportation, a vessel operating on the high seas or the Great Lakes between a port in the United States and a port in a foreign country, except that the term does not include a common carrier engaged in ocean transportation by ferry boat, ocean tramp, or chemical parcel-tanker. As used in this paragraph, 'chemical parcel-tanker' means a vessel whose cargo-carrying capability consists of individual cargo tanks for bulk chemicals that are a permanent part of the vessel, that have segregation capability with piping systems to permit simultaneous carriage of several bulk chemical cargoes with minimum risk of cross-contamination, and that has a valid certificate of fitness under the International Maritime Organization Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk.

"(4) FLEET.—The term 'Fleet' means the Maritime Security Fleet established pursuant to section 651(a).

"(5) LASH VESSEL.—The term 'LASH vessel' means a lighter aboard ship vessel.

"(6) UNITED STATES-DOCUMENTED VESSEL.—The term 'United States-documented vessel' means a vessel documented under chapter 121 of title 46, United States Code."

Page 23, strike lines 10 through 13, and insert the following:

SEC. 4. DOMESTIC OPERATIONS.

(a) IN GENERAL.—Subtitle B of title VI of the Merchant Marine Act, 1936, as amended by section 102 of this title, is further amended by adding at the end the following new section:

"NONCONTIGUOUS DOMESTIC TRADES

"SEC. 656. (a)(1) Except as otherwise provided in this section, no contractor or related party shall receive payments pursuant to this subtitle during a period when it participates in a noncontiguous domestic trade, except upon written permission of the Secretary of Transportation. Such written permission shall also be required for any material change in the number or frequency of sailings, the capacity offered, or the domestic ports called by a contractor or related party in a noncontiguous domestic trade. The Secretary may grant such written permission pursuant to written application of such contractor or related party unless the Secretary finds that—

"(A) existing service in that trade is adequate; or

"(B) the service sought to be provided by the contractor or related party—

"(i) would result in unfair competition to any other person operating vessels in such noncontiguous domestic trade, or

"(ii) would be contrary to the objects and policy of this Act.

"(2) For purposes of this subsection, 'written permission of the Secretary' means permission which states the capacity offered, the number and frequency of sailings, and the domestic ports called, and which is granted following—

"(A) written application containing the information required by paragraph (e)(1) by a person seeking such written permission, notice of which application shall be published in the Federal Register within 15 days of filing of such application with the Secretary;

"(B) holding of a hearing on the application under section 554 of title 5, United States Code, in which every person, firm or corporation having any interest in the application shall be permitted to intervene and be heard; and

"(C) final decision on the application by the Secretary within 120 days following conclusion of such hearing.

"(b) Subsection (a) shall not apply in any way to provision by a contractor of service within the level of service provided by that contractor as of the date established by subsection (c) or to provision of service permitted by subsection (d).

"(c) The date referred to in subsection (b) shall be August 9, 1995: *Provided, however,* That with respect to tug and barge service to Alaska the date referred to in subsection (b) shall be July 1, 1992.

"(d) A contractor may provide service in a trade in addition to the level of service provided as of the applicable date established by subsection (c) in proportion to the annual increase in real gross product of the noncontiguous State or Commonwealth served since the applicable date established by subsection (c).

"(e)(1) A person applying for award of an agreement under this subtitle shall include with the application a description of the level of service provided by that person in each noncontiguous domestic trade served as of the date applicable under subsection (c).

The application also shall include, for each such noncontiguous domestic trade: a list of vessels operated by that person in such trade, their container carrying capacity expressed in twenty-foot equivalent units (TEUs) or other carrying capacity, the itinerary for each such vessel, and such other information as the Secretary may require by regulation. Such description and information shall be made available to the public. Within 15 days of the date of an application for an agreement by a person seeking to provide service pursuant to subsections (b) and (c) of this section, the Secretary shall cause to be published in the Federal Register notice of such description, along with a request for public comment thereon. Comments on such description shall be submitted to the Secretary within 30 days of publication in the Federal Register. Within 15 days after receipt of comments, the Secretary shall issue a determination in writing either accepting, in whole or part, or rejecting use of the applicant's description to establish the level of service provided as of the date applicable under subsection (c): *Provided*, That notwithstanding the provisions of this subsection, processing of the application for an award of an agreement shall not be suspended or delayed during the time in which comments may be submitted with respect to the determination or during the time prior to issuance by the Secretary of the required determination: *Provided further*, That if the Secretary does not make the determination required by this paragraph within the time provided by this paragraph, the description of the level of service provided by the applicant shall be deemed to be the level of service provided as of the applicable date until such time as the Secretary makes the determination.

"(2) No contractor shall implement the authority granted in subsection (d) of this section except as follows:

"(A) An application shall be filed with the Secretary which shall state the increase in capacity sought to be offered, a description of the means by which such additional capacity would be provided, the basis for applicant's position that such increase in capacity would be in proportion to or less than the increase in real gross product of the relevant noncontiguous State or Commonwealth since the applicable date established by subsection (c), and such information as the Secretary may require so that the Secretary may accurately determine such increase in real gross product of the relevant noncontiguous State or Commonwealth.

"(B) Such increase in capacity sought by applicant and such information shall be made available to the public.

"(C) Within 15 days of the date of an application pursuant to this paragraph the Secretary shall cause to be published in the Federal Register notice of such application, along with a request for public comment thereon.

"(D) Comments on such application shall be submitted to the Secretary within 30 days of publication in the Federal Register.

"(E) Within 15 days after receipt of comments, the Secretary shall issue a determination in writing either accepting, in whole or part, or rejecting, the increase in capacity sought by the applicant as being in proportion to or less than the increase in real gross product of the relevant noncontiguous State or Commonwealth since the applicable date established by subsection (c): *Provided*, That, notwithstanding the provisions of this section, if the Secretary does not make the determination required by this paragraph within the time provided by this paragraph, the increase in capacity sought by applicant shall be permitted as being in proportion to or less than such increase in real gross product until such time as the Secretary makes the determination.

"(f) With respect to provision by a contractor of service in a noncontiguous domestic trade not authorized by this section, the Secretary shall deny payments under the operating agreement with respect to the period of provision of such service but shall deny payments only in part if the extent of provision of such unauthorized service was de minimis or not material.

"(g) Notwithstanding any other provision of this subtitle, the Secretary may issue temporary permission for any United States citizen, as that term is defined in section 2 of the Shipping Act, 1916, to provide service to a noncontiguous State or Commonwealth upon the request of the Governor of such noncontiguous State or Commonwealth, in circumstances where an Act of God, a declaration of war or national emergency, or any other condition occurs that prevents ocean transportation service to such noncontiguous State or Commonwealth from being provided by persons currently providing such service. Such temporary permission shall expire 90 days from date of grant, unless extended by the Secretary upon written request of the Governor of such State or Commonwealth.

"(h) As used in this section:

"(1) The term 'level of service provided by a contractor' in a trade as of a date means—

"(A) with respect to service other than service described in (B), the total annual capacity provided by the contractor in that trade for the 12 calendar months preceding that date: *Provided*, That, with respect to unscheduled, contract carrier tug and barge service between points in Alaska south of the Arctic Circle and points in the contiguous 48 States, the level of service provided by a contractor shall include 100 percent of the capacity of the equipment dedicated to such service on the date specified in subsection (c) and actually utilized in that service in the two-year period preceding that date, excluding service to points between Anchorage, Alaska and Whittier, Alaska, served by common carrier service unless such unscheduled service is only for carriage of oil or pursuant to a contract with the United States military: *Provided further*, That, with respect to scheduled barge service between the contiguous 48 States and Puerto Rico, such total annual capacity shall be deemed as such total annual capacity plus the annual capacity of two additional barges, each capable of carrying 185 trailers and 100 automobiles; and

"(B) with respect to service provided by container vessels, the overall capacity equal to the sum of—

"(i) 100 percent of the capacity of vessels operated by or for the contractor on that date, with the vessels' configuration and frequency of sailing in effect on that date, and which participate solely in that noncontiguous domestic trade; and

"(ii) 75 percent of the capacity of vessels operated by or for the contractor on that date, with the vessels' configuration and frequency of sailing in effect on that date, and which participate in that noncontiguous domestic trade and in another trade, provided that the term does not include any restriction on frequency, or number of sailings, or on ports called within such overall capacity.

"(2) The level of service set forth in paragraph (1) shall be described with the specificity required by subsection (e)(1) and shall be the level of service in a trade with respect to the applicable date established by subsection (c) only if the service is not abandoned thereafter, except for interruptions due to military contingency or other events beyond the contractor's control.

"(3) The term 'participates in a noncontiguous domestic trade' means directly or indirectly owns, charters, or operates a vessel engaged in transportation of cargo between a point in the contiguous 48 states and a point in Alaska, Hawaii, or Puerto Rico, other than a point in Alaska north of the Arctic Circle.

"(4) The term 'related party' means—

"(A) a holding company, subsidiary, affiliate, or associate of a contractor who is a party to an operating agreement under this subtitle; and

"(B) an officer, director, agent, or other executive of a contractor or of a person referred to in subparagraph (A).".

(b) CONFORMING AMENDMENT.—Section 805 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1223) is amended—

(1) by striking "title VI of this Act" each place it appears and inserting "subtitle A of title VI of this Act"; and

(2) by striking "under title VI" each place it appears and inserting "under subtitle A of title VI".

Page 28, after line 26, add the following new sections:

SEC. 9. MERCHANT SHIP SALES ACT OF 1946 AMENDMENT.

Section 11 of the Merchant Ship Sales Act of 1946 (50 App. U.S.C. 1744) is amended as follows:

(1) In subsection (b)(2) by striking "Secretary of the Navy," and inserting "Secretary of Defense,".

(2) By striking subsection (c) and redesignating subsection (d) as subsection (c).

SEC. 10. REEMPLOYMENT RIGHTS FOR CERTAIN MERCHANT SEAMEN.

(a) IN GENERAL.—Title III of the Merchant Marine Act, 1936 (46 App. U.S.C. 1131) is amended by inserting after section 301 the following new section:

"SEC. 302. (a) An individual who is certified by the Secretary of Transportation under subsection (c) shall be entitled to reemployment rights and other benefits substantially equivalent to the rights and benefits provided for by chapter 43 of title 38, United States Code, for any member of a Reserve component of the Armed Forces of the United States who is ordered to active duty.

"(b) An individual may submit an application for certification under subsection (c) to the Secretary of Transportation not later than 45 days after the date the individual completes a period of employment described in subsection (c)(1)(A) with respect to which the application is submitted.

"(c) Not later than 20 days after the date the Secretary of Transportation receives from an individual an application for certification under this subsection, the Secretary shall—

"(1) determine whether or not the individual—

"(A) was employed in the activation or operation of a vessel—

"(i) in the National Defense Reserve Fleet maintained under section 11 of the Merchant Ship Sales Act of 1946, in a period in which that vessel was in use or being activated for use under subsection (b) of that section;

"(ii) that is requisitioned or purchased under section 902 of this Act; or

"(iii) that is owned, chartered, or controlled by the United States and used by the

United States for a war, armed conflict, national emergency, or maritime mobilization need (including for training purposes or testing for readiness and suitability for mission performance); and

"(B) during the period of that employment, possessed a valid license, certificate of registry, or merchant mariner's document issued under chapter 71 or chapter 73 (as applicable) of title 46, United States Code; and

"(2) if the Secretary makes affirmative determinations under paragraph (1) (A) and (B), certify that individual under this subsection.

"(d) For purposes of reemployment rights and benefits provided by this section, a certification under subsection (c) shall be considered to be the equivalent of a certificate referred to in paragraph (1) of section 4301(a) of title 38, United States Code.".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to employment described in section 302(c)(1)(A) of the Merchant Marine Act, 1936, as amended by subsection (a), occurring after the date of enactment of this Act.

(c) REGULATION.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Transportation shall issue regulations implementing this section.

SEC. 11. TITLE XI LOAN GUARANTEES.

Title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.) is amended—

(1) in section 1101(b), by striking "owned by citizens of the United States";

(2) in section 1104B(a), in the material preceding paragraph (1), by striking "owned by citizens of the United States"; and

(3) in section 1110(a), by striking "owned by citizens of the United States".

SEC. 12. EXTENSION OF WAR RISK INSURANCE AUTHORITY.

Section 1214 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1294) is amended by striking "June 30, 1995" and inserting "June 30, 2000".

SEC. 13. VESSEL LOAN GUARANTEE PROGRAM.

(a) RISK FACTOR DETERMINATIONS.—Section 1103 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1273) is amended by adding at the end the following new subsection:

"(h)(1) The Secretary shall—

"(A) establish in accordance with this subsection a system of risk categories for obligations guaranteed under this title, that categorizes the relative risk of guarantees made under this title with respect to the risk factors set forth in paragraph (3); and

"(B) determine for each of the risk categories a subsidy rate equivalent to the cost of obligations in the category, expressed as a percentage of the amount guaranteed under this title for obligations in the category.

"(2)(A) Before making a guarantee under this section for an obligation, the Secretary shall apply the risk factors set forth in paragraph (3) to place the obligation in a risk category established under paragraph (1)(A).

"(B) The Secretary shall consider the aggregate amount available to the Secretary for making guarantees under this title to be reduced by the amount determined by multiplying—

"(i) the amount guaranteed under this title for an obligation, by

"(ii) the subsidy rate for the category in which the obligation is placed under subparagraph (A) of this paragraph.

"(C) The estimated cost to the Government of a guarantee made by the Secretary under this title for an obligation is deemed to be the amount determined under subparagraph (B) for the obligation.

"(D) The Secretary may not guarantee obligations under this title after the aggregate amount available to the Secretary under appropriations Acts for the cost of loan guarantees is required by subparagraph (B) to be considered reduced to zero.

"(3) The risk factors referred to in paragraphs (1) and (2) are the following:

"(A) If applicable, the country risk for each eligible export vessel financed or to be financed by an obligation.

"(B) The period for which an obligation is guaranteed or to be guaranteed.

"(C) The amount of an obligation, which is guaranteed or to be guaranteed, in relation to the total cost of the project financed or to be financed by the obligation.

"(D) The financial condition of an obligor or applicant for a guarantee.

"(E) If applicable, any guarantee related to the project, other than the guarantee under this title for which the risk factor is applied.

"(F) If applicable, the projected employment of each vessel or equipment to be financed with an obligation.

"(G) If applicable, the projected market that will be served by each vessel or equipment to be financed with an obligation.

"(H) The collateral provided for a guarantee for an obligation.

"(I) The management and operating experience of an obligor or applicant for a guarantee.

"(J) Whether a guarantee under this title is or will be in effect during the construction period of the project.

"(4) In this subsection, the term 'cost' has the meaning given that term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).".

(b) APPLICATION.—Subsection (h)(2) of section 1103 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1273), as amended by subsection (a) of this section, shall apply to guarantees that the Secretary of Transportation makes or commits to make with any amounts that are unobligated on or after the date of enactment of this Act.

(c) GUARANTEE FEES.—Section 1104A(e) of title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1274(e)) is amended to read as follows:

"(e)(1) Except as otherwise provided in this subsection, the Secretary shall prescribe regulations to assess in accordance with this subsection a fee for the guarantee of an obligation under this title.

"(2)(A) The amount of a fee under this subsection for a guarantee is equal to the sum determined by adding the amounts determined under subparagraph (B) for the years in which the guarantee is in effect.

"(B) The amount referred to in subparagraph (A) for a year is the present value (determined by applying the discount rate determined under subparagraph (F)) of the amount determined by multiplying—

"(i) the estimated average unpaid principal amount of the obligation that will be outstanding during the year (determined in accordance with subparagraph (E)), by

"(ii) the fee rate established under subparagraph (C) for the obligation for each year.

"(C) The fee rate referred to in subparagraph (B)(ii) for an obligation shall be—

"(i) in the case of an obligation for a delivered vessel or equipment, not less than one-half of 1 percent and not more than 1 percent, determined by the Secretary for the obligation under the formula established under subparagraph (D); or

"(ii) in the case of an obligation for a vessel to be constructed, reconstructed, or reconditioned, or of equipment to be delivered, not less than one-quarter of 1 percent and not more than one-half of 1 percent, determined by the Secretary for the obligation under the formula established under subparagraph (D).

"(D) The Secretary shall establish a formula for determining the fee rate for an obligation for purposes of subparagraph (C), that—

"(i) is a sliding scale based on the creditworthiness of the obligor;

"(ii) takes into account the security provided for a guarantee under this title for the obligation; and

"(iii) uses—

"(I) in the case of the most creditworthy obligors, the lowest rate authorized under subparagraph (C) (i) or (ii), as applicable; and

"(II) in the case of the least creditworthy obligors, the highest rate authorized under subparagraph (C) (i) or (ii), as applicable.

"(E) For purposes of subparagraph (B)(i), the estimated average unpaid principal amount does not include the average amount (except interest) on deposit in a year in the escrow fund under section 1108.

"(F) For purposes of determining present value under subparagraph (B) for an obligation, the Secretary shall apply a discount rate determined by the Secretary of the Treasury taking into consideration current market yields on outstanding obligations of the United States having periods to maturity comparable to the period to maturity for the obligation with respect to which the determination of present value is made.

"(3) A fee under this subsection shall be assessed and collected not later than the date on which amounts are first paid under an obligation with respect to which the fee is assessed.

"(4) A fee paid under this subsection is not refundable. However, an obligor shall receive credit for the amount paid for the remaining term of the guaranteed obligation if the obligation is refinanced and guaranteed under this title after such refinancing.

"(5) A fee paid under subsection (e) shall be included in the amount of the actual cost of the obligation guaranteed under this title and is eligible to be financed under this title.".

SEC. 14. MARITIME POLICY REPORT.

(a) REPORT.—The Secretary of Transportation shall transmit to the Congress a report setting forth the Department of Transportation's policies for the 5-year period beginning October 1, 1995, with respect to—

(1) fostering and maintaining a United States merchant marine capable of meeting economic and national security requirements;

(2) improving the vitality and competitiveness of the United States merchant marine and the maritime industrial base, including ship repairers, shipbuilders, ship manning, ship operators, and ship suppliers;

(3) reversing the precipitous decrease in the number of ships in the United States-flag fleet and the Nation's shipyard and repair capability;

(4) stabilizing and eventually increasing the number of mariners available to crew United States merchant vessels;

(5) achieving adequate manning of merchant vessels for national security needs during a mobilization;

(6) ensuring that sufficient civil maritime resources will be available to meet defense deployment and essential economic requirements in support of our national security strategy;

(7) ensuring that the United States maintains the capability to respond unilaterally to security threats in geographic areas not

covered by alliance commitments and otherwise meets sealift requirements in the event of crisis or war;

(8) ensuring that international agreements and practices do not place United States maritime industries at an unfair competitive disadvantage in world markets;

(9) ensuring that Federal agencies promote, through efficient application of laws and regulations, the readiness of the United States merchant marine and supporting industries; and

(10) any other relevant maritime policies.

(b) DATE OF TRANSMITTAL.—The report required under subsection (a) shall be transmitted along with the President's budget submission, under section 1105 of title 31, United States Code, for fiscal year 1997.

SEC. 15. RELIEF FROM U.S. DOCUMENTATION REQUIREMENT FOR 3 VESSELS.

(a) IN GENERAL.—Notwithstanding any other law or any agreement with the United States Government, a vessel described in subsection (b) may be sold to a person that is not a citizen of the United States and transferred to or placed under a foreign registry.

(b) VESSELS DESCRIBED.—The vessels referred to in subsection (a) are the following:

(1) RAINBOW HOPE (United States official number 622178).

(2) IOWA TRADER (United States official number 642934).

(3) KANSAS TRADER (United States official number 634621).

SEC. 16. VESSEL REPAIR AND MAINTENANCE PILOT PROGRAM.

(a) IN GENERAL.—The Secretary of Transportation shall conduct a pilot program to evaluate the feasibility of using renewable contracts for the maintenance and repair of outported vessels in the Ready Reserve Force to enhance the readiness of those vessels. Under the pilot program, the Secretary, subject to the availability of appropriations and with 6 months after the date of the enactment of this Act, shall award 9 contracts for this purpose.

(b) USE OF VARIOUS CONTRACTING ARRANGEMENTS.—In conducting a pilot program under this section, the Secretary of Transportation shall use contracting arrangements similar to those used by the Department of Defense for procuring maintenance and repair of its vessels.

(c) CONTRACT REQUIREMENTS.—Each contract with a shipyard under this section shall—

(1) subject to subsection (d), provide for the procurement from the shipyard of all repair and maintenance (including activation, deactivation, and drydocking) for 1 vessel in the Ready Reserve Force that is outported in the geographical vicinity of the shipyard;

(2) be effective for 1 fiscal year; and

(3) be renewable, subject to the availability of appropriations, for each subsequent fiscal year through fiscal year 1998.

(d) LIMITATION OF WORK UNDER CONTRACTS.—A contract under this section may not provide for the procurement of operation or manning for a vessel that may be procured under another contract for the vessel to which section 11(d)(2) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1774(d)(2)) applies.

(e) GEOGRAPHIC DISTRIBUTION.—The Secretary shall seek to distribute contract awards under this section to shipyards located throughout the United States.

(f) REPORTS.—The Secretary shall submit to the Congress—

(1) an interim report on the effectiveness of each contract under this section in providing for economic and efficient repair and maintenance of the vessel included in the contract, no later than 20 months after the date of the enactment of this Act; and

(2) a final report on that effectiveness no later than 6 months after the termination of all contracts awarded pursuant to this section.

SEC. 17. STREAMLINING OF CARGO ALLOCATION PROCEDURES.

Section 901b(c)(3) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1241f(c)(3)) is amended—

(1) in subparagraph (A)—

(A) by striking "and consistent with those sections," and inserting "and, subject to subparagraph (B) of this paragraph, consistent with those sections,"; and

(B) by striking "50 percent" and inserting "25 percent"; and

(2) by striking subparagraph (B) and inserting the following new subparagraphs:

"(B) In carrying out this paragraph, there shall first be calculated the allocation of 100 percent of the quantity to be procured on an overall lowest landed cost basis without regard to the country of documentation of the vessel and there shall be allocated to the Great Lakes port range any cargoes for which it has the lowest landed cost under that calculation. The requirements for United States-flag transportation under section 901(b) and this section shall not apply to commodities allocated under subparagraph (A) to the Great Lakes port range, and commodities allocated under subparagraph (A) to that port range may not be reallocated or diverted to another port range to meet those requirements to the extent that the total tonnage of commodities to which subparagraph (A) applies that is furnished and transported from the Great Lakes port range is less than 25 percent of the total annual tonnage of such commodities furnished.

"(C) In awarding any contract for the transportation by vessel of commodities from the Great Lakes port range pursuant to an export activity referred to in subsection (b), each agency or instrumentality—

"(i) shall consider expressions of freight interest for any vessel from a vessel operator who meets reasonable requirements for financial and operational integrity; and

"(ii) may not deny award of the contract to a person based on the type of vessel on which the transportation would be provided (including on the basis that the transportation would not be provided on a liner vessel (as that term is used in the Shipping Act of 1984, as in effect on November 14, 1995)), if the person otherwise satisfies reasonable requirements for financial and operational integrity.".

MODIFICATION TO AMENDMENT OFFERED BY MR. BATEMAN

Mr. BATEMAN. Mr. Chairman, I ask unanimous consent that the amendment printed in the report of the Committee on Rules be modified in accordance with the document at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Mr. BATEMAN: In the text proposed to be added as section 17 (page 31, beginning at line 1)—

(1) insert "(a) AMENDMENTS.—" before "Section 901b(c)(3)" (at page 30, line 3); and

(2) add at the end the following new subsection:

(b) CONFORMING AMENDMENTS.—(1) Paragraph (4) of section 901b(c) of that Act is repealed.

(2) Paragraph (5) of that section is redesignated as paragraph (4).

Mr. BATEMAN (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

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

There was no objection.

Mr. BATEMAN. Mr. Chairman, this modification request is simply to restore to the text of the bill language which was inadvertently dropped as it went through the word processing processes. There are no substantive changes of any kind effected and it is simply to restore language inadvertently omitted.

The CHAIRMAN. Is there objection to the modification offered by the gentleman from Virginia [Mr. BATEMAN]?

There was no objection.

The CHAIRMAN. Pursuant to the rule, the gentleman from Virginia [Mr. BATEMAN] will be recognized for 10 minutes and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BATEMAN].

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

Mr. Chairman, this amendment makes a number of important but I believe noncontroversial changes to H.R. 1350. None of these provisions will result in additional costs to the Government, in fact several of the provisions will save substantial sums over a number of years.

Let me comment first on a provision which will extend the authority for the Secretary of Transportation to offer war risk insurance. This critical authority expired in June of this year and this amendment will renew the program for 5 years. Under the program the Maritime Administration is authorized to provide insurance against the hazards of war to privately owned vessels or government-owned vessels which are operated by contractors when commercial insurance cannot be obtained on reasonable terms and conditions.

The Navy is obligated under its various charters and operating contracts either to reimburse ship owners and operators for the additional insurance premium costs, or to provide cost free Government war risk coverage for that commercial insurance whenever the Government directs the ships into an area designated by the commercial insurance providers as "war risk exclusion zones". The Government saves money by substituting premium-free Government insurance. The Military Sealift Command has quantified the saving to the Navy resulting from the invocation of this program during Desert Storm at $436,302,736 million. This program was also invoked in during operations in Somalia and Haiti.

This amendment also modifies the circumstances when commercial vessels may be called to assist the Defense Department. It allows for callup during war or national emergency but also when the Secretary of Defense determines that it is necessary for the National Security. This is authority granted to the SECDEF is important. However because any activation can be disruptive to commercial operations, I trust that all steps will be taken to minimize this disruption consistent of course with our military requirements.

This amendment also grants reemployment rights to certain merchant seamen who volunteer to serve on vessels which are activated during a war, national emergency, or when required for national security reasons. This has the strong support of the Defense Department which found that because of the absence of reemployment rights it was forced to rely on individuals who had retired from their civilian jobs. Many were in their 60's and 70's. Finding qualified and physically able mariners from this pool became increasingly difficult. I want to emphasize that this program does not create veterans status or mandate service but simply allows an individual who volunteers for service of a sealift vessel that he will have his or her civilian job when they return. It is very similar to the current program available to our reserve components.

We have also included a provision regarding the ability of carriers in the Maritime Security Program to offer service in the domestic trades. We believe that this is very substantially improved from the version introduced by request. At the time the committee ordered the bill reported, it had not resolved the issue to everyone's satisfaction but agreed to keep working on the issue. Compared to present law, section 4 of the bill as set forth in the managers amendment establish a new provision which significantly streamlines the regulatory regime regarding the ability of a carrier to receive payments under the program and to continue to participate in the domestic trades. This provision grandfathers existing operators and service levels without the necessity of going through another administrative hearing and also allows growth in the trades without a new hearing. This provision was developed and included in the other body's version of this bill after our committee's having ordered our bill reported. After having examined the provision, we have chosen to adopt and offer it as part of the managers amendment to speed consideration of this bill in the Senate. We know of no opposition to this provision.

Also included within the managers amendment is a provision pertaining to the shipment of certain government cargoes through Great Lakes ports. This provision which represents a compromise developed by port and shipping interests, is intended to ensure that such cargoes are allocated to the Great Lakes and other port ranges based on fair competition and market conditions. This amendment is based on several fundamental principles. First we wish to strongly emphasize that it will not affect our port ranges—this is not a cargo reservation or set aside measure nor does this amendment contain any mechanism or procedure which specifically directs cargoes to the Great Lakes or any port range. It simply amends current law to reduce administrative burdens by allowing title II "food for peace" cargoes to be allocated on the basis of the existing principles of lowest landed cost. This permits Great Lakes ports to participate, without diversion of cargo from our coastal ports.

We have included a number of other provisions that seek to improve the operation of a number of programs at the Maritime Administration—again none of which are controversial.

I urge support for this amendment.

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

Mr. TAYLOR of Mississippi. Mr. Chairman, I am unaware of any opposition to the amendment, but I do ask unanimous consent to claim the 10 minutes on our side.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. TAYLOR].

□ 1500

Mr. TAYLOR of Mississippi. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Chairman, I rise today in strong support of the Maritime Security Act. This legislation will revitalize the U.S. maritime industry and significantly strengthen our military readiness.

Maritime commerce is a major part of the engine that drives south Florida's economy, where Port Everglades and the Port of Miami are among the fastest growing hubs for international commerce. In fact—in my home county of Broward—nearly 80 percent of Port Everglades' business relies on trade with the Caribbean and Latin America. Our increasing reliance on international trade makes this important legislation for all Americans.

The Maritime Security Act will help ensure the bright future of south Florida's ports and their major role in international commerce. This legislation is good for U.S. business and it is good for national security. I commend the bill's sponsors for their excellent leadership and urge my colleagues to support this legislation.

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

Mr. BATEMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, I rise in support of the manager's amendment and of course in support of the general bill.

As the bill now stands before us today, this bill reforms the maritime program in a way that will save us significant income, both for the Government and, I think, for the program. From a $200 million program, this becomes a $100 million program, a 50-percent-plus savings to the U.S. Treasury at a time when we are trying to balance the budget.

More importantly, this bill makes significant changes in the law that have been desired for a long time. First, it simplifies the procedures so that payments are made on a much simpler format with much less bureaucracy. It simplifies and also creates flexibility for the program so that vessel owners under the new rules and regulations are indeed allowed to alter their trade routes, replace older tonnage with new tonnage without necessarily receiving prior Federal consent to the program. It creates that flexibility. Yet at the same time, it puts a new requirement upon vessel owners to make their vessels available not just in wartime but also for general sealift reasons.

The gentleman from Virginia [Mr. BATEMAN] has pointed out the incredible importance as a maritime nation of having a maritime capacity for sealift purposes in times of national emergency. Finally, this bill ends off-budget entitlement treatment of this program and creates instead the ordinary congressional oversight based upon an annual appropriations process. For all those good reasons, this is a good reform of the maritime security fleet program. It is designed, as I said, for flexibility, simplicity, for tax savings and at the same time new responsibilities for a maritime nation to make sure its maritime fleet is available in times of need for sealift capacity. I urge adoption of the bill and the manager's amendment.

Mr. BATEMAN. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. TATE].

Mr. TATE. Mr. Chairman, I thank the chairman.

This particular proposal, H.R. 1350, is part of our efforts to reduce and balance the budget. We reduced the subsidy for $225 million down to $100 million. But it is also necessary to maintain our independent U.S. overseas sealift fleet for national security reasons.

It supports the U.S.-flag commercial vessels and their crews as well, but it does four important things. It ensures that foreign shipping interests do not gain control over our U.S. foreign trade. It eliminates burdensome regulations that impede the ability of U.S.-

flag commercial vessels to compete in the global marketplace. It encourages the construction of commercial vessels and in U.S. shipyards. And it begins the annual appropriations process for the maritime industry instead of the 10-year process that the House passed last year. This bill gives us more flexibility.

I commend this bill. It is a bipartisan bill. The chairman should be commended, and I look forward to passage.

Miss COLLINS of Michigan. Mr. Chairman, I rise in support of the manager's amendment to the Maritime Security Act for two very simple reasons: It corrects an inequity, and holds out the potential of creating much-needed jobs for Great Lakes ports, including those of my own congressional district, which includes the port of Detroit.

Since 1985, our Great Lakes ports have been effectively prevented from participating in the Federal food aid program, since most of that cargo was reserved for U.S.-flag vessels—ships that are simply too large to fit through the locks on the St. Lawrence Seaway. The manager's language in this Maritime Security Act allows shipping of such cargo to be awarded in the most cost-effective manner, thus creating a more level playing field for ports all across the country. I believe it will enable vessel operators serving our ports to more fairly compete for cargoes without being disadvantaged by federally imposed or administered cargo preferences.

Consequently, Mr. Chairman, I urge support for the manager's amendment and passage of the maritime security bill.

Mr. BATEMAN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. TAYLOR of Mississippi. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Virginia [Mr. BATEMAN].

The amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. BATEMAN

Mr. BATEMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATEMAN: Page 3, strike lines 2 and 3 and insert the following: common carrier;

Page 6, line 22, strike "owner or operator of" and insert "contractor for".

Page 8, strike lines 16 and 17 and insert the following: cargo; and

Page 12, line 14, strike "Within" and insert "No later than 30 days after the date of the enactment of the Maritime Security Act of 1995, the Secretary shall accept applications for enrollment of vessels in the Fleet, and within".

Page 13, line 11, strike "under to" and insert "under".

Page 13, line 19, strike "under to" and insert "under".

Page 17, line 21, insert "fair and" after "Agreement for".

Page 18, line 15, insert "it" after "until the time that".

Page 24, line 4, insert "owned, chartered, or" after "foreign-flag vessel was".

Page 24, line 5, insert "owned, chartered, or" after "foreign-flag vessel".

Page 27, line 20, strike "subpart" and insert "subtitle".

Mr. BATEMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. BATEMAN. Mr. Chairman, this amendment contains clarifying and technical changes to the underlying text of H.R. 1350.

The one change which I wish to note is the addition of a provision which requires the Secretary of Transportation to accept applications within 30 days of the enactment. This is identical to a provision in the Senate bill and is designed to speed the implementation of this bill by the administration.

Mr. TAYLOR of Mississippi. Mr. Chairman, I know of no opposition to the amendment. We support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BATEMAN].

The amendment was agreed to.

Mr. SMITH of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this bill. I do not believe that we should be here today creating a new Government program that, once appropriated, is going to hand out a billion dollars. Inasmuch as we are under the caps, that means the billion dollars is going to come out of other programs.

I consider this kind of legislation corporate welfare.

It is true that H.R. 1350 would replace the existing operational differential program that is more expensive, but that program is being phased out. The industry is expecting the nonrenewal of those contracts. The industry has been planning on the phaseout of that program. Now we are asked to pay more than $2 million a year in subsidies for each ship, for each of the next 9 years for every ship that is enrolled in this program.

Even as we struggle to reach a balanced budget and protect the future of our kids and our grandkids, we are being asked to pay shipping companies, if it is appropriated, and I understand the Committee on Appropriations intends to appropriate these bills, we are going to pay every shipping company $21 million for every ship enrolled in this program. It is corporate subsidies, and we have to stop those corporate subsidies simply for saying, if you are going to fly an American flag, you can get this subsidy.

This program and the proponents of this bill say that it is necessary to protect national security. But again this ignores the fact, I think, that the old program was being phased out. For too long we have allowed some of these vague national security claims to justify subsidies for selected industries. This year's budget makes some progress in trimming subsidies for military procurement, energy, agriculture, other industries that have been connected to national defense. Agriculture, certainly food and fiber, is essential for our national security in time of war. But we have made the decision to phase out those subsidies.

Now, it is possible that other countries are going to produce the food and fiber; we are going to have to depend on those other countries. But it seems to me in this era where we have decided to slow down on those corporate subsidies, it is important that we not start new programs at this time.

We have found that many of these subsidies have far more to do with well-financed special interests than military preparedness. The same I think is true here. It is unreasonable to believe that we cannot defend our country without paying shipowners more than $20 million per ship to fly our flag.

As we struggle to balance the budget, I think it is outrageous to ask Congress and the American people to create yet another corporate subsidy. I ask all my colleagues' thoughtful evaluation and consideration of this bill.

Mrs. MINK of Hawaii. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 1350, the Maritime Security Act of 1995.

One of the cornerstones of national security that our country depends on is the ability to rapidly deploy and support our troops overseas. The U.S. maritime industry has played an indispensable role serving this purpose in every war this country has ever been involved in. Merchant seamen have often put their lives in danger transporting troops and supplies into the heart of war zones. They have served with courage and loyalty contributing to the American effort in every wartime endeavor. H.R. 1350 establishes a new Maritime Security Fleet Program that will allow the Federal Government to secure participating U.S.-flagged vessels when needed for national security purposes. H.R. 1350 will also serve as an incentive for construction of new U.S.-flagged vessels and for existing vessels to remain U.S.-flagged.

The U.S. maritime industry must be maintained at an adequate level in order to insure the availability of carriers in times of crisis. The United States must not be left in a position where it will be dependent on foreign carriers to transport troops and supplies. History has shown that securing the assistance of foreign countries is

frequently time consuming and difficult. The United States must be capable of acting on its own if and when it deems necessary.

This bill will help to preserve the U.S.-flagged merchant marine and domestic shipbuilding industry. It will create many commercial opportunities for American shipbuilders and thousands of jobs for Americans. The United States will thereby maintain an ample supply of ships and skilled mariners, impeding the trend of reflagging U.S. ships overseas to avoid U.S. taxes and health, safety, and labor standards.

Preservation of the U.S. maritime industry will encourage better working conditions on foreign vessels. The United States is among the highest in health, safety, and labor standards on board maritime vessels. Workers on foreign vessels are often envious of the humanitarian protections afforded to crews of U.S. vessels. If the U.S. maritime industry is allowed to dwindle, there will be little pressure on foreign ships to improve their standards.

In addition, the current process will be streamlined. The new program will be less expensive than the previous program and more economical than if the Government builds and sustains its own fleet for these purposes. Vessel operators in the Maritime Security Fleet will be required to allow the Department of Defense to use both land and water transportation systems, unlike the previous program. Furthermore, both the Department of Defense and the Department of Transportation support H.R. 1350.

Although the United States is the world's largest trading nation, the size of our commercial fleet ranks 16th in the world. The history of the U.S. maritime industry is one of pride, bravery, dedication, and loyalty. The revitalization of the merchant marine program is essential to the national security of the United States. Maximum mobility in times of crisis is an indispensable tool necessary to efficiently deal with such situations. H.R. 1350 will help to provide that mobility.

Mr. Chairman, I urge a "yes" vote on this bill.

Mr. TAYLOR of Mississippi. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Hawaii [Mr. ABERCROMBIE].

PARLIAMENTARY INQUIRY

Mr. BATEMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BATEMAN. Mr. Chairman, I am not objecting to my colleagues having an understanding to speak. My understanding is all time on general debate has expired. All amendments that have been offered have been disposed of and have been adopted. Time has been yielded back. I do not object to my colleagues having an opportunity to rebut the last speaker, but I frankly think we are consuming time of the House beyond what is necessary.

The CHAIRMAN. Pro forma amendments can be made at this time under an open rule.

The Chair recognizes the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Chairman, I yield to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, I assure the gentleman from Virginia [Mr. BATEMAN], my good friend, that the only reason that I am speaking is to try to correct the record because of the excellent presentation that has been made. I very much regret the observations made by the gentleman from Michigan, particularly the observation that this is somehow a handout and that it is corporate welfare and we are being asked to pay more in subsidies.

I wish some of the people who come down on the floor and make these observations would be available during our hearings. On the contrary, I think if you attend the national security meetings, you find that we are spending in the neighborhood of $100 million to provide each ship for sealift capacity for the Department of Defense ships.

□ 1515

Now in return for the $2 million that we will be paying to the ships under this bill, they must be made available in times of war for shipment. In effect we are contracting out with the merchant marine a position I presume the gentleman from Michigan would support. I think that that is a heck of a good investment, a $2 million investment. Now I am perfectly willing to build more ships.

There is supposedly a struggle to reach a balanced budget. As the gentleman and I have discussed at other times, I hardly think that that is what we are going to be doing in this discussion about the budget. Balancing it is about the last thing we are going to do, and if my colleagues want to put the word "balance" into the equation, we have to balance the American interests involved in this investment. I do not see this as a subsidy at all, but rather an investment in American ships, in American jobs, to make sure that America can get the job done when it needs to do it.

Mr. SMITH of Michigan. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Mississippi. Reclaiming my time, Mr. Chairman, to reinforce the statement of my good friend from Hawaii and to answer what I think will be the questions of the gentleman, the $100 million that this Nation will spend to provide for the Maritime Security Fleet would build 1 cargo ship for the Navy or make 50 ships available for the next year. That is good economics.

I come from shipbuilding country. I would much rather build ships than charter them, but you cannot argue with getting 50 ships for the price of 1, and incidentally our Nation is building over a dozen fast sealift ships to help fill this need, but it will never completely fulfill the need. We will have to rely on a strong American merchant marine, and that is why I support this measure.

I yield to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I guess I have two questions. One would be under the definition of war, if these contracts were signed, would these ships be enlisted for the Bosnia, current Bosnia, situation?

Mr. TAYLOR of Mississippi. Mr. Chairman, under the terms of the bill, any national emergency. That includes hurricanes, any national emergency.

Mr. SMITH of Michigan. Does it include Bosnia?

Mr. TAYLOR of Mississippi. It would.

Mr. SMITH of Michigan. Let me ask one more question. It is my understanding that the cost of these ships is possibly as low as a $100 million up to $200 million for some of the larger ships. Is it my understanding that over the period of this legislation, 9 years, we are looking at $21 million per ship subsidy, paying that $2.2, or $2.3 or——

Mr. TAYLOR of Mississippi. If I may say to the gentleman, it is $2.3 million for the first year, $2.1 million for each remaining, but keep in mind I come from shipbuilding country. We simply cannot build ships for the same price as we can go out and charter 50 American ships, and we are building some ships to fill the need, but what those ships that are being built, or solely for the Navy, will be dedicated for prepositioning, but will not fill the entire need that this country will need in times of war.

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

Mr. TAYLOR of Mississippi. I yield to the gentleman from Virginia.

Mr. BATEMAN. I think we have got to bear in mind that we are not talking here about an entitlement program; we are replacing an entitlement program, and no one is going to get $1 million, $2 million or any number of millions for the next 10 years. They are going to get it only insofar as each successive session of Congress sees fit to sustain a program. This is a tremendous step to satisfy the kinds of objections that the gentleman is raising.

I respect the gentleman deeply and certainly respect his opinion. All of us are entitled to our opinions. But we are not entitled to our version of the facts.

The CHAIRMAN. Are there any further amendments to the bill?

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this legislation with the inclusion of the Great Lakes cargo equity provision in the managers' amendment to the bill.

Since 1985 when cargo preference on Federal food aid was expanded from 50 percent to 75 percent, Great Lakes ports have operated at a disadvantage because 75 percent of

that cargo was taken off the top to be reserved for U.S.-flag vessels. Great Lakes ports don't enjoy regularly-scheduled ocean-going U.S. flag service because U.S. flag vessels are simply too large to fit through the locks on the St. Lawrence Seaway. Further, the Federal agencies that administer the program have always placed meeting the cargo preference requirement ahead of any concern for port range equity.

Consequently, the cargo preference requirement has effectively shut our ports out of the program. Often, after the 75 percent cargo preference requirement was satisfied, there was insufficient cargo available to make it economically viable for Great Lakes ports to bid. In some cases, when Great Lakes ports did successfully bid for cargo, it might still be diverted to another port range to satisfy cargo preference.

Over the past 10 years, we have sought to restore some equity to the Federal maritime program, and legislative provisions were enacted in 1985 and 1990. Unfortunately, those efforts turned out to be either temporary or ineffective. Last year, a Great Lakes equity provision which I authored was included in the House-passed maritime security bill, but that legislation was not enacted.

This year, with the assistance of the American Great Lakes ports and representatives of the maritime industry, we have developed a new provision to ensure equity for the Great Lakes region which is included in the managers' amendment to the bill. This provision will establish a new contracting procedure whereby our ports will get to bid on 100 percent of Public Law–480 title II cargo. This is the most labor-intensive type of cargo to load and unload and it represents the greatest job-creating potential for our workers. If shipping that cargo via a Great Lakes port is the most cost-effective option, then the Great Lakes will be awarded that cargo. Furthermore, unlike current law, once awarded, that cargo cannot be taken away and diverted to another port range to satisfy cargo preference.

Nothing in this provision will diminish the 75-percent cargo preference requirement for the food aid program.

To accomplish this, the provision requires a two-step procedure be utilized by the Department of Agriculture in allocating cargoes to ports. First, after commodity suppliers and vessel operators have submitted quotes or bids to the Commodity Credit Corporation, an initial evaluation will calculate the port allocation for 100 percent of the quantity to be procured on an overall lowest landed cost basis without regard to the flag of the vessels involved. In this environment, absent cargo preference requirements, if a Great Lakes port has won a cargo based on lowest landed cost, then it is allocated to that Great Lakes port and cannot be diverted. A second evaluation is then performed to determine the specific port allocation for the remaining cargo to be purchased on the basis of 75-percent overall cargo preference requirement.

Other than a more competitive bid from another port range, the only restriction, then, that will be placed on the allocation of Public Law 480 title II cargo to Great Lakes ports is that the total may not exceed more than 25 percent of the annual tonnage which represents the non-U.S.-flag share.

During the 3 months of the year when the Great Lakes are frozen and closed to commerce the initial calculation will not be necessary. This is also true if no vessel operator or commodity supplier has offered a quote or rate through a Great Lakes port.

Clearly, this provision moves our region of the country to a more level playing field. If it works as designed it will enable vessel operators serving our ports to fairly compete for cargoes without being disadvantaged by cargo preference.

I wish to thank the majority and minority members of the National Security Committee for their help in reaching agreement on this Great Lakes cargo equity provision, especially Chairman SPENCE, subcommittee Chairman BATEMAN, and ranking Democrat RON DELLUMS. I would also like to thank the staffs of each of these members, the representatives of maritime labor and U.S.-flag vessel operators who have been involved in the development of this provision, and representatives of the Great Lakes ports. Each of them was an essential element in the crafting of this provision.

As such, I urge you to join with me in supporting the important job-creating Great Lakes cargo equity provision in the maritime security bill.

The CHAIRMAN. If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GUTKNECHT) having assumed the chair, Mr. DICKEY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1350) to amend the Merchant Marine Act, 1936 to revitalize the United States-flag merchant marine, and for other purposes, pursuant to House Resolution 287, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. GUTKNECHT). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill?

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAYLOR of Mississippi. Mr. Speaker, I ask unanimous consent that all Members be granted 5 legislative days to insert their remarks into the RECORD and to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2076, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 289 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 289

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2076) making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as ready.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the distinguished gentleman from the Commonwealth of Massachusetts [Mr. MOAKLEY], pending which I yield myself such time as I may consume. During consideration of this resolution all time yielded is for the purpose of debate only.

Mr. Speaker, this rule allows the House to consider and hopefully pass H.R. 2076, the fiscal year 1996 Commerce, Justice, and State Appropriations Conference Report. As most Americans know, we are charged each year with enacting 13 appropriations bills to fund the major functions of Government.

This year we have had a difficult time in meeting that goal, given the extraordinarily complex challenge of reducing the size and scope of Government as we attempt to balance our Federal budget. To date, 7 of the 13 spending bills have become law, and we are working hard to have the others on the President's desk as quickly as possible. We are seeking to work with the White House—but we will not abandon our commitment to balancing the budget in 7 years. This conference report makes a tangible contribution to the deficit reduction effort, providing for a real cut of $700 million from last year's spending levels. I wish to commend Chairman ROGERS and his entire subcommittee for their excellent work in making the tough choices needed to

bring about such substantial savings, and believe me, I know these were tough choices.

Mr. Speaker, this rule is a standard one providing for the consideration of appropriations conference reports. There is nothing unusual about the rule. It is the way we do business. The rule waives all points of order against the conference report and against its consideration, allowing us to proceed with getting this bill passed and, hopefully, one step closer to being signed into law. Under House rules, this conference report will be debatable for 1 hour and the minority will have its traditional right to recommit with or without instructions.

Mr. Speaker, we had considerable discussion about the merits of this bill during our Rules Committee hearing yesterday as sometimes happens, and I know there is concern among our friends in the minority about the crime provisions of this legislation. I should point out that the Contract With America outlined a series of important tough-on-crime provisions that the congressional majority promised to deliver. Although those provisions—including truth-in-sentencing and prison litigation reform—passed the House this spring, they have not yet moved through the other body, I am sorry to say. Because we know how important these anticrime measures are to the American people, we are cutting through the legislative logjam that has held them up. I am speaking of provisions to help States keep criminals behind bars and to stop frivolous prison lawsuits. Over and over again, our constituents express frustration that criminals are released early from prison because of overcrowding and lenient State parole policies. Our constituents are concerned about their safety, as they should be, and they want to know that those who commit crimes will do their time. In addition, people are extremely frustrated with reports of endless lawsuits generated by prisoners that clog the system and syphon off precious criminal justice resources. This bill incorporates much of the Judiciary Committee's language to address these two problems in the hopes that we can finally expedite getting these anticrime measures enacted into law before Christmas, I hope.

There is also some disagreement about the way this bill addresses the COPS Program—a pet program of this White House that has placed some 26,000 cops on the beat across the country, but which, in a few short years, will drop the entire burden for funding those policemen on the States and localities. In my view, that's a false promise of a very short-term gain. It is attractive bait, I admit, but it is a short-term gain that in the long run is going to end up costing our communities dearly.

Mr. Speaker, I remember the days of the CETA programs. I know what happened because I was in another one of those.

Instead, this bill takes the block-grant approach to allocating those anticrime resources, leaving it up to local officials to determine what the best use will be for those funds. Additional good news in this measure comes in the form of substantial funding for violence against women programs and a significant Federal financial commitment to help States like Florida cope with the tremendous burden of incarcerating criminal aliens. I would point out even though I am from Florida, it is not just Florida that has the problem; it is a national problem. A careful review of the major provisions of this conference report indicates that our House colleagues have done yeoman's work, they have done it well, in their negotiations, bringing the House a fiscally responsible bill that reflects the priorities of our constituents. I urge my colleagues to support the rule and the conference report.

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

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

Mr. Speaker, I thank my colleague from Florida for yielding me the customary half hour.

Mr. Speaker, crime is a very serious issue in this country. In fact, today the top three issues for citizens of the Commonwealth Massachusetts are education, crime, and the environment. And I bet it is the same in other States.

Mr. Speaker, life in the United States is not what it used to be. Children worry about whether their classmates are bringing guns to schools, parents worry about what sorts of drugs are being sold in playgrounds, and families worry for their safety even in their own homes and neighborhoods.

It's horrible that many American families feel threatened by violent crime on a daily basis. Congress should be doing every single thing in its power to make sure our children and families are safe. So, Mr. Speaker, I wonder why on earth my colleagues want to repeal the wildly popular cops-on-the-beat program.

Since 1994, the cops-on-the-beat program has put 26,000 new police officers on the streets of this country. These are police officers who are trained to prevent violent crime, and illegal drug sales, and sent into communities with serious crime problems.

In Massachusetts alone, we have been given the funding to hire over 700 police officers over the next 3 years. These 700 police officers will be walking our streets thanks to the cops-on-the-beat program.

But today my Republican colleagues want to kill this program. The bill we are considering today will turn the hard-hitting, successful cops-on-the-beat program into block grant mush. The funding will be used for a no-strings-attached slush fund to the tune of nearly $2 billion.

In all likelihood, some of that money, originally meant to stop violent crime on our streets, will be swallowed up into municipal budgets. It's happened before, and it will probably happen again. The newly hired police officers could be let go and our neighborhoods will be the worse for it.

In fact, this money doesn't have to be spent on crime prevention at all. It can be used for yachts or bazookas or armored personnel carriers or a whole lot of other things that will do nothing about the crime on our streets.

Let's leave well enough alone. Let's leave the cops-on-the-beat program as the law of the land. Let's keep those police officers on the street and keep our streets as safe as we possibly can.

Mr. Speaker, although I do not oppose this rule, I am very much opposed to this bill. Americans want the police officers walking the streets today, to be walking the streets tomorrow. In fact, they want even more of them, and Congress should not break its promise.

□ 1530

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

Mr. GOSS. Mr. Speaker, I am privileged to yield such time as he may consume to the gentleman from Kentucky [Mr. ROGERS], the distinguished chairman of the Subcommittee on Commerce, Justice, State and Judiciary.

Mr. ROGERS. Mr. Speaker, I thank the gentleman for his generous grant of time.

Mr. Speaker, I rise in strong support, obviously, of this rule. This rule is appropriate, Mr. Speaker, because of the unusual approach taken by the Senate in adopting its version of this bill. Instead of amending the House-passed bill, the Senate attached its bill as a single substitute amendment to the House bill, and as a result, the entire bill was in conference. What we bring back to the House is a substitute bill based on the conference agreement. Under that fairly complicated scenario, it makes far more sense to waive all points of order, as this rule does, and I want to thank the Committee on Rules for moving us in this direction.

The conference report, Mr. Speaker, contains some of the most important programs in the Government. Let me highlight one, the Nation's No. 1 domestic priority, the fight against violent crime. The bill provides major new resources to aid the fight against crime, $14.6 billion in total, an increase of 19 percent over the current year.

Of that total, almost $4 billion from the violent crime reduction trust fund that was established last year will fund major new initiatives to enable our States and localities to wage that war against violent crime: $1.9 billion of

the money is for the local law enforcement block grant passed by this House in February, to give our cities and towns, in their discretion, the additional resources they desperately need to help make our citizens safe in their own homes; $617 million for the new State prison grant program to allow resources from the Federal Government to go to the States to provide the facilities to make violent criminals serve most of their time; and $175 million for Violence Against Women Act grants, $50 million above the House-passed level, and the full amount that the President requested for these new programs to address child abuse and domestic violence, problems that have been crying for attention and resources.

The bill includes funding for a $300 million increase over last year for the Immigration and Naturalization Service to regain control over illegal immigration, and an increase of $571 million over the current year for Federal law enforcement, nearly $200 million above the House-passed level, for Federal law enforcement: FBI, Drug Enforcement Administration, U.S. attorneys and the Federal prisons.

As this debate unfolds, Mr. Speaker, I am sure we are going to hear complaints from the other side. They will not like the fact that the conference report includes language, in response to a Senate amendment, to rein in abusive and frivolous lawsuits by prisoners, language that the Administration generally supports. They will not like the fact that the conference report includes language to target prison grants to States that move forward toward making prisoners serve 85 percent of their sentences. They will not like the fact, Mr. Speaker, that the conference report includes language that moves away from a Washington-based cookie cutter grant program in crime control to a program that allows communities to use funds at their own discretion for their own particular needs.

For every one of these items, the language was worked on by the Committees on the Judiciary of the House and the Senate jointly, and includes the text that was agreed on by those committees.

Mr. Speaker, this is December. We have been debating these issues all year long. This bill passed the House in July. It passed the Senate in September. The administration has not said one word to me or to this subcommittee or to the full committee or to the House, about what they would like to see done in this bill. We have waited. We have asked for their assistance and their cooperation. They have refused. We have no choice now but to move forward, like it or not.

Unless we pass a bill and find a way to get it signed, none of these resources can become available to our communities. If the programs in this bill are important to the Members, if the fight against violent crime and illegal aliens is important to the Members, if it is important to Members to help stamp out violence against women, then vote for this bill. Step forward. Make your move. Let us send this bill to the White House, get it over with, and get on with the business of the country.

Mr. Speaker, I urge a vote for this rule and for the conference report.

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

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. Mr. Speaker, I thank the gentleman for yielding to me. Mr. Speaker, I rise in opposition to the rule and urge members to vote "no" to the rule and to the conference report.

This bill would eliminate the current COPS Program that gives grants to localities to put 100,000 additional community police officers on the streets of our Nation.

The citizens of my district in Missouri have benefited from this program. In 25 cities across the country the violent crime rate is down, the murder rate is down, the crime rate is down.

In my own district the COPS Program in phase 1 has funded 94 total law enforcement officers in towns and communities like Independence, Lee's Summit, Raytown and Sugar Creek. In Kansas City alone 26 law enforcement officers have been funded.

If the COPS Program is turned into a block grant fund, there is a real danger that communities like mine will lose Federal funding and face elimination of a successful program that prevents crime. Mr. Speaker, I have visited with citizens and law enforcement officials and the cops on the beat. I have seen the work that they are doing with community volunteers to prevent crime.

If we allow this valuable program to be made into a block grant these funds may be diverted and may not be spent on preventing crime.

According to the Jackson County prosecutors office, overall crime in Kansas City has decreased 15 percent from 1994. This includes a 25-percent reduction in homicides, 10-percent reduction in violent crimes, and a reduction of 5 percent in part 1 crimes such as auto theft.

The COPS Program has real, tangible, results. The COPS Program is working.

I urge my colleagues to vote "no" on the rule and to oppose passage of this bill.

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

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Kansas [Mrs. MEYERS], chairman of the Committee on Small Business.

Mrs. MEYERS of Kansas. Mr. Speaker, I thank the gentleman from Florida for yielding time to me.

Mr. Speaker, I rise in support of this rule and of the conference report on H.R. 2076 and I urge my colleagues to join me in supporting this bill. I would also like to take this opportunity to commend Chairman ROGERS and the rest of my colleagues on the Appropriations Subcommittee for their hard work on this agreement.

Mr. Speaker, as chair of the Small Business Committee I want to specifically address the funding provided for the Small Business Administration [SBA] in this conference report. At the beginning of this year, I established a goal of substantially reducing funding for the SBA, while increasing the agency's ability to assist small business with their capital needs through guaranteed loans. I am pleased to say that legislation authored by the Committee on Small Business, and signed into law in October, substantially reduced the subsidy needed to operate our two largest guaranteed loan programs. By working cooperatively with Chairman ROGERS, we have been able to reduce funding for the SBA by 36 percent—a savings of nearly $300 million when compared to the fiscal year 1995 appropriations, and yet preserving those programs that are truly important to small business.

Despite these very real reductions, there will be no loss of vital financing assistance for the small business community. In fact, the SBA will be able to provide more guarantees for 7(a) general small business loans in fiscal year 1996 than ever before. The Certified Development Co. program will be able to help small businesses expand, meeting their needs for larger work space and updated equipment, without any appropriation whatsoever—the program is now completely self-financing.

Mr. Speaker, through dedication to reducing Federal spending and reaching a balanced budget, and unwavering support of small businesses, we have found a way to do more with less. This conference report represents fiscal responsibility and strong advocacy for our Nation's economic backbone—small business. Again, my compliments to Chairman ROGERS, and I urge the adoption of the conference report.

Mr. GOSS. Mr. Speaker, I am happy to yield such time as he may consume to the gentleman from Florida [Mr. FOLEY] for a colloquy.

Mr. FOLEY. Mr. Speaker, I appreciate the gentleman's courtesy in yielding time to me.

Mr. Speaker, I would like to direct a question to the chairman of the subcommittee, the gentleman from Kentucky [Mr. ROGERS].

Mr. Speaker, I first congratulate the chairman of the subcommittee in bringing a balanced spending bill back from conference that includes and

funds a number of essential governmental functions. Included in this bill is $12 billion for NOAA's National Undersea Research Program, otherwise known as NURP. To clarify the priority of this funding, I would like to ask if the $12 million is intended for the existing six NURP research centers.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Kentucky.

Mr. ROGERS. Yes, Mr. Speaker, the gentleman is correct, it is.

Mr. FOLEY. Mr. Speaker, I would like to also further clarify. One of these six centers, the Caribbean Marine Research Center, has long been recognized for the information it provides on a number of environmental concerns. I would ask the chairman of the committee, does the language on this conference report assure $1.56 billion for the Caribbean Marine Research Center?

Mr. ROGERS. If the gentleman will continue to yield, he is correct, it does.

Mr. FOLEY. Mr. Speaker, I thank the gentleman very much for this clarification.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the rule, although I do not intend to support H.R. 2076. Although there are many sections of this conference report that I find troubling, I will limit my comments to the funding of programs at the National Institute of Standards and Technology [NIST].

I want to commend my colleagues on the Appropriations Committee for providing adequate funding for the NIST laboratories, and particularly for funding the Manufacturing Extension Partnership [MEP] at NIST. The MEP was labeled "corporate welfare program" by many of my colleagues on the other side of the aisle at the beginning of this Congress. However, due to the educational efforts of the small- and medium-size business community, my Republican colleagues were able to set politics aside and judge the Manufacturing Extension Partnership on its merits. As a result, the Manufacturing Extension Partnership is funded.

I am afraid my Republican colleagues were not so objective in their assessment of the Advanced Technology Program [ATP] at NIST. In hearings before the Committee on Science this year, the only witnesses who spoke against ATP were individuals with no technical or business background. Every other private sector witness has supported the ATP and programs like it—regardless of whether their company received an ATP award.

Over and over we read in the newspapers, magazines, and journals that many U.S. companies are reducing their investment in long-term, high-risk research and development [R&D] to focus on short-term process R&D. As reported by the New York Times—September 26, 1995—the breakup of the AT&T lab was due to diminishing corporate interest on the brilliant breakthrough discoveries that might lead to an entirely new generation of products. It was long-term, high-risk research in the past that resulted in the economic strength of the United States today. If our companies stop doing research to focus on short-term profits, what will be the base of American economic strength in the future? The Advanced Technology Program was designed to work with industry to ensure our future economic strength.

According to the Congressional Budget Office [CBO], the ATP represents less than 3 percent of the $12 billion the Federal Government will spend on programs that support industrial technology commercialization. Where are my colleagues who decry ATP's alleged corporate welfare when we provide almost $1 billion to the Small Business Innovation Research Program [SBIR] or $3.7 billion to the National Institutes of Health [NIH] for applied biomedical research.

If opponents of so-called industrial welfare were serious, we would be debating the wide range of technology commercialization programs which the Government funds. This House has not done this.

Eliminating the ATP is nothing more than a banner for Members who pretend this eliminates Government corporate welfare. The CBO numbers show that it is not. Let's be frank. ATP was targeted by the Republican Congress, despite its initiation by a Republican administration, because it was enthusiastically endorsed by Bill Clinton—both as a candidate and as President.

Eliminating ATP funding doesn't say we're willing to make hard choices—it says we're making the simple choices. Eliminating ATP is easy because it is a small program with a small constituency. There has been no substantives debate in any committee or on the floor of the House regarding the merits of this or related programs. Spouting platitudes, opponents of ATP have killed it for purely political reasons.

□ 1545

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. DOGGETT].

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

Mr. Speaker, one of the many reasons for opposing this conference report is because of the threat that it poses to America's economic security. We have in recent years in this country recognized that research and development is a key to our economic future, that if we are to have good-paying jobs for young Americans, we have to invest and invest appropriately in research and development.

This bill, as the gentleman from California [Mr. BROWN] just indicated, is not nearly as bad as the one that went to the conference committee, remains a real setback with reference to applied technology and the investment that is going to be necessary to assure that those good jobs are there in the future.

Over the last 50 years, Mr. Speaker, American know-how and invention have generated up to half of this country's economic growth. Federal support is crucial in assisting this. Millions of jobs have been created in industries because of wise private and public investments, particularly when there has been private and public partnership in areas like semiconductors and biotechnology.

Let us compare what we are doing under this bill with what some of the other countries in the world are doing. In fact, if we are to look specifically at Japan, one of our strongest economic competitors, after this bill is passed, you see that the Japanese are steadily increasing their investment in nondefense research and development, but our investment will go steadily down. It is going in the wrong direction. We do a little investment; they take the ideas and commercialize them, and we end up being the consumers and having a huge trade deficit as a result.

What about other countries throughout Asia that are our economic partners at times, but also our strong economic competitors? If you look at Singapore, if you look at South Korea, if you look at Taiwan, even if you look at India, you see that their commitment to expand their research and development is significantly greater than what our Republican colleagues propose to do under this bill. To suggest that the private sector can pick up all of the slack does not comport with history. Indeed, it is quite the contrary.

Usually when public investment goes up, private investment goes up as well. When you cut key research and development, as this bill does through the irresponsible abolition of the Advanced Technology Program, you will have less private investment as well as less public investment.

The cuts in ATP, in the Environmental Protection Agency's environmental technologies initiative and the Department of Energy's energy efficiency and renewable energy programs all represent a significant setback.

I think the editorial writers across America have been picking up on the wrong this Congress is doing with reference to our investment for America's future. The Republican Dallas Morning News put it very plainly in an editorial appropriately entitled "Cutting Seed Corn." It said, "These take-no-prisoners cuts are anything but thoughtful. Proposed budget cuts, while having little effect on the deficit," because this is a very small part of our national expenditures, "while having little effect

on the deficit, could main this country's network of scientific institutions."

The New York Times referred to "the crippling of American science as an irresponsible gamble and a product of those who have been blinded by ideological fury."

We ought to have bipartisan support for America's economic security, for providing those good jobs, and instead this conference report whittles away at our future and whittles away at the hope that America can provide the top-paying jobs, the quality jobs, and overcome our trade deficit by cutting our research at the same time our trading partners are increasing theirs. It is a mistake, and this conference report ought to be rejected.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. STUPAK].

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

Mr. Speaker, I hope we will oppose this rule in the Commerce, Justice, and State appropriation bill here today. I am here to talk about the COPS Program.

Being a former police officer myself, I am very concerned about the COPS Program. It is a program that works. It has been a very successful program. To date, we have hired 26,000 police officers. In every jurisdiction in this country 26,000 police officers have been hired, and here are the cities and how much money was received. We have pending another 18,500 police officers; those applications are currently pending with the Department of Justice. We are halfway to our goal of 100,000 police officers on the street. There is no reason to turn back now.

It is an easy one-page application. Police officers around this country like the program. Money is going directly to them. In fact, over half the communities in the United States have applied for the COPS Program. We have more applications than what we can fund.

What happens in this bill? Look at page 21. Page 21 of this conference report says that if you are a small community like many of the communities I represent, and if your Federal match falls below $10,000, the money is then taken away from the COPS Program and put with the Governors of the State to use in a manner that reduces crime and improves public safety.

When we had this debate on February 14, we asked not to put in an amendment to allow us to build roads, but that was rejected, so you believe, at least the new majority believes, that if you build a new road, you fight crime and you improve public safety. You might have a nice highway, but you certainly do not help any police officers on the street and fight crime in your communities.

So on behalf of the 26,000 police officers throughout this country who have been working at this program, whose jobs now are at risk based upon the proposal put forth by these conferees, we ask that you reject this rule and reject this bill.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Tennessee [Mr. BRYANT], a member of the Committee on the Judiciary.

Mr. BRYANT of Tennessee. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I stand in strong support of this rule and the conference report, and I must respectfully disagree with my colleague, whom I greatly respect, on his comments regarding the COPS Program. No one supports police officers any more than I think anyone in this House, but this COPS Program I do not think has been a success. I think if people look at it closely, they realize that this Federal program does not fully fund these policemen that are going out on the street.

It funds only up to 75 percent and, on average, $25,000 a year of these packages of salaries and retirement benefits. After 3 years, the Federal funding ceases.

Many localities have therefore, as a result of this mandate of putting this much money into the program, have been unable to afford officers under this program. Over 600 localities have turned down the opportunity to hire up to 1,200 officers when faced with the prospect of contributing this kind of money to their salaries. GAO reports indicate that over 7,000 localities did not even apply for the COPS Program.

Another problem with this program is that the COPS money has not been spent or sent to the areas where the statistics show that there is the most violent crime. I think overall in this country we have to realize that we must begin to prioritize our fight against crime, and at the top of the list, of course, has to go violent crime.

As an example, one of the cities that we have before us is the city of Portland, OR, and in Portland, over 56 percent of the crime that is committed in the entire State of Oregon is committed in the city of Portland. Yet under the COPS Program, they were furnished less than 1 percent of the COPS money that went to the entire State of Oregon.

Again, GAO found no relationship between crime rates and whether an applicant jurisdiction was awarded a grant. That is very important, because again, we have only so much money to go around and communities know this and Washington must learn this, that we must prioritize violent crime at the top and spend money fighting violent crime.

GAO also found that less than 50 percent of the people who receive COPS money ranked violent crime or drug crimes as one of their top five problems. So over half the cases that were getting this money, over half the money, did not list violent crime or drug crime as one of their major offenses. To me, that is incredible, not a waste of assets, but a misuse, and we can find a much better use of these assets in those localities where violent crime at least ranks in the top five crimes in that community. That is why I strongly favor the concept of block grants that is found in our bill.

Block grants allow money to be spent in communities where there is crime and allows communities to spend money in ways that may be hiring more police officers, more equipment, or whatever, but more effective ways to let the local people use the funds in a way that they think is best to fight the crime. What works best in my little hometown of Henderson, TN does not necessarily work best in New York City or Denver, CO.

Let the localities decide how to spend this money when they get it based on their criminal statistics, their rates of crime, their rates of violent crimes, and let them choose how best to use this money.

Another reason I favor this rule and this bill, Mr. Speaker, it also, as I am talking about violent crime, it favors truth-in-sentencing, and it puts the burden back on the States where it belongs. We in the Federal system have too long had to fill in the gap for State prison systems that have broken down. What we do in this bill is provide money to the States as an incentive, if they will go to truth-in-sentencing where a person, if they are sentenced to 10 years, stands some realistic chance of actually serving 10 years in jail. With that incentive, we will offer them money to help construct and build the prisons necessary to house these people.

Yesterday the Wall Street Journal indicated in its editorial page that overall crime statistics are down. Prison populations are up both in the State and in the Federal system. One reason, one clear reason why crime rates are down on the outside is because of two things. One, people are beginning to learn that if you commit a crime, you will go to jail and you will actually serve that time in jail; it serves as a deterrent. Two, many of the people who have been committing these violent crimes are finally locked up in jail as a result of a mandated sentence, a required sentence, and they are in jail where they cannot commit crimes against innocent people.

□ 1600

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Speaker, the gentleman was commenting about his district and how crime went down. The

Memphis Police Department received 40 police officers underneath this COPS program.

Your district received 82 police officers underneath this COPS program, and you are putting them all at risk if you vote for this bill. You cannot stand here and tell me that crime did not go down in your district with an additional 82 police officers.

Are you saying those 82 police officers did not do anything to help reduce crime in your district? And also Tennessee has pending another 114 police officers at the Justice Department waiting for approval.

Mr. BRYANT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from Tennessee.

Mr. BRYANT of Tennessee. Again I would remind my distinguished colleague that the COPS program is only funded for 3 years. And at some point the city of Memphis as well as those others in my district will have to assume full responsibility for that.

Mr. STUPAK. That is correct. Reclaiming my time, you said crime was going down now and it is these 82 additional police officers your district received underneath this program, the COPS program. Not only that, you can go to—Oakland Police Department received one police officer, Galloway City received one police officer. These little communities cannot afford anything without our assistance and you are denying them this assistance.

Mr. MOAKLEY. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California [Ms. LOFGREN].

Ms. LOFGREN. Mr. Speaker, I am here today to talk about the really astounding and appalling reductions in the Advanced Technology Program. Actually reductions is too sugarcoated: the programs have been wiped out.

This is a program that was initiated in the Bush administration and carried on in the Clinton administration. As we are all aware, we do have a need to get our fiscal house in order. I would suggest that cutting technology investments that have been the basis for job growth and economic growth in this country for the last two decades is going to aggravate severely our economic problems in the future. These cuts are foolhardy indeed.

It is worth noting that our competitors around the world are going in the exact opposite direction. Both Japan and Germany are increasing their expenditures in applied R&D by 30 percent. We are doing an overall cut in science and technology research of 30 percent, creating for us a severe problem.

I am aware that the chairman of the Committee on Science is philosophically opposed to the ATP program. I respect the fact that he is entitled to his faith and his belief, but I also know that every industrialized country in the world is doing the kind of investments that we are cutting in this bill.

We will not pay for the cuts next year. We will not pay for them in 2 years. But 5 years from now, millions of Americans whose employment is tied to prior investments will not be employed, and they will have no one to blame but those who have suggested this foolhardy destruction of our future.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida [Mr. MCCOLLUM], the chairman of the Subcommittee on Crime and Criminal Justice of the Committee on the Judiciary.

Mr. MCCOLLUM. I thank the gentleman for yielding me the time.

Mr. Speaker, I want to point out that this bill contains the basic authorization that we passed earlier this year in order to have block grants for the communities to let them have the flexibility to decide how to best fight crime in this country. It is the beginning of a 5-year process to produce $10 billion to the cities and the counties of this Nation, not the States but the cities and counties to let them choose whether they want to have more money for cops or whether they want to have more money for equipment or whether they want to have midnight basketball or whatever program it is that is suitable to them.

It is the basic adage that we have been talking about for some time on our side of the aisle, that what is suitable for Portland, OR, is not suitable for Des Moines, IA, or for Jacksonville, FL.

Let us let the cities, let us let the counties decide where best to fight crime on the local level. It also contains the prison grant reorganization that puts incentives out there in so-called truth-in-sentencing that rewards those States who change their laws to make the violent repeat felons serve at least 85 percent of their sentences. It rewards them by giving them money to build more prison beds. In a separate grant it also rewards those States who simply make progress towards that by allowing them some grant money to be able to do that. Fundamental changes in the law, very critical changes in the law necessary to accomplish the end goal of fighting violent crime in this country and stopping the revolving door.

I think the President is making a big mistake if he thinks that he is going to veto this bill on the basis that somehow it destroys his cops on the streets program. It does not do that.

Mr. President, if you will look at what is going to come out here today and be passed and be sent down eventually for your signature, you are going to find in this bill not a choice between your COPS program and a block grant program but the choice is between 100,000 cops on the streets or 100,000 cops plus even more cops on the streets and more equipment and more flexibility and a better deal with more localities participating. There is going to be a very easy stride to make to get every single one of the cops that you do not have already onto the streets under the block grant program and it is just a better deal for the cities. Under your program, you cap off this system, saying that the cities and the counties and so forth cannot be reimbursed for cops but up to an amount of $75,000 total over 3 years for a single new cop. The average new cop according to the Bureau of Justice statistics costs $50,000 a year to put on the street. That is $150,000, or twice the amount the Government is going to put up under your proposal, what is in law right now, over a 3-year period.

Under the bill we are putting out here today, there is no cap. The local community can have all the money it takes or needs to put a new cop on the street or as many as they want to put on the street. There is no limit. There is a lot more money involved out there. It takes about $3 billion more over the next 3 or 4 years to put the rest of the 100,000 out there, 75,000 more. We have put out more than that. Up to $10 billion will be available for that. In addition to that the communities will only have to match 10 percent of the money instead of 25 percent under yours. So it is a far better program.

I would urge everybody to look at it, especially the President, and decide, we will put 100,000 cops and then some on the street if we adopt the Commerce-Justice-State appropriations bill today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GUTKNECHT). The Chair would remind all Members that it is not in order to address the President in debate. Members must address their remarks to the Chair. Although Members may discuss past and present Presidential actions and suggest possible future Presidential actions, they may not directly address the President as in the second person.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, I yield to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. I thank the gentlewoman for yielding. To the last speaker, he is jeopardizing 80 police officers in his district, 202 applications pending in Florida, and your bill does not guarantee 1 police officer. All you guarantee is a manner in which reduces crime and improves public safety. Not one police officer is mentioned in your bill.

Mrs. MEEK of Florida. Mr. Speaker, I rise to ask my colleagues in the Congress to vote against this rule and to vote against the bill as well, in that it tears down a legal services system that

it took years to build. You know who they are handicapping: The poor, particularly women and children.

So I rise today to appeal to my colleagues to look at the two-pronged attack that this bill makes on legal services. First of all, it cuts the Federal funds for legal services as one attack. Then it restricts the type of legal services that the local legal services organizations can provide with their own funds. So that is a double handicap.

We should not send this message from Congress. We should support the Legal Services Corporation. They help the poor. We will work hard for legal aliens in this country, and we must help to support legal services.

Mr. Speaker, I rise in opposition to this conference report and to the rule governing its consideration.

Mr. Speaker, last year 1,200 neighborhood law offices provided legal services to 1.7 million clients. The majority of these people were women and children living in poverty.

The conference report before us today contains a two-part attack on the Legal Services Corporation, which last year provided about 60 percent of the funds used by neighborhood legal service organizations. The balance of legal services funds comes from private attorneys, foundations, local charities, and State and local governments.

This conference report continues the majority's assault on the weakest members of our society.

The first part of this attack is to reduce Federal funds for the Legal Services Corporation by $122 million. This is a cut of 31 percent.

The second part of this attack is to restrict the type of legal services that the local legal services organizations can provide with their own non-Federal funds.

Let me illustrate the unfair consequences of this restriction by sharing with the House a letter I received yesterday from Marcia Cypen, executive director of Legal Services of Greater Miami. She points out that Legal Services of Miami now uses non-Federal funds to represent aliens. Under this conference report, Legal Services of Miami would have to choose between giving up all Federal funds or else stop representing those aliens who are applying for admission as a refugee or for asylum. Many of these aliens have work permits and are working, but they are too poor to get private legal assistance. They must come to Legal Services of Miami if they have been beaten by their husbands, illegally locked out by their landlords, or cheated by a merchant.

Mr. Speaker, it is one thing for the majority to put restrictions on the use of Federal funds. But it is wrong for the majority to impose its ideological views on services provided by donations from private groups and State and local governments that believe it is important that all poor people have access to our legal system.

I urge my colleagues to vote against the rule and against this conference report.

Mr. Speaker, I include for the RECORD the letter referred to in my remarks and its attachment, as follows:

LEGAL SERVICES OF
GREATER MIAMI, INC.,
Miami, FL, December 5, 1995.

Congresswoman CARRIE P. MEEK,
Cannon House Office Building, Washington, DC.

DEAR CONGRESSWOMAN MEEK: Thank you for requesting our program's input on HR 2076 which includes funding for the Legal Services Corporation in 1996.

A crucial failing of the bill is that it precludes representation of certain classes of aliens with non-LSC funds. The particular classes of aliens affected are listed on the attached page. On a practical level what this means is that we cannot, for example, use non-LSC funds to represent a Haitian woman who is beaten up by her husband, illegally locked out by her landlord, or cheated by a used car dealer if she has applied for political asylum and has a work permit but her political asylum application is still pending. Unfortunately, there are many aliens who remain in this limbo situation for several years.

Approximately five percent of our current non-immigration caseload consists of aliens who will no longer be eligible for legal services with non-LSC funds in 1996. This could be remedied if Section 504(d)(2)(B) were amended to allow non-LSC funds to be used to represent aliens not eligible for representation with LSC funds.

In addition, HR 2076 precludes us from collecting any attorneys fees in 1996. This is inconsistent with the stated goal of reducing LSC's dependency on federal dollars. Our program has relied on income from attorneys fees to bolster our budget, and the lack of this income in 1996 will reduce our services even further.

We appreciate your concern on behalf of the poverty community of Dade County. Please let me know if you need additional information.

Sincerely,

MARCIA K. CYPEN,
Executive Director.

MEMORANDUM

Date: December 5, 1995.
Subject: Ineligible aliens under proposed LSC restrictions.
From: Esther Olavarria Cruz.
To: Marcia Cypen.

I have made two lists, which is necessary to better explain who cannot be represented under the proposed LSC restrictions:

List of aliens who can be represented by LSC under the proposed restrictions:

1. Lawful permanent residents.
2. Aliens who are the spouse, parent, or unmarried child under 21 of a U.S. citizen and have filed applications for permanent residence.
3. Asylees (individuals granted asylum).
4. Refugees.
5. Individuals granted withholding of deportation (higher standard than asylum—very rare).
6. Individuals granted conditional entry before 4/1/80 (old refugee category—almost no aliens now in this category).
7. H-2A agricultural workers (limited to representation in employment contract matters only, such as wages, housing, transportation and other employment rights—very small category).

List of aliens who cannot be represented by LSC under the proposed restrictions:

1. Asylum applicants.
2. Parolees.
3. Special immigrant juveniles (undocumented children adjudicated state dependents because of abandonment, neglect or abuse).
4. Battered spouses of U.S. citizens (unless otherwise eligible under #2 above).
5. Battered spouses of permanent residents.
6. Aliens in exclusion or deportation proceedings.
7. Aliens with immediate U.S. citizen spouses, parents, or unmarried minor children who have not filed for permanent residence.
8. Relatives of permanent residents (unless otherwise eligible above).

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Speaker, I am always told if it is not broke, why fix it. We have a bill before us that is attempting to fix things that are really not broken.

If we read the editorials across this Nation, we will find constantly decreasing crime numbers. When we read between the lines, we will find out that what has happened in those communities, they have joined in community-oriented policing. How did they manage to do that? By joining in with the 100,000 COPS program.

We find that with a one-page application, you can go into the rural hamlets, the urban centers, and all of them can invest in getting more cops on the street, visible cops that interact with the community, thereby bringing down crime. In my district alone, we have been able to access 529 officers in Houston, some $18 million invested into the local economy, and right now in the State of Texas we have 360 applications pending.

If it is not broke, why fix it? The communities want policing, they want 100,000 cops and they want them to be in their community.

Then we find that this bill wants to cut 31 percent out of the Legal Services Corporation, an institution that we might be able to modify and improve. There is nothing wrong with reducing overhead and making sure that the operational cost is more balanced. But what do we do about family law cases, child custody cases, marital circumstances, senior citizens' cases that the Legal Services Corporation, by and large supported by bar leaders across this Nation, believe that helps people, poor people, access the court system.

Yet this bill makes an unequal America. What it says is that you who can pay can get into the court system but those of you who are the working poor, those of you who have trials and tribulations and deserve a right to access the court system, if you do not have the money, then we are going to knock out the Legal Services Corporation.

It is because someone on the other side of the aisle has a personal agenda and does not want to see poor people address their grievances as a right. I think that goes against the Constitution.

When we begin to talk about the Advanced Technology Program, which I

believe is the work of the 21st century, we do not have to look to Japan and Germany. We can look to our own corporations. They are downsizing, they are cutting their research and development departments.

What are your youngsters going to do in the 21st century when they come out with their engineering degrees? The Advanced Technology Program interacts and meshes together the private sector with the public sector. It is one of the most viable programs that allows us to advance technology so that our children will have jobs. Why is America putting its head in the sand while its international competitors are investing in technology?

Mr. Speaker, I truly believe this bill is trying to fix what is not broken. We need cops on the beat, we need legal services so that poor people can be equalized with others in this Nation, and I do not know about you, but I want my young people working in the 21st century. I want the Advanced Technology Program to be successfully matching the public and private partnership so that we can be at the cutting edge of technology for the 21st century.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Georgia [Mr. BARR], a member of the Committee on the Judiciary.

Mr. BARR. I thank the gentleman for yielding me the time.

Mr. Speaker, crime legislation is not normally very exciting. The process of protecting our citizens and seeing that those that perpetrate crimes on our citizens, that take lives, that take property and we put those people away and take them from society is normally not an exciting process.

But this is exciting legislation because for the very first time we have a piece of legislation here that is supported by the broad range of municipal and county officials from both parties, and independent nonpartisan officials all across this country. The National League of Cities, not a Republican, not a Democrat, not a partisan organization supports this approach because it gives their members, their officials, their mayors, their council men and women, their county officials, the power, the flexibility to put the resources where they need them in their communities and that is an exciting prospect because it works. It works because the decision-making is in the hands of the decision-makers in the communities, not up in Washington.

It will also, Mr. Speaker, result in more police officers on the streets in our communities, and that is exciting news.

□ 1615

We have heard very little from the President recently about the 100,000 cops on the streets. We hear a lot about 20,000 troops in Bosnia. The reason that we do not hear so much about those police officers on the street is because they are not getting there. This legislation will put them there, and I would hope that Members on both sides of the aisle will see that providing the flexibility and the power over the decisions ought to be and will be under this legislation, which I support and which I urge adoption, that this legislation will result in more police officers on the street, more and better resources being placed in the hands of our local officials from all parties and nonpartisan, across this country.

I strongly urge us to put aside partisanship. It is not so much that the current system is broken and why fix it. Let us make it better. That is what we are trying to do here is pass better legislation and make the system work better to protect our citizens.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Speaker, I rise in strong opposition to this rule because of the fact that this conference committee report guts the COPS program. In listening to the arguments of the other side of the aisle, I just cannot believe it, as a former prosecutor.

When this bill was passed in the last Congress it had bipartisan support, bipartisan support. But then the new majority came in and had to make some adjustments to it because they wanted to appear to be changing the crime bill. What did they do? They gut the COPS program.

This program is an extremely effective way to fight crime. In fact, it is the cutting edge, cutting edge of how you rebuild neighborhoods and fight crime in neighborhoods.

I hear talk about the county commissioners can decide how to fight crime. County commissioners are not necessarily experts on the latest techniques in fighting crime. The politicians in cities, they will know how to spend the money. This crime bill is the result of an attorney general who had ability in the front lines in the fight against crime, and with police chiefs across America who used statistical data about how you win the war against crime. That is where it came from.

In a short period of time, 25,000 to 26,000 police officers are already on the streets, and now I hear some of my colleagues on the other side say it really will not work, we just instinctively know it.

In Lowell, MA, we have a community policing program going, and I asked the police chief to provide statistics of what happened since this program was started. Burglaries in residential areas, community policing 1 year, down 34 percent; burglaries in business areas down 41 percent; larcenies down 23 percent; car theft down 20 percent. That is what is happening in communities all across America, and they want to tamper with the crime bill that is working, for pure politics.

Law enforcement and fighting crime is not a political issue. We ought to be working together to implement this crime bill. It is the smartest, most effective crime bill that this country has ever passed.

We are playing games at the last minute because it might give the President some credit on fighting crime. Do the right thing. Vote against this bill.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Arizona [Mr. KOLBE], a member of the Committee on Appropriations.

Mr. KOLBE. Mr. Speaker, I rise in support of this rule and also of the conference report which underlies it.

I want to congratulate the chairman of the subcommittee, the gentleman from Kentucky [Mr. ROGERS], for the work that he has done, his staff, and the others that worked on this legislation.

We have been advised by the administration that this is likely a candidate for veto. The reasons given are the Cops on the Beat program, the advanced technology program, and the funding levels for peacekeeping.

Mr. Speaker, I would note that this is a responsible, a fiscally responsible piece of legislation. Let me just highlight some of the things in here that I think make this appropriation bill worthwhile, this conference report.

First is the important funds it does provide for law enforcement, in law enforcement grants, to States, nearly $2 billion to State and local law enforcement agencies, giving some flexibility. No, it does not force the Cops on the Beat program. It does not put us in the mind set of saying it has to be this kind of program. But if that is the program the States and local government want to continue, they can continue this with the grants program. They have the flexibility to do the kinds of programs that they think are best.

For my State and many others, there is a large amount of funds in here to provide for reimbursing States for incarcerating illegal aliens. That is a responsibility of the Federal Government, a failure of the Federal Government to enforce immigration laws, and States should be reimbursed for incarceration of illegal aliens in their State and local prisons and jails.

There is funding for 1,000 new border agents so we can control our borders. There is 400 new land inspectors for the Immigration and Naturalization Service in here that helps to facilitate the flow of legitimate goods and services and of individuals across the border. There are important restrictions on the Legal Services Corporation. We begin the process of phasing out the

Federal funding for that program and returning this responsibility to States and local governments.

There is important funding for the International Trade Commission, and one that does not get a lot of attention, the State Department, which I think is a vital part of our diplomatic service and our foreign policy. The State Department does not get a lot of attention around this place, but it is vitally important.

I just had the privilege this weekend of taking a trip to Bosnia, to Serbia, to Croatia. I have seen the dedicated service our foreign service people give overseas. They are a vital link in our foreign policy. They also provide vital services for Americans overseas. This bill goes a long way to providing the adequate funding so that they can continue those vital services. No, it is not as much as anybody would like. But I think it is an important step to making sure that our diplomatic functions and our foreign policy is carried out.

This is a responsible bill. It has the right spending priorities. It gives the direction that this Congress should give to States and local governments to provide the flexibility to carry out the law enforcement programs, to provide for the Commerce Department, the vital functions that Commerce now does, and to make sure we have our foreign policy intact through the funding of the State Department.

I urge an "aye" vote on this rule and on the conference report.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, you know, block grant, block grant, block grant, block grant. It almost seems like it is a hari krishna chant coming out of the Republican Party. Sometimes what I think we ought to do is give you your way, block grant the blockheads and send you all back to the States.

I look at what is happening in our country today. I look at the kinds of priorities. This bill demonstrates so clearly the difference between the Democratic priorities and the Republican priorities.

What we are saying in this bill is we want to cut the Arms Control and Disarmament Agency by about 35 percent, we want to gut peacekeeping around the world by 57 percent, we want to do these things, and at the same time we want to increase spending on our prisons. Everybody is for spending on prisons. That is fine. But if we really want to fight crime, then we have got to provide the tools to get crime fought at the local level. It means you have to hire more cops.

If we really want to deal with how we are going to create jobs in this country, then anyone that has followed the advanced technologies that have been developed in the United States, whether it is television sets or VCR's, we spend billions of dollars in this country appropriating money to our labs, appropriating money to our universities, to come up with a vast array of significant scientific breakthroughs.

What happens then is we hand it over to the Germans or Japanese or French or somebody else who build all the things. The jobs go overseas. We end up with nothing but the bill for the technology we have created.

The advanced technology program provides that technology so that we can actually convert the technology into jobs for the American people.

We have the GPS system, the global positioning system, which has created tens of thousands of jobs all across this country. It is the exact kind of program where scientific breakthroughs take place. We create jobs here in the United States for the people of this country, advancing not only our technologies but advancing the actual salaries of the people that get those jobs. That is the kind of jobs program we need in this country, that is the kind of jobs that the American people are demanding, and that is the kind of jobs that we are not seeing created as a result of the bizarre priorities that are being put forth by the Republican Party.

Mr. STUPAK. Mr. Speaker, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Michigan.

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

The last speaker on the Republican side from Arizona, the Fifth District, they are putting 61 police officers at risk, 85 pending cops applications at risk. And they are saying State and local governments do not know what they are talking. But yet they are applying for this program.

Mr. KENNEDY of Massachusetts. Mr. Speaker, let us not just leave the period at the advanced technologies program. Let us recognize that in this bill we are going to eliminate the U.S. Travel and Tourism Administration. We are going to cut 15 percent from the Economic Development Administration. We are going to cut 36 percent from the Small Business Administration. And we are going to cut 44 percent from the National Telecommunications.

You are clapping, I say to the gentleman from New York [Mr. SOLOMON], because you think those are all wonderful programs to cut. The truth of the matter is if you want good jobs for the people of this country instead of the kind of low-level jobs that the Republicans are so advanced and so great at creating for ordinary working people, that we need to have these kinds of programs to make certain we advance those technologies here in this country.

Mr. GOSS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SOLOMON].

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

Yes, we have to clap, because it is so deadly serious that we have to do something about the deficit, and I would just say to you: Where can we slow down spending? We have to do it everywhere we possibly can, I say to the gentleman from Massachusetts [Mr. KENNEDY], for your kids and for your grandkids and great grandkids. Otherwise, this country is going down the drain. Stick to the balanced budget. It is the biggest problem facing this Nation today.

Mr. KENNEDY of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I appreciate the gentleman yielding me this time.

I would just point out, you are providing a $270 billion tax cut while you are claiming you are for a balanced budget, when you are dumping $7 billion into our national defense budget.

Mr. SOLOMON. Reclaiming my time, $500 in the pocket of my constituents is better than $500 in the pocket of this Congress.

Mr. KENNEDY of Massachusetts. Come on, you are saying you are for a balanced budget at the same time you are for a tax cut. Come on, be honest with the American people.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Speaker, I thank the gentleman for yielding me this time.

I want to talk for a minute or two about this block grant approach because my colleagues should know that running between the States of North Carolina and South Carolina is a wonderful lake, and the last time we had a block grant program, the legal block grant program that was implemented under the Nixon administration, one of the law enforcement officials in South Carolina went out and bought a nice yacht and put it on this lake to use for what he said was crime fighting purposes. I think that was the impetus that led to doing away with the last round of block grant programs.

Now, my colleagues are back with these block grant programs, and they say it is the thing of the future and we are going to control them going into the future. But there is nothing in this bill that is going to stop people from buying yachts and tanks and all of these airplanes, like they did under the last block grant program.

The second point I want to make is my colleagues are going to tell us that they are returning all of this discretion back to the local governments so they can buy these yachts, but I will tell my colleagues that this bill does not return discretion to the local government. What it does is reward States

that have incarcerated the most people over the last 3 years. There is a provision here that says, and I quote it, verbatim,

> We are going to give grants to States only that have increased the percentage of persons convicted of violent crimes over the last 3 years; those who have increased the average prison time over the last 3 years.

Well, we are operating, according to a recent newspaper article, the biggest expansion industry in the world is the United States prison system already, and now we are trying to reward people for putting more people in jail rather than coming into line with other civilized countries in the world.

Mr. GOSS. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. ROGERS], the distinguished chairman of the Subcommittee on Appropriations.

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

I cannot sit here and let the gentleman from Michigan get by with saying that the Cops on the Beat grants that have already been made will be jeopardized. They will not be jeopardized. These grants have already been made. They are out there.

What is being jeopardized, the gentleman should know, is, after 3 more years, all of the COPS grants will be gone. Those communities who now have received moneys will have to pay the entire cost of their cops.

Under our program, they will still be going. The communities only have to pay 10 percent from here on. We pay 90 percent from here on out. If you want to have just cops, wonderful. If your police need bulletproof vests, under our program they can get them. Under yours, they cannot. If cops need bullets or equipment, they will be able to do it under our program.

Let the decision be made not in Washington by a bureaucrat, but by your police chief. If you cannot trust him, that is your problem, not ours.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Speaker, to answer the gentleman from Kentucky, the Fifth District, it was his 25 police agencies that applied for the COPS program and have been awarded that program. It was not Washington telling him to make it. And if he wrote this bill, then he knows nowhere in your bill do you even guarantee one police officer being hired. We have 100,000 guaranteed. Nowhere in your bill does it say your 90/10 provision goes for more than 1 year. We did it for 3 years.

You want technology, bulletproof vests? COPS more program, equipment technology, civilian employees, all come underneath there. Everything you want is in the COPS program. Just give it some time. Stop playing politics with it.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Speaker, I rise today to express my opposition to this conference report and to voice my outrage over the mindless assault that is being launched against the Legal Services Corporation.

The Republican proposal guts Legal Services. Funds will be lost by 31 percent and LSC attorneys handcuffed. This action will deny the poor access to justice, a right guaranteed under our great Constitution.

Many of our colleagues argue we cannot afford programs like the Legal Services Corporation in this time of fiscal constraints. I challenge them, how can we not?

My colleagues, the poor should not be the ones that pay the price for balancing the budget. But that is exactly what will happen if the Legal Services Corporation is so drastically cut.

I urge you to support the efforts of LSC. Our democracy succeeds only when all of our citizens have full access to our legal system.

□ 1630

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, buried on page 127 of this conference report is language designed to reopen the Ocean Dumping Ban Act of 1988. This language was not considered by the House and it was not considered by the Senate, rather it was added by the conferees.

The language on page 127 would have the Federal Government spend taxpayer dollars to develop a demonstration project on the deep ocean isolation of waste, which is a fancy way of saying ocean dumping. This type of study has already been rejected by the Commerce Department, also by the Naval Research Lab. As an environmentalist and as a member of the Resources Subcommittee on Fisheries, Wildlife and Oceans, I am outraged over these efforts to go behind the backs of our subcommittee and the American people to reopen the issue of ocean dumping.

Ocean dumping under current law is illegal. It is irresponsible and wrong to use taxpayer money to fund experiences into ocean dumping of any kind of waste. I would ask my colleagues, let us not threaten the health of our citizens again and the environment just to please some corporate special interests. This is a technology that has been rejected by the government agencies. It is only because some corporate interest decided to spend some money on it that it now appears in this conference report.

Mr. Speaker, I think it is totally inappropriate when neither House, neither appropriations committee considered this language, none of the authorizing committees considered this language, even though there is a bill pending before our subcommittee, and yet now we find it in the conference report. We should vote against the rule just for that reason alone.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume to say that it is my understanding that all time has expired on the other side, and we only have one speaker left on this side. As he goes up to the well, I am sure that he will remind us that this is a debate on the rule. I have not heard any debate on the rule, but we have heard a lot of debate on a lot of other subjects.

I am sure my distinguished colleague from greater San Dimas, CA, the vice chairman of the Committee on Rules, Mr. DREIER, the honorable Mr. DREIER, will be able to use the time well.

Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank my friend for yielding, and I would like to remind him that this is, in fact, the debate on the rule.

Now, having said that, let me say that I believe this is an extraordinarily good conference report. It goes a long way toward dealing with the goals that the American people set forth in the election of November 1994. We have heard people on the other side of the aisle talking about the opportunity and the future of children in this country. This bill, that has been put into place here by the great chairman of the subcommittee, the gentleman from Kentucky [Mr. ROGERS], has, I believe, made a major step toward reducing our deficit, in that it is $700 million below the level of last year.

Mr. Speaker, I believe that as we look at that kind of fiscal responsibility, it is very, very important to face the fact that an appropriations bill is actually reducing the level of spending and, at the same time, meeting very important priorities. One of the most important, from my perspective, is the fact that the Federal Government heretofore has not stood up and acknowledged its responsibility for a very important problem, that being illegal immigration.

This bill alone deals with two of the three very important prongs that we have been using in legislation over the past several months to address the problem of illegal immigration, and by that I am talking about reimbursement to the States for the incarceration of those who have entered this country illegally. And, also, it is very important for us to realize that toughening up our border patrol is key. There is $300 million in this bill that will go directly, directly toward hiring an additional 1,000 border patrol officers so that we will be able to again have the Federal Government acknowledging its responsibility.

The other very important part of that issue is not in this bill, but it is part of our Republican agenda here, and we are, frankly, doing it in a bipartisan way, and that is eliminating the mandates that have been imposed on the States to deal with issues like that.

So I want to congratulate the gentleman from Kentucky [Mr. ROGERS] for the superb job that he has done on this very difficult bill, for meeting those priorities, and, at the same time, reducing the level of expenditures. I also want to congratulate my friend, the gentleman from Sanibel, FL [Mr. GOSS] for reminding me this is, in fact, the debate on the rule. It is a good bill, and I hope we can vote for it and then move on to the conference report.

Mr. GOSS. 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 resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ROGERS. Mr. Speaker, pursuant to House Resolution 289, I call up the conference report on the bill (H.R. 2076), making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to rule XXVIII and House Resolution 289, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Monday, December 4, 1995, at page H13874.)

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. ROGERS] and the gentleman from West Virginia [Mr. MOLLOHAN] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. ROGERS].

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to accompany H.R. 2076 and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

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

Mr. Speaker, we are pleased to bring to the floor this conference report. When this bill passed the House on July 26, I described it as being tough on crime and even tougher on spending. The conference report we bring to the House today is, if anything, even tougher on crime and even tougher on spending.

Overall, the conference report provides $27.3 billion, $315 million below the House-passed level. There is $315 million less in spending than when this bill left the House. The bill includes $22.8 billion in discretionary spending, $300 million below the House-passed level; it is $700 million below last year, even after rescissions; and $3.7 million below what the White House requested.

The bill also includes $3.95 billion in the violent crime reduction trust fund. That is $1.6 billion above last year.

In general, the conference report is similar to the bill that passed the House on July 26. The major changes from the House-passed bill are: First, funding for law enforcement is $200 million above the House level; second, it is offset by rescissions of prior year funding totaling minus $200 million; and third, there is a decrease in State/USIA funding, $370 million below the House level due to a lower 602(b) allocation.

Overall, for law enforcement programs, the conference report includes $14.6 billion, which is a 19-percent increase over 1995. More than half of the funding in this bill is for our No. 1 domestic priority, to fight crime and drugs and control illegal immigration. More than half.

The $3.95 billion in crime trust funds provides major new initiatives to help States and local authorities fight crime. This includes $1.9 billion for the local law enforcement block grants, much discussed here in this body, passed by the House in February as a part of the Contract With America, to give cities and towns the resources they need to fight crime as they see fit to do it—to do what they deem wise, not what we in Washington deem wise for them.

The major difference between this block grant and the COPS Program is not whether there will be more police on the streets. Both programs put more cops on the streets. The difference is about control, whether we want a Washington-knows-best cookie cutter program or a local empowerment program. This conference report chooses local control.

There is $671 million for the new State prison grant program, based on truth-in-sentencing, which rewards those States that keep prisoners locked up for 85 percent of their sentences. We will give them the money to build the prisons to put those violent criminals behind bars for most of the time a jury sentences them to.

We put $535 million for Byrne grants for locals to use to fight against crime.

For the first time, Mr. Speaker, we are funding $175 million to help with the fight against violence against women; $50 million above the House level and the full amount of the President's request.

I cannot believe the President says he wants to veto a bill that funds violence against women grants to the exact penny he requested of us. More than 100 Members of Congress have written in favor of that program on both sides of the aisle. If Members vote against this conference report or if the President vetoes this bill, they will be voting and fighting against funding for these programs.

Mr. Speaker, the conference report carries two legislative provisions added by the Senate. The authorization for that truth-in-sentencing prison grant program and a provision to stop abusive, frivolous and expensive lawsuits by prisoners in jail.

The conference report continues the House bill's emphasis on enforcing our immigration laws. It includes a $300 million increase over 1995 for the immigration service to hire 3,000 new personnel, including 1,000 new and redeployed border patrol agents on the border to stem the tide of illegal immigration.

□ 1645

And, we are reimbursing States for the costs of jailing criminal aliens who commit crimes in their States. This is of major importance to the States of California, Texas, New York, and Florida especially. And if the President should veto this bill, he is saying to the people of California and to the people of Texas and to the people of Florida and New York, "We don't care about your expenses. You go ahead and pay the bills for these people who are breaking our boundaries and committing crimes in your States. We are not going to pay you." That is what he is saying when he vetoes this bill.

Most importantly, Mr. Speaker, this report provides increases of $571 million over 1995 for Federal law enforcement, the FBI, the Drug Enforcement Administration, U.S. attorneys, and Federal prisons, to sustain the current personnel and to provide enhancements to help them do their job.

Overall, this is the toughest anticrime, antidrug legislation this Congress has ever produced. But as tough as the bill is on crime, it is even tougher on spending reductions in lower priority areas.

The Department of Commerce is funded at $3.4 billion, a reduction of 15 percent and below the House-passed level.

The conference report funds manufacturing extension centers at $80 million, but doesn't fund Advanced Technology Program.

There are significant reductions throughout Commerce, including: EDA, down 21 percent to $348 million; MBDA, down 27 percent to $32 million; and Department Administration, down 20 percent to $29 million.

NOAA is funded at $1.8 billion, $58 million below 1995.

The conference report includes a provision requiring funding to reflect

Commerce Department reorganization, upon enactment of that legislation.

We conform in this report international spending to budget realities, reducing the State, USIA, and Arms Control accounts from $5.7 to $4.8 billion, a 15-percent decrease below last year, while preserving their core functions. And we zero out the agency of the United Nations called UNIDO, an agency that the administration the other day said the United States would withdraw from; a good thing because we are not going to give them any money for it. It is zero in this bill.

We keep the House funding level for Legal Services at $278 million compared to the Senate's $340 million, but we restrict those funds so they are not abused by that agency. We reduce funding for the SBA by 35 percent.

We prohibit expansion of the Vietnam Embassy construction unless the President certifies that Vietnam is fully cooperating on MIA–POW issues.

Those are some of the highlights of the bill, Mr. Speaker.

We have no choice but to move forward. The administration has refused to confer with us for these months and all of this year on what they want in the bill. They simply sit back and say we are going to veto it unless we get our way on COPS. They are sort of in a pique about that one. It is a political thing. It is sort of, I guess, his version of getting off Air Force One last. I wish he would get over this pique and get on with the business of legislating and protecting our country against crime and drugs. That is what this bill is all about.

So I urge all Members who care about issues in this bill, from violence against women programs to small business assistance, to help move this process forward and pass this conference report.

I want to thank the members of the subcommittee, the gentleman from Arizona [Mr. KOLBE], the gentleman from North Carolina [Mr. TAYLOR], the gentleman from Ohio [Mr. REGULA], the gentleman from New York [Mr. FORBES], the gentleman from Colorado [Mr. SKAGGS], the gentleman from California [Mr. DIXON], the full committee chairman, the gentleman from Louisiana [Mr. LIVINGSTON], the ranking member, the gentleman from Wisconsin [Mr. OBEY], and especially the ranking minority member, the gentleman from West Virginia [Mr. MOLLOHAN], a friend and colleague, a tremendous advocate, and a great assist to me on this bill.

I want to thank staff, Jim Kulikowski, our chief of staff, Sally Chadbourne, Theresa McAuliffe, Kim Wolterstorff, Mac Coffield, Jennifer Miller, and on the minority side, Mark Murray, Liz Whyte, and Sally Gaines, for long, long and hard dedicated work.

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076)

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - DEPARTMENT OF JUSTICE						
General Administration						
Salaries and expense: 1/						
Direct appropriation	119,643,000	73,229,000	74,282,000	74,282,000	74,282,000	-45,361,000
(By transfer)				(11,000,000)		
Crime trust fund	17,400,000	15,500,000				-17,400,000
Total, Salaries and expenses	137,043,000	88,729,000	74,282,000	74,282,000	74,282,000	-62,761,000
Working capital fund (rescission)	-5,500,000					+5,500,000
Police Corps (Crime trust fund)				10,000,000		
Counterterrorism fund	34,220,000	26,398,000	26,898,000	26,898,000	16,898,000	-17,322,000
Administrative review and appeals: 1/						
Direct appropriation		54,336,000	39,736,000	72,319,000	38,886,000	+38,886,000
Crime trust fund		33,180,000	47,780,000	14,347,000	47,780,000	+47,780,000
Total, Administrative review and appeals		87,516,000	87,516,000	86,666,000	86,666,000	+86,666,000
Office of Inspector General	30,484,000	36,744,000	30,484,000	27,436,000	28,960,000	-1,524,000
Total, General administration	196,247,000	239,387,000	219,180,000	225,282,000	206,806,000	+10,559,000
Appropriations	(184,347,000)	(190,707,000)	(171,400,000)	(200,935,000)	(159,026,000)	(-25,321,000)
Crime trust fund	(17,400,000)	(48,680,000)	(47,780,000)	(24,347,000)	(47,780,000)	(+30,380,000)
United States Parole Commission						
Salaries and expenses	7,450,000	6,781,000	5,446,000	5,446,000	5,446,000	-2,004,000
Legal Activities						
General legal activities:						
Direct appropriation	416,834,000	437,060,000	401,929,000	406,529,000	401,929,000	-14,905,000
(By transfer)					(12,000,000)	(+12,000,000)
Crime trust fund	4,600,000	7,591,000	7,591,000	2,991,000	7,591,000	+2,991,000
Total, General legal activities	(421,434,000)	(444,651,000)	(409,520,000)	(409,520,000)	(421,520,000)	(+86,000)
Vaccine injury compensation trust fund	2,500,000	4,028,000	4,028,000	4,028,000	4,028,000	+1,528,000
Independent counsel (permanent, indefinite)	4,000,000	2,884,000	2,884,000	2,884,000	2,884,000	-1,116,000
Civil liberties public education fund	5,000,000	5,000,000				-5,000,000
Antitrust Division	85,143,000	91,752,000	85,143,000	85,143,000	85,143,000	
Offsetting fee collections - carryover	-4,500,000		-16,000,000	-16,000,000	-19,360,000	-14,860,000
Offsetting fee collections - current year	-39,640,000	-48,262,000	-48,262,000	-48,262,000	-48,262,000	-8,622,000
Direct appropriation	41,003,000	43,490,000	20,881,000	20,881,000	17,521,000	-23,482,000
United States Attorneys:						
Direct appropriation	829,024,000	909,463,000	896,825,000	909,463,000	895,509,000	+66,485,000
Emergency appropriations (P.L. 104-19)	2,000,000					-2,000,000
Violent crime task force	15,000,000	15,000,000				-15,000,000
Crime trust fund	6,800,000	14,731,000	14,731,000	30,000,000	30,000,000	+23,200,000
Total, United States Attorneys	852,824,000	939,194,000	911,556,000	939,463,000	925,509,000	+72,685,000
United States Trustee System Fund	103,183,000	109,245,000	101,596,000	103,183,000	102,390,000	-793,000
Offsetting fee collections	-40,597,000	-44,191,000	-44,191,000	-44,191,000	-44,191,000	-3,594,000
Direct appropriation	62,586,000	65,054,000	57,405,000	58,992,000	58,199,000	-4,387,000
Foreign Claims Settlement Commission	830,000	905,000	830,000	905,000	830,000	
United States Marshals Service:						
Direct appropriation	396,782,000	446,887,000	418,973,000	439,639,000	423,248,000	+26,466,000
Crime trust fund		16,500,000	25,000,000	15,000,000	25,000,000	+25,000,000
Total, United States Marshals Service	396,782,000	463,387,000	443,973,000	454,639,000	448,248,000	+51,466,000
Federal Prisoner Detention	296,753,000	295,331,000	250,331,000	295,331,000	252,820,000	-43,933,000
(Prior year carryover)					(33,511,000)	(+33,511,000)
(By transfer)					(9,000,000)	(+9,000,000)
Total, Federal prisoner detention	(296,753,000)	(295,331,000)	(250,331,000)	(295,331,000)	(295,331,000)	(-1,422,000)
Fees and expenses of witnesses	77,982,000	85,000,000	85,000,000	85,000,000	85,000,000	+7,018,000
Community Relations Service 2/	20,379,000	20,695,000		10,638,000	5,319,000	-15,060,000
Assets forfeiture fund	50,000,000	55,000,000	35,000,000	35,000,000	30,000,000	-20,000,000
Total, Legal activities	2,232,073,000	2,424,619,000	2,221,408,000	2,317,281,000	2,239,878,000	+7,805,000
Appropriations	(2,220,673,000)	(2,385,797,000)	(2,174,086,000)	(2,269,290,000)	(2,177,287,000)	(-43,386,000)
Crime trust fund	(11,400,000)	(38,822,000)	(47,322,000)	(47,991,000)	(62,591,000)	(+51,191,000)

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076) — continued

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
Radiation Exposure Compensation						
Administrative expenses	2,655,000	2,655,000	2,655,000	2,655,000	2,655,000	
Advance appropriation		2,655,000				
Payment to radiation exposure compensation trust fund		16,264,000				
Advance appropriation		30,000,000	16,264,000	16,264,000	16,264,000	+16,264,000
Total, Radiation Exposure Compensation	2,655,000	51,574,000	18,919,000	18,919,000	18,919,000	+16,264,000
Interagency Law Enforcement						
Interagency crime and drug enforcement	374,943,000	378,473,000	374,943,000	359,843,000	359,843,000	-15,100,000
Federal Bureau of Investigation						
Salaries and expenses	2,038,774,000	2,305,387,000	2,084,857,000	2,098,426,000	2,002,438,000	-36,336,000
(By transfer)					(22,000,000)	(+22,000,000)
Emergency appropriations (P.L. 104-19)	77,140,000					-77,140,000
Counterintelligence and national security	80,421,000	82,224,000	82,224,000	121,345,000	102,345,000	+21,924,000
FBI Fingerprint identification	84,400,000	84,400,000	84,400,000	84,400,000	84,400,000	
Digital telephony (crime trust fund)		33,400,000	50,000,000	50,000,000	33,400,000	+33,400,000
Other initiatives (crime trust fund)		13,100,000	30,600,000	152,500,000	184,900,000	+184,900,000
Construction		99,259,000	98,400,000	98,800,000	97,589,000	+97,589,000
Total, Federal Bureau of Investigation	2,280,735,000	2,617,770,000	2,430,481,000	2,605,471,000	2,505,072,000	+224,337,000
Appropriations	(2,280,735,000)	(2,571,270,000)	(2,349,881,000)	(2,402,971,000)	(2,286,772,000)	(+6,037,000)
Crime trust fund		(46,500,000)	(80,600,000)	(202,500,000)	(218,300,000)	(+218,300,000)
Drug Enforcement Administration						
Salaries and expenses	799,944,000	845,409,000	828,729,000	837,241,000	792,909,000	-7,035,000
Diversion control fund	-43,431,000	-47,241,000	-47,241,000	-47,241,000	-47,241,000	-3,810,000
Direct appropriation	756,513,000	798,168,000	781,488,000	790,000,000	745,668,000	-10,845,000
Crime trust fund		12,000,000	12,000,000	60,000,000	60,000,000	+60,000,000
Total, Drug Enforcement Administration	756,513,000	810,168,000	793,488,000	850,000,000	805,668,000	+49,155,000
Immigration and Naturalization Service						
Salaries and expenses:						
Direct appropriation	1,101,475,000	1,453,471,000	1,421,481,000	953,934,000	1,394,825,000	+293,350,000
Border Patrol:						
Direct appropriation			(494,700,000)	489,200,000	(506,800,000)	(+506,800,000)
Crime trust fund			(78,000,000)	10,300,000	(78,000,000)	(+78,000,000)
New offsetting fees				(117,000,000)		
Subtotal, Border patrol			(572,700,000)	(616,500,000)	(584,800,000)	(+584,800,000)
Immigration initiative (crime trust fund)	100,600,000	335,498,000	152,642,000	54,279,000	162,628,000	+62,028,000
Border control system modernization (crime trust fund)	154,600,000		150,900,000	111,083,000	153,570,000	-1,030,000
Subtotal, Direct and crime trust fund	(1,356,675,000)	(1,788,969,000)	(1,725,023,000)	(1,735,796,000)	(1,711,023,000)	(+354,348,000)
Fee accounts:						
Immigration legalization fund	(3,482,000)	(1,823,000)	(1,823,000)	(1,823,000)	(1,823,000)	(-1,659,000)
Immigration user fee	(330,952,000)	(357,084,000)	(357,084,000)	(357,084,000)	(357,084,000)	(+26,132,000)
Land border inspection fund	(1,584,000)	(5,965,000)	(5,965,000)	(5,965,000)	(5,965,000)	(+4,381,000)
Immigration examinations fund	(291,097,000)	(304,572,000)	(440,160,000)	(440,160,000)	(440,160,000)	(+149,063,000)
Cuban/Haitian resettlement (examinations fund)			(10,057,000)	(10,057,000)	(10,057,000)	(+10,057,000)
Breached bond fund	(6,200,000)	(6,358,000)	(6,358,000)	(6,358,000)	(6,358,000)	(+158,000)
Subtotal, Fee accounts	(633,315,000)	(675,802,000)	(821,447,000)	(821,447,000)	(821,447,000)	(+188,132,000)
Construction	50,000,000		11,000,000	35,000,000	25,000,000	-25,000,000
Immigration Emergency Fund	30,000,000					-30,000,000
Total, Immigration and Naturalization Service	(2,069,990,000)	(2,464,771,000)	(2,557,470,000)	(2,592,243,000)	(2,557,470,000)	(+487,480,000)
Appropriations	(1,181,475,000)	(1,453,471,000)	(1,432,481,000)	(1,478,134,000)	(1,419,825,000)	(+238,350,000)
Crime trust fund	(255,200,000)	(335,498,000)	(303,542,000)	(175,662,000)	(316,198,000)	(+60,998,000)
(Fee accounts)	(633,315,000)	(675,802,000)	(821,447,000)	(938,447,000)	(821,447,000)	(+188,132,000)
Federal Prison System						
Salaries and expenses	2,353,597,000	2,630,259,000	2,614,578,000	2,614,578,000	2,614,578,000	+260,981,000
Prior year carryover	-30,000,000		-40,000,000	-40,000,000	-47,000,000	-17,000,000
Direct appropriation	2,323,597,000	2,630,259,000	2,574,578,000	2,574,578,000	2,567,578,000	+243,981,000
Crime trust fund		13,500,000	13,500,000	13,500,000	13,500,000	+13,500,000
Total, Salaries and expenses	2,323,597,000	2,643,759,000	2,588,078,000	2,588,078,000	2,581,078,000	+257,481,000
National Institute of Corrections	10,302,000	10,158,000		8,000,000		-10,302,000
Buildings and facilities	276,301,000	323,728,000	323,728,000	349,410,000	334,728,000	+58,427,000

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076) — continued

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
Federal Prison Industries, Incorporated (limitation on administrative expenses)	(3,463,000)	(3,559,000)	(3,559,000)	(3,559,000)	(3,559,000)	(+96,000)
Total, Federal Prison System	2,610,200,000	2,977,645,000	2,911,806,000	2,945,488,000	2,915,806,000	+305,606,000
Office of Justice Programs						
Justice Assistance:						
Direct appropriation	97,977,000	102,345,000	97,977,000	102,345,000	99,977,000	+2,000,000
Crime trust fund:						
Violence Against Women Grants	26,000,000	174,900,000	124,500,000	175,000,000	174,500,000	+148,500,000
Rural law enforcement		10,252,000		10,000,000		
Crime prevention		30,000,000		30,000,000		
Model intensive prevention		48,216,000				
State prison drug treatment		27,000,000	27,000,000	27,000,000	27,000,000	+27,000,000
Other crime control programs		4,426,000	900,000	900,000	900,000	+900,000
Subtotal, Crime trust fund	26,000,000	294,794,000	152,400,000	242,900,000	202,400,000	+176,400,000
Total, Justice Assistance	123,977,000	397,139,000	250,377,000	345,245,000	302,377,000	+178,400,000
State and local law enforcement assistance:						
Direct appropriations:						
Byrne grants (discretionary)	62,000,000	50,000,000	50,000,000	30,000,000	60,000,000	-2,000,000
Byrne grants (formula)		190,000,000		250,000,000	328,000,000	+328,000,000
State identification grants				60,000,000		
Weed and seed fund	13,456,000	5,000,000	(23,500,000)	(43,500,000)	(28,500,000)	-13,456,000
Subtotal, Direct appropriations	75,456,000	245,000,000	50,000,000	340,000,000	388,000,000	+312,544,000
Crime trust fund:						
State and local block grants:						
Byrne grants (discretionary)				50,000,000		
Byrne grants (formula)	450,000,000	260,000,000	475,000,000	225,000,000	147,000,000	-303,000,000
Community policing	1,300,000,000	1,902,964,000		1,690,000,000		-1,300,000,000
Local law enforcement block grant			1,950,000,000		1,903,000,000	+1,903,000,000
Subtotal, State and local block grants	1,750,000,000	2,162,964,000	2,425,000,000	1,965,000,000	2,050,000,000	+300,000,000
Upgrade criminal history records	100,000,000	25,000,000	25,000,000	25,000,000	25,000,000	-75,000,000
State prison grants	24,500,000	500,000,000	500,000,000	726,800,000	617,500,000	+593,000,000
State criminal alien incarceration program	130,000,000	300,000,000	300,000,000	300,000,000	300,000,000	+170,000,000
Youthful offender incarceration		9,643,000	19,643,000	15,000,000		
Drug courts	11,900,000	150,000,000		100,000,000		-11,900,000
Ounce of Prevention Council	1,500,000			2,000,000		-1,500,000
Other crime control programs		26,799,000	13,700,000	13,300,000	12,700,000	+12,700,000
Subtotal, Crime trust fund	2,017,900,000	3,174,406,000	3,283,343,000	3,147,100,000	3,005,200,000	+987,300,000
Total, State and local law enforcement	2,093,356,000	3,419,406,000	3,333,343,000	3,487,100,000	3,393,200,000	+1,299,844,000
Juvenile justice programs	155,250,000	148,500,000	148,500,000	148,500,000	148,500,000	-6,750,000
Crime trust fund				(20,000,000)		
Total, Juvenile justice programs	(155,250,000)	(148,500,000)	(148,500,000)	(168,500,000)	(148,500,000)	(-6,750,000)
Public safety officers benefits program:						
Death benefits	27,645,000	28,474,000	28,474,000	28,474,000	28,474,000	+829,000
Disability benefits	2,072,000	2,134,000	2,134,000	2,134,000	2,134,000	+62,000
Total, Office of Justice Programs	2,402,300,000	3,995,653,000	3,762,828,000	4,011,453,000	3,874,685,000	+1,472,385,000
Appropriations	(358,400,000)	(526,453,000)	(327,085,000)	(621,453,000)	(667,085,000)	(+308,685,000)
Crime trust fund	(2,043,900,000)	(3,469,200,000)	(3,435,743,000)	(3,390,000,000)	(3,207,600,000)	(+1,163,700,000)
Total, title I, Department of Justice	12,299,791,000	15,291,039,000	14,474,522,000	14,992,979,000	14,668,146,000	+2,368,355,000
Appropriations	(9,977,391,000)	(11,326,839,000)	(10,534,035,000)	(11,078,979,000)	(10,742,177,000)	(+764,786,000)
Crime trust fund	(2,327,900,000)	(3,964,200,000)	(3,940,487,000)	(3,914,000,000)	(3,925,969,000)	(+1,598,069,000)
(Limitation on administrative expenses)	(3,463,000)	(3,559,000)	(3,559,000)	(3,559,000)	(3,559,000)	(+96,000)
TITLE II - DEPARTMENT OF COMMERCE AND RELATED AGENCIES						
TRADE AND INFRASTRUCTURE DEVELOPMENT						
Office of the United States Trade Representative						
Salaries and expenses	20,949,000	20,949,000	20,949,000	20,889,000	20,889,000	-60,000
International Trade Commission						
Salaries and expenses	42,500,000	47,177,000	42,500,000	34,000,000	40,000,000	-2,500,000
Total, Related agencies	63,449,000	68,126,000	63,449,000	54,889,000	60,889,000	-2,560,000

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076) — continued

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
International Trade Administration						
Operations and administration	266,093,000	279,558,000	264,885,000	266,079,000	264,885,000	-1,208,000
Export Administration						
Operations and administration	38,644,000	48,441,000	38,644,000	38,604,000	38,604,000	-40,000
Economic Development Administration						
Economic development assistance programs	382,783,000	407,783,000	328,500,000	89,000,000	328,500,000	-54,283,000
Emergency rescission (P.L. 104-19)	-5,250,000	.....	.....	.....	.....	+5,250,000
Salaries and expenses	32,144,000	31,183,000	20,000,000	11,000,000	20,000,000	-12,144,000
Total, Economic Development Administration	409,677,000	438,966,000	348,500,000	100,000,000	348,500,000	-61,177,000
Minority Business Development Agency						
Minority business development	43,789,000	47,921,000	32,000,000	32,789,000	32,000,000	-11,789,000
United States Travel and Tourism Administration						
Salaries and expenses	16,328,000	16,303,000	2,000,000	12,000,000	2,000,000	-14,328,000
Total, Trade and Infrastructure Development	837,980,000	899,315,000	749,478,000	504,361,000	746,878,000	-91,102,000
ECONOMIC AND INFORMATION INFRASTRUCTURE						
Economic and Statistical Analysis						
Salaries and expenses	46,896,000	57,220,000	40,000,000	46,896,000	45,900,000	-996,000
Economics and statistics administration revolving fund	1,677,000	.....	.....	.....	.....	-1,677,000
Bureau of the Census						
Salaries and expenses	136,000,000	144,812,000	136,000,000	133,812,000	133,812,000	-2,188,000
Periodic censuses and programs	142,083,000	193,450,000	135,000,000	193,450,000	150,300,000	+8,217,000
Total, Bureau of the Census	278,083,000	338,262,000	271,000,000	327,262,000	284,112,000	+6,029,000
National Telecommunications and Information Administration						
Salaries and expenses	20,961,000	22,932,000	19,709,000	8,000,000	17,000,000	-3,961,000
(By transfer)	.....	.....	.....	(9,000,000)	.....	.....
Public broadcasting facilities, planning and construction	28,983,000	7,959,000	19,000,000	10,000,000	15,500,000	-13,483,000
Endowment for Children's Educational Television	2,499,000	2,502,000	.....	.....	.....	-2,499,000
Information infrastructure grants	44,962,000	99,912,000	40,000,000	18,900,000	21,500,000	-23,462,000
Total, National Telecommunications and Information Administration	97,405,000	133,305,000	78,709,000	36,900,000	54,000,000	-43,405,000
Patent and Trademark Office						
Salaries and expenses	82,324,000	110,868,000	90,000,000	82,324,000	82,324,000	.....
Total, Economic and Information Infrastructure	506,385,000	639,655,000	479,709,000	493,382,000	466,336,000	-40,049,000
SCIENCE AND TECHNOLOGY						
National Institute of Standards and Technology						
Scientific and technical research and services	247,486,000	310,679,000	263,000,000	222,737,000	259,000,000	+11,514,000
Industrial technology services	418,373,000	642,458,000	81,100,000	101,600,000	80,000,000	-338,373,000
Construction of research facilities	34,639,000	69,913,000	60,000,000	27,000,000	60,000,000	+25,361,000
Total, National Institute of Standards and Technology	700,498,000	1,023,050,000	404,100,000	351,337,000	399,000,000	-301,498,000
National Oceanic and Atmospheric Administration						
Operations, research and facilities 3/	1,805,092,000	2,021,135,000	1,724,452,000	1,809,092,000	1,795,677,000	-9,415,000
Offsetting collections - fees	-6,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	+3,000,000
Direct appropriation	1,799,092,000	2,018,135,000	1,721,452,000	1,806,092,000	1,792,677,000	-6,415,000
(By transfer from Promote and Develop Fund)	(55,500,000)	(55,500,000)	(57,500,000)	(62,000,000)	(63,000,000)	(+7,500,000)
(By transfer from Damage assessment and restoration revolving fund, permanent)	8,500,000	3,900,000	3,900,000	3,900,000	3,900,000	-4,600,000
(Damage assessment and restoration revolving fund)	-1,500,000	-3,900,000	-3,900,000	-3,900,000	-3,900,000	-2,400,000
Total, Operations, research and facilities	1,806,092,000	2,018,135,000	1,721,452,000	1,806,092,000	1,792,677,000	-13,415,000
Coastal zone management fund	(7,800,000)	(7,800,000)	(7,800,000)	(7,800,000)	(7,800,000)	.....
Mandatory offset	(-7,800,000)	(-7,800,000)	(-7,800,000)	(-7,800,000)	(-7,800,000)	.....
Construction	82,254,000	52,299,000	42,731,000	50,000,000	50,000,000	-32,254,000
Fleet modernization, shipbuilding and conversion	22,936,000	23,347,000	8,000,000	8,000,000	8,000,000	-14,936,000
GOES satellite contingency fund (rescission)	-2,500,000	.....	.....	.....	.....	+2,500,000
Fishing vessel and gear damage fund	1,273,000	1,282,000	1,032,000	1,032,000	1,032,000	-241,000
Fishermen's contingency fund	999,000	1,000,000	999,000	999,000	999,000	.....

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076) — continued

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
Foreign fishing observer fund	400,000	396,000	196,000	196,000	196,000	-204,000
Fishing vessel obligations guarantees	250,000	250,000		250,000	250,000	
Total, National Oceanic and Atmospheric Administration	1,911,704,000	2,096,709,000	1,774,410,000	1,866,569,000	1,853,154,000	-58,550,000
Technology Administration						
Salaries and expenses	8,242,000	13,906,000	5,000,000	5,000,000	5,000,000	-3,242,000
National Technical Information Service						
NTIS revolving fund	7,000,000					-7,000,000
Total, Science and Technology	2,627,444,000	3,133,665,000	2,183,510,000	2,222,906,000	2,257,154,000	-370,290,000
General Administration						
Salaries and expenses	36,471,000	35,826,000	29,100,000	29,100,000	29,100,000	-7,371,000
Office of Inspector General	16,887,000	22,249,000	21,849,000	19,849,000	19,849,000	+2,962,000
Total, General administration	53,358,000	58,075,000	50,949,000	48,949,000	48,949,000	-4,409,000
Transition fund				20,000,000		
National Institute of Standards and Technology						
Construction of research facilities (rescission)				-152,993,000	-75,000,000	-75,000,000
Total, Department of Commerce	3,961,718,000	4,662,584,000	3,400,197,000	3,081,716,000	3,383,428,000	-578,290,000
Total, title II, Department of Commerce and related agencies	4,025,167,000	4,730,710,000	3,463,646,000	3,136,605,000	3,444,317,000	-580,850,000
(By transfer)	(55,500,000)	(55,500,000)	(57,500,000)	(71,000,000)	(63,000,000)	(+7,500,000)
TITLE III - THE JUDICIARY						
Supreme Court of the United States						
Salaries and expenses:						
Salaries of justices	1,657,000	1,662,000	1,662,000	1,662,000	1,662,000	+5,000
Other salaries and expenses	22,583,000	24,172,000	24,172,000	24,172,000	24,172,000	+1,589,000
Total, Salaries and expenses	24,240,000	25,834,000	25,834,000	25,834,000	25,834,000	+1,594,000
Care of the building and grounds	3,000,000	4,003,000	3,313,000	3,313,000	3,313,000	+313,000
Total, Supreme Court of the United States	27,240,000	29,837,000	29,147,000	29,147,000	29,147,000	+1,907,000
United States Court of Appeals for the Federal Circuit						
Salaries and expenses:						
Salaries of judges	1,758,000	1,892,000	1,892,000	1,892,000	1,892,000	+134,000
Other salaries and expenses	11,680,000	13,603,000	12,178,000	12,396,000	12,396,000	+716,000
Total, Salaries and expenses	13,438,000	15,495,000	14,070,000	14,288,000	14,288,000	+850,000
United States Court of International Trade						
Salaries and expenses:						
Salaries of judges	1,385,000	1,413,000	1,413,000	1,413,000	1,413,000	+28,000
Other salaries and expenses	9,300,000	9,446,000	9,446,000	9,446,000	9,446,000	+146,000
Total, Salaries and expenses	10,685,000	10,859,000	10,859,000	10,859,000	10,859,000	+174,000
Courts of Appeals, District Courts, and Other Judicial Services						
Salaries and expenses:						
Salaries of judges and bankruptcy judges	220,428,000	226,024,000	226,024,000	226,024,000	226,024,000	+5,596,000
Other salaries and expenses	2,119,699,000	2,419,941,000	2,183,000,000	2,220,170,665	2,207,117,000	+87,418,000
Direct appropriation	2,340,127,000	2,645,965,000	2,409,024,000	2,446,194,665	2,433,141,000	+93,014,000
Crime trust fund		30,700,000	41,500,000	30,000,000	30,000,000	+30,000,000
Total, Salaries and expenses	2,340,127,000	2,676,665,000	2,450,524,000	2,476,194,665	2,463,141,000	+123,014,000
Vaccine Injury Compensation Trust Fund	2,250,000	2,320,000	2,318,000	2,318,000	2,318,000	+68,000
Defender services	240,500,000	295,761,000	260,000,000	274,433,000	267,217,000	+26,717,000
Fees of jurors and commissioners	54,346,000	72,008,000	59,028,000	59,028,000	59,028,000	+4,682,000
Court security	97,000,000	116,433,000	109,724,000	102,000,000	102,000,000	+5,000,000
Emergency appropriations (P.L. 104-19)	16,640,000					-16,640,000
Total, Courts of Appeals, District Courts, and Other Judicial Services	2,750,863,000	3,163,187,000	2,881,594,000	2,913,973,665	2,893,704,000	+142,841,000

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076) — continued

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
Administrative Office of the United States Courts						
Salaries and expenses	47,500,000	53,445,000	47,500,000	47,500,000	47,500,000	
Federal Judicial Center						
Salaries and expenses	18,828,000	20,771,000	18,828,000	17,000,000	17,914,000	-914,000
Judicial Retirement Funds						
Payment to Judiciary Trust Funds	28,475,000	32,900,000	32,900,000	32,900,000	32,900,000	+4,425,000
United States Sentencing Commission						
Salaries and expenses	8,800,000	9,500,000	8,500,000	8,500,000	8,500,000	-300,000
Total, title III, the Judiciary	2,905,829,000	3,335,994,000	3,043,398,000	3,074,167,665	3,054,812,000	+148,983,000
Appropriations	(2,905,829,000)	(3,305,294,000)	(3,001,898,000)	(3,044,167,665)	(3,024,812,000)	(+118,983,000)
Crime trust fund		(30,700,000)	(41,500,000)	(30,000,000)	(30,000,000)	(+30,000,000)
TITLE IV - DEPARTMENT OF STATE						
Administration of Foreign Affairs						
Diplomatic and consular programs	1,724,628,000	1,748,438,000	1,716,878,000	1,687,800,000	1,708,800,000	-15,828,000
Security enhancements		9,720,000	9,720,000	9,720,000	9,720,000	+9,720,000
Registration fees	700,000	700,000	700,000	700,000	700,000	
Total, Diplomatic and consular programs	1,725,328,000	1,758,858,000	1,727,298,000	1,698,220,000	1,719,220,000	-6,108,000
Salaries and expenses	383,972,000	372,480,000	363,276,000	368,000,000	363,276,000	-20,696,000
Security enhancements		1,870,000	1,870,000	1,870,000	1,870,000	+1,870,000
Total, Salaries and expenses	383,972,000	374,350,000	365,146,000	369,870,000	365,146,000	-18,826,000
Transition fund				5,000,000		
Capital investment fund		32,800,000	16,400,000	16,400,000	16,400,000	+16,400,000
Office of Inspector General	23,850,000	24,250,000	27,669,000	24,350,000	27,369,000	+3,519,000
Representation allowances	4,780,000	4,800,000	4,780,000	4,500,000	4,500,000	-280,000
Protection of foreign missions and officials	9,579,000	8,579,000	8,579,000	8,579,000	8,579,000	-1,000,000
Security and maintenance of United States missions	391,760,000	421,760,000	391,760,000	369,860,000	385,760,000	-6,000,000
Emergencies in the diplomatic and consular service	6,500,000	6,000,000	6,000,000	6,000,000	6,000,000	-500,000
Repatriation Loans Program Account:						
Direct loans subsidy	593,000	593,000	593,000	593,000	593,000	
(Limitation on direct loans)	(741,000)	(741,000)	(741,000)	(741,000)	(741,000)	
Administrative expenses	183,000	183,000	183,000	183,000	183,000	
Total, Repatriation loans program account	776,000	776,000	776,000	776,000	776,000	
Payment to the American Institute in Taiwan	15,465,000	15,465,000	15,165,000	15,165,000	15,165,000	-300,000
Payment to the Foreign Service Retirement and Disability Fund	129,321,000	125,402,000	125,402,000	125,402,000	125,402,000	-3,919,000
Total, Administration of Foreign Affairs	2,691,331,000	2,773,040,000	2,688,975,000	2,644,122,000	2,674,317,000	-17,014,000
International Organizations and Conferences						
Contributions to international organizations, current year assessment	872,661,000	923,057,000	858,000,000	550,000,000	700,000,000	-172,661,000
Contributions for international peacekeeping activities, current year assessment	518,687,000	445,000,000	425,000,000	225,000,000	225,000,000	-293,687,000
International conferences and contingencies	6,000,000	6,000,000	3,000,000	3,000,000	3,000,000	-3,000,000
Total, International Organizations and Conferences	1,397,348,000	1,374,057,000	1,286,000,000	778,000,000	928,000,000	-469,348,000
International Commissions						
International Boundary and Water Commission, United States and Mexico:						
Salaries and expenses	12,858,000	13,858,000	12,358,000	11,500,000	12,058,000	-800,000
Construction	6,644,000	10,398,000	6,644,000	8,000,000	6,644,000	
American sections, international commissions	5,800,000	6,290,000	5,800,000	5,800,000	5,800,000	
International fisheries commissions	14,669,000	14,669,000	14,669,000	15,119,000	14,669,000	
Total, International commissions	39,971,000	45,215,000	39,471,000	40,419,000	39,171,000	-800,000
Other						
Payment to the Asia Foundation	10,000,000	10,000,000	10,000,000		5,000,000	-5,000,000
Appropriation (FY 1995 Defense Bill, P.L. 103-335)	5,000,000					-5,000,000
Total, Department of State	4,143,650,000	4,202,312,000	4,024,446,000	3,462,541,000	3,646,488,000	-497,162,000
RELATED AGENCIES						
Arms Control and Disarmament Agency						
Arms control and disarmament activities	50,378,000	76,300,000	40,000,000	22,700,000	35,700,000	-14,678,000

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076) — continued

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
Board for International Broadcasting						
Israel Relay Station (rescission)	-2,000,000					+2,000,000
United States Information Agency						
Salaries and expenses	475,645,000	496,002,000	445,645,000	429,000,000	445,645,000	-30,000,000
Technology fund		10,100,000	5,050,000	5,050,000	5,050,000	+5,050,000
Office of Inspector General	4,300,000	4,593,000				-4,300,000
Educational and cultural exchange programs	233,279,000	252,676,000	192,090,000	210,000,000	200,000,000	-33,279,000
Transfer (FY 1995 Foreign Ops Bill, P.L. 103-336)	42,000,000					-42,000,000
Subtotal	275,279,000	252,676,000	192,090,000	210,000,000	200,000,000	-75,279,000
Eisenhower Exchange Fellowship Program, trust fund	2,800,000	300,000	300,000	1,137,000	300,000	-2,500,000
Israeli Arab scholarship program	397,000	397,000	397,000	397,000	397,000	
International Broadcasting Operations	475,363,000	395,340,000	341,000,000	294,191,000	325,191,000	-150,172,000
Radio Free Asia: Operations	5,000,000	(10,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	-5,000,000
Broadcasting to Cuba	24,809,000	(26,063,000)	(24,809,000)	24,809,000	24,809,000	
Radio construction	69,314,000	85,919,000	70,164,000	22,000,000	40,000,000	-29,314,000
East-West Center	24,500,000	20,000,000		18,000,000	11,750,000	-12,750,000
North/South Center	4,000,000	1,000,000		4,000,000	2,000,000	-2,000,000
Tenth Paralympiad				(5,000,000)		
National Endowment for Democracy	34,000,000	34,000,000	30,000,000	30,000,000	30,000,000	-4,000,000
Total, United States Information Agency	1,395,407,000	1,300,327,000	1,084,646,000	1,038,584,000	1,085,142,000	-310,265,000
Total, related agencies	1,443,785,000	1,376,627,000	1,124,646,000	1,061,284,000	1,120,842,000	-322,943,000
Total, title IV, Department of State	5,587,435,000	5,578,939,000	5,149,092,000	4,523,825,000	4,767,330,000	-820,105,000
TITLE V - RELATED AGENCIES						
DEPARTMENT OF TRANSPORTATION						
Maritime Administration						
Operating-differential subsidies (liquidation of contract authority)	(214,356,000)	(162,610,000)	(162,610,000)	(162,610,000)	(162,610,000)	(-51,746,000)
Maritime National Security Program		175,000,000		46,000,000	46,000,000	+46,000,000
Operations and training	76,087,000	81,650,000	64,600,000	68,600,000	66,600,000	-9,487,000
Ready reserve force:						
Maintenance, operations and facilities	149,653,000					-149,653,000
Rescission	-158,000,000					+158,000,000
Total, Ready reserve force	-8,347,000					+8,347,000
Maritime Guaranteed Loan Program Account:						
Guaranteed loans subsidy	25,000,000	48,000,000	48,000,000	25,000,000	40,000,000	+15,000,000
(Limitation on guaranteed loans)	(250,000,000)	(1,000,000,000)	(1,000,000,000)	(500,000,000)	(1,000,000,000)	(+750,000,000)
Administrative expenses	2,000,000	4,000,000	4,000,000		3,500,000	+1,500,000
Total, Maritime guaranteed loan program account	27,000,000	52,000,000	52,000,000	25,000,000	43,500,000	+16,500,000
Total, Maritime Administration	94,740,000	308,650,000	116,600,000	139,600,000	156,100,000	+61,360,000
Commission for the Preservation of America's Heritage Abroad						
Salaries and expenses	206,000	212,000	206,000	206,000	206,000	
Commission on Civil Rights						
Salaries and expenses	9,000,000	11,400,000	8,500,000	9,000,000	8,750,000	-250,000
Commission on Immigration Reform						
Salaries and expenses	1,894,000	2,877,000	2,377,000	1,894,000	1,894,000	
Commission on Security and Cooperation in Europe						
Salaries and expenses	1,090,000	1,122,000	1,090,000	1,090,000	1,090,000	
Competitiveness Policy Council						
Salaries and expenses	1,000,000	503,000				-1,000,000
Equal Employment Opportunity Commission						
Salaries and expenses	233,000,000	268,000,000	233,000,000	233,000,000	233,000,000	
Federal Communications Commission						
Salaries and expenses	185,232,000	223,600,000	185,232,000	166,185,000	175,709,000	-9,523,000
Offsetting fee collections - current year	-116,400,000	-116,400,000	-116,400,000	-116,400,000	-116,400,000	
Direct appropriation	68,832,000	107,200,000	68,832,000	49,785,000	59,309,000	-9,523,000

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076) — continued

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
Federal Maritime Commission						
Salaries and expenses	18,569,000	18,947,000	15,000,000	14,855,000	14,855,000	-3,714,000
Offsetting fee collections		-2,228,000				
Direct appropriation	18,569,000	16,719,000	15,000,000	14,855,000	14,855,000	-3,714,000
Federal Trade Commission						
Salaries and expenses	98,928,000	107,873,000	98,928,000	89,035,000	98,928,000	
Offsetting fee collections - carryover	-4,500,000		-16,000,000	-16,000,000	-19,360,000	-14,860,000
Offsetting fee collections - current year	-39,640,000	-48,262,000	-48,262,000	-48,262,000	-48,262,000	-8,622,000
Direct appropriation	54,788,000	59,611,000	34,666,000	24,773,000	31,306,000	-23,482,000
Japan - United States Friendship Commission						
Japan - United States Friendship Trust Fund	1,247,000	1,250,000	1,247,000	1,247,000	1,247,000	
(Foreign currency appropriation)	(1,420,000)	(1,420,000)	(1,420,000)	(1,420,000)	(1,420,000)	
Legal Services Corporation						
Payment to the Legal Services Corporation	400,000,000	440,000,000	278,000,000	340,000,000	278,000,000	-122,000,000
Marine Mammal Commission						
Salaries and expenses	1,384,000	1,425,000	1,000,000	1,384,000	1,190,000	-194,000
Martin Luther King, Jr. Federal Holiday Commission						
Salaries and expenses	300,000	350,000	250,000	350,000	350,000	+50,000
National Bankruptcy Review Commission						
Salaries and expenses (by transfer)	(1,000,000)					(-1,000,000)
Ounce of Prevention Council						
Crime trust fund 4/		14,700,000				
Securities and Exchange Commission						
Salaries and expenses	297,405,000	342,922,000	297,405,000	267,664,000	297,405,000	
Offsetting fee collections	-192,000,000		-184,293,000	-123,000,000	-184,293,000	+7,707,000
Offsetting fee collections - carryover	-30,549,000		-9,667,000	-9,667,000	-9,667,000	+20,882,000
Investment adviser fee - offsetting collection	(-8,595,000)					(+8,595,000)
Direct appropriation	74,856,000	342,922,000	103,445,000	134,997,000	103,445,000	+28,589,000
Small Business Administration						
Salaries and expenses	251,504,000	242,831,000	225,625,000	215,181,000	222,490,000	-29,014,000
Offsetting fee collections	-9,350,000	-3,300,000	-3,300,000	-3,300,000	-3,300,000	+6,050,000
Direct appropriation	242,154,000	239,531,000	222,325,000	211,881,000	219,190,000	-22,964,000
Office of Inspector General	8,500,000	9,200,000	8,750,000	8,500,000	8,500,000	
Business Loans Program Account:						
Direct loans subsidy	3,596,000	12,428,000	5,000,000	1,000,000	4,500,000	+904,000
Guaranteed loans subsidy 5/	274,439,000	50,835,000	145,010,000	173,510,000	155,010,000	-119,429,000
Micro loan guarantees	1,216,000	1,700,000	1,700,000	1,216,000	1,216,000	
Section 503. prepayment	30,000,000					-30,000,000
Administrative expenses	97,000,000	99,910,000	92,622,000	92,622,000	92,622,000	-4,378,000
Total, Business loans program account	406,251,000	164,873,000	244,332,000	268,348,000	253,348,000	-152,903,000
Disaster Loans Program Account:						
Direct loans subsidy 5/	52,153,000	34,432,000	34,432,000	34,432,000	34,432,000	-17,721,000
Administrative expenses	78,000,000	80,340,000	78,000,000	62,400,000	71,578,000	-6,422,000
Contingency fund (emergency)	125,000,000	100,000,000				-125,000,000
Total, Disaster loans program account	255,153,000	214,772,000	112,432,000	96,832,000	106,010,000	-149,143,000
Surety bond guarantees revolving fund	5,369,000	2,530,000	2,530,000	2,530,000	2,530,000	-2,839,000
Total, Small Business Administration	917,427,000	630,906,000	590,369,000	588,091,000	589,578,000	-327,849,000
State Justice Institute						
Salaries and expenses 6/	13,550,000	13,550,000		5,000,000	5,000,000	-8,550,000
Crime trust fund		600,000				
Total, State Justice Institute	13,550,000	14,150,000		5,000,000	5,000,000	-8,550,000
Total, title V, Related agencies	1,891,883,000	2,221,997,000	1,454,582,000	1,545,272,000	1,485,320,000	-406,563,000
Appropriations	(2,049,883,000)	(2,206,697,000)	(1,454,582,000)	(1,545,272,000)	(1,485,320,000)	(-564,563,000)
Rescission	(-158,000,000)					(+158,000,000)
Crime trust fund		(15,300,000)				
(Liquidation of contract authority)	(214,356,000)	(162,610,000)	(162,610,000)	(162,610,000)	(162,610,000)	(-51,746,000)

FY 1996 COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL (H.R. 2076) — continued

	FY 1995 Enacted	FY 1996 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE VI - GENERAL PROVISIONS						
Procurement: General provisions 7/	-11,769,000					+11,769,000
TITLE VII - RESCISSIONS						
DEPARTMENT OF JUSTICE						
General Administration						
Working capital fund (rescission)				-55,000,000	-65,000,000	-65,000,000
DEPARTMENT OF COMMERCE						
National Telecommunications and Information Administration						
Information infrastructure grants (rescission)				-36,769,000		
DEPARTMENT OF STATE						
Administration of Foreign Affairs						
Acquisition and maintenance of buildings abroad (rescission)				-140,000,000	-60,000,000	-60,000,000
RELATED AGENCIES						
United States Information Agency						
Radio construction (rescission)				-7,400,000	-7,400,000	-7,400,000
Total, title VII, Rescissions				-239,169,000	-132,400,000	-132,400,000
Scorekeeping adjustments	-387,694,000	-132,655,000	889,000	-16,264,000	-16,264,000	+371,430,000
Grand total:						
New budget (obligational) authority	26,310,642,000	31,026,024,000	27,586,129,000	27,017,415,665	27,271,261,000	+960,619,000
Appropriations	(24,153,992,000)	(27,015,824,000)	(23,604,142,000)	(23,465,577,665)	(23,522,692,000)	(-631,300,000)
Rescissions	(-171,250,000)			(-392,162,000)	(-207,400,000)	(-36,150,000)
Crime trust fund	(2,327,900,000)	(4,010,200,000)	(3,981,987,000)	(3,944,000,000)	(3,955,969,000)	(+1,628,069,000)
(By transfer)	(56,500,000)	(55,500,000)	(57,500,000)	(82,000,000)	(106,000,000)	(+49,500,000)
(Limitation on administrative expenses)	(3,463,000)	(3,559,000)	(3,559,000)	(3,559,000)	(3,559,000)	(+96,000)
(Limitation on direct loans)	(741,000)	(741,000)	(741,000)	(741,000)	(741,000)	
(Liquidation of contract authority)	(214,356,000)	(162,610,000)	(162,610,000)	(162,610,000)	(162,610,000)	(-51,746,000)
(Foreign currency appropriation)	(1,420,000)	(1,420,000)	(1,420,000)	(26,420,000)	(1,420,000)	

1/ 1995 "Salaries and expenses" funds were used for "Administrative review and appeals".
2/ Does not reflect transfers to INS and GLA.
3/ Includes budget amendment of -$3,265,000 related to privatization of portions of the National Weather Service. Legislation will be proposed to offset this account from the Marine Navigation Trust Fund.
4/ Funding of $1,500,000 was provided under Office of Justice Programs in FY 1995.
5/ Assumes legislation to lower the subsidy for these accounts through new fees and increases in interest rates.
6/ The State Justice Institute is authorized to submit its budget directly to Congress. The President's request includes $7,000,000 for the Institute.
7/ The FY 1995 budget authority amount reflects the unspread balance.

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

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

Mr. Speaker, I am pleased to rise today with the chairman of our subcommittee to present the conference report on H.R. 2076, the Commerce, Justice, State, the Judiciary and Related Agencies appropriation bill. I want to express my appreciation to the gentleman from Kentucky, Chairman ROGERS, for the open and interactive way in which he has allowed us to deal with this legislation in this bipartisan way. I want to congratulate him on his first conference report, and his efforts in bringing it to the floor. I would like to think that I could congratulate him in the sense that we are going to be all done, but I do not think that is the case. I think we will be seeing this bill again after a Presidential veto.

Mr. Speaker, in many respects this is a good bill, and I support the lion's share of it. It is below the total level of discretionary spending provided last year. That was a goal that I think everybody embraced. Law enforcement funding, Mr. Speaker, is a very important part of this bill, as the chairman said. Funding for Federal law enforcement activities and for Federal support of State and local law enforcement has been significantly increased.

The Department of Justice, Mr. Speaker, receives $2.4 billion in excess of last year's funding, with the Violent Crime Trust Fund being increased by over $1.5 billion.

Mr. Chairman, this robust funding for law enforcement includes money for 200 new FBI positions, plus significant amounts of money for new equipment and facilities and for support of these new positions. It includes funding for 30 new Drug Enforcement Administration agents, with new equipment and mobile enforcement teams to support those important new hires.

Mr. Speaker, amazingly, this legislation provides for a total of 3,000, let me repeat that for my colleagues and anyone who is listening, for 3,000 new positions at the Immigration and Naturalization Service, including 800 new border patrol agents and 400 new inspectors, and corresponding support personnel.

Mr. Speaker, in the law enforcement area this bill provides $175 million, full funding, as the chairman indicated, for the Violence Against Women Act programs, and it includes $535 million for the Byrne Grant Program, a very popular, very effective, local law enforcement grant program.

Mr. Speaker, this bill is adequate in my view in other areas. The Economic Development Administration is funded at the House level, and I think it is appropriate at this time to give special recognition to our chairman. In representing his district from Kentucky, and I my district from West Virginia, we appreciate how important the Economic Development Administration is to areas that are experiencing economic hardship. That agency has reached out and is broadening its portfolio and addressing the concerns of economically distressed areas as a result of military spending displacements.

NOAA is funded, Mr. Speaker, at $80 million above the House level. I consider that to be a good thing. Otherwise, Mr. Speaker, several departments and agencies are severely underfunded in this bill. The committee's allocation in my view is as much as $500 million short. In fact, virtually every other part of this bill has been reduced from last year.

The Department of Commerce's funding level of $3.4 billion is $600 million less than last year. Tragically, Mr. Speaker, in my view, this conference agreement zeros out the highly effective Advanced Technology Program. It is tragic from the standpoint that I think substantively the ATP program is extremely important to our strategic activities to be competitive economically into the future as we compete with the world's economy. But also, Mr. Speaker, I think we should point out in this bill that zero funding the ATP program makes us renege on grants that we have already granted to some 400 companies. I do not think that action speaks very well.

The State Department and its related agencies are reduced by $800 million below last year. That is too low. We are advised they are going to limp along with that. That cannot continue—that kind of treatment of the State Department. And many other related agencies, such as the Legal Services Corporation, are reduced dramatically. Peacekeeping functions, Mr. Speaker, are so underfunded, almost ignored, that we expect to be dealing with a $1 billion plus deficit next year to meet our international peacekeeping obligations.

Mr. Speaker, many of these underfunded or zeroed out programs are extremely important parts of President Clinton's economic revitalization initiatives or his foreign policy initiatives, or simply our commitments to ensure that the disadvantaged receive legal services. It is clear from the President's statements that any or all of them may cause him to veto this bill.

But, Mr. Speaker, the President is committed to veto this bill because funding of the COPS program as a block grant program jeopardizes the 26,000 cops already on the beat. But, more importantly, and probably because we will get beyond that jeopardy, it makes impossible his commitment, a very fundamental part of his campaign and a very fundamental part of his law enforcement crime fighting initiative, to achieve the goal of putting 100,000 new police officers on the beat by the end of fiscal year 2000.

Mr. Speaker, this is a program that is working, and it need not be fixed simply because it was not invented by the majority. It was President Clinton's program. The first year, from last year's 1995 fiscal year funding, we have put almost 26,000 new policemen on the beat. The first year met 25 percent of the goal. In the second year, the lowest estimates and projections are that we will put another 24,000 or 25,000 policemen on the beat if we get funding for the COPS program. That is 50,000 new policemen on the beat in the first 2 years of a 6-year program where the President promised to have 100,000 by the end of the century. We are far ahead of schedule on this program. There is no legitimate criticism of the so-called COPS program. In my mind the block granting of this program is an effort to undermine a program that is already working.

The President has indicated, Mr. Speaker, that this item is nonnegotiable, and I expect it to be the subject of the motion of recommit on this conference report.

In addition, because the bill enacts by reference certain provisions of H.R. 728, the formula for States to receive the block grant funds provided in this bill is heavily skewed toward those States with high populations and high crime rates. Smaller States, rural areas that are getting the job done, are disadvantaged in this bill.

Further, Mr. Speaker, this bill contains 31 pages of legislation in a bill that only has 78 pages in total. The issues addressed by these three legislative proposals are in the jurisdiction of the Committee on the Judiciary. These items include a major legislative rewrite of the Truth in Sentencing initiative grants, prison litigation reform and Legal Services Corporation. All these provisions amend current law and have impacts that are not clearly defined, despite the claims of the Committee on the Judiciary. The reasons they have ended up in this appropriations bill are unclear to me, because as far as I know, we still have a Committee on the Judiciary with an especially competent chairman and ranking member, and I see no reason why an appropriations bill should contain such extensive authorizing language.

Members may in fact be surprised by the impacts some of this language will have on the distribution of prison grant funds for their States. Preliminary information, for instance, from the Justice Department, indicates that some States that are currently eligible for prison grants will not be eligible for Truth In Sentencing incentive grants. While some of these States may become eligible for general prison grant funds, the amount of the funds available for this purpose has been reduced

substantially from what it could have been under current law.

Having said all that, Mr. Speaker, I want to conclude by saying that in a bill as large and diverse as this one, there will always be things that we agree with and things that we do not. We all know it will be vetoed. I intend to work closely with the gentleman from Kentucky [Mr. ROGERS], the chairman, when that time comes, to adjust the things that need to be adjusted to get a signable bill. I believe that is his desire. It is certainly mine. We must advance the process here today and get closer to that goal.

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

Mr. ROGERS. Mr. Speaker, I yield 5 minutes to the very distinguished gentleman from Louisiana [Mr. LIVINGSTON], chairman of the full committee.

□ 1700

Mr. LIVINGSTON. Mr. Speaker, I thank my friend, the gentleman from Kentucky [Mr. ROGERS], for yielding and I congratulate him and the gentleman from West Virginia [Mr. MOLLOHAN], the ranking member, for doing an outstanding job on a difficult bill with limited resources.

Mr. Speaker, this is a tough bill, but it is a good bill. It is one that I feel very comfortable in voting for and urging my colleagues to support, and I hope that all of us certainly on this side can support the bill, so we can send it to the President.

If he wants to veto it, that is his judgment and he will exercise it and we will go from there. But the fact is, with the resources available, this is a good bill. We should take comfort in sending it to him.

Mr. Speaker, I want to say briefly on the COPS issue, that is a limited, centralized, big government, big bureaucracy program that does not have the flexibility to the policeman on the beat. That does not get to the inner cities that really need flexibility and funds to fight the very heavy law enforcement problems that they have.

So, I would urge approval of this bill, which includes a significant block grant for law enforcement and gives those communities flexibility. That is not just me speaking; that is the Washington Post of Thursday, September 21, 1995, that I will include for the RECORD which, indeed, says that local authorities should have more choice and that the plan included in this bill is the preferable one.

That being said, there are some Members who have raised objections earlier under discussion of the rule about a provision in the statement of managers that was alleged to allow ocean dumping. There was a "Dear Colleague" submitted by a gentleman from New Jersey that alleges that, and I just want to say that that "Dear Colleague" is wrong. This conference report does not allow ocean dumping; the conference report does not fund any ocean dumping; and it does not change any ocean dumping laws.

The conference report does ask NOAA, the National Oceanic and Atmospheric Administration, to report to Congress on its analysis of possible technology and feasibility of deep ocean relocation of dredge soil that already exists in our Nation's harbors, and it would ask NOAA to report to Congress as to what the legal consequences are, and what are the options, if any, that Congress can explore for the future.

Mr. Speaker, that being said, that is what the language says. But there are Members from New Jersey and Massachusetts and elsewhere who have legitimate concerns about just this language.

Mr. Speaker, I would like to yield to the gentleman from New Jersey [Mr. SAXTON] to express his concerns and have an opportunity to reply to him.

Mr. SAXON. Mr. Speaker, if the gentleman would yield, under the section entitled National Oceanic and Atmospheric Administration, on page 127, there appears a paragraph entitled, "Deep Ocean Isolation Study," and it says, in part,

> The conferees have been made aware that an innovative deep ocean waste handling and disposal system exists.

Later on it says that:

> The conferees expect NOAA to evaluate this proposal and develop a funding program for engineering analysis and preliminary design work on systems to transport dredge spoils to a deposit site, transfer the material to a receiving platform, and deploy a tethered delivery system for safe conduct of deep ocean isolation.

Mr. Speaker, I understand that the gentleman is prepared to speak on this issue to clarify this situation.

Mr. LIVINGSTON. Mr. Speaker, reclaiming my time, I am prepared to speak, but before I do that, I yield to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Speaker, I share the concerns of the gentleman from New Jersey [Mr. SAXTON], specifically because our oceans are very complex ecosystems. Also, this tethered delivery system that is referenced to has already been studied by the Navy, and the Navy has determined that it is likely to fail.

Mr. Speaker, I would appreciate the comments of the gentleman from Louisiana that there will be no ocean dumping at all, nothing authorized under this language.

Mr. LIVINGSTON. Mr. Speaker, I would say to both gentlemen, I believe that this language clearly requires that NOAA only evaluate and develop a cost estimate for testing of this new technology, not to carry out a demonstration at this time. I am prepared to direct NOAA not to proceed with this evaluation until the concerns of the gentlemen, as well as any other Members who have similar concerns, have been satisfied as expressed in authorization language by the Fisheries, Wildlife and Ocean Subcommittee of the Committee on Resources. The subcommittee is chaired by the gentleman from New Jersey. And if that language is acceptable, if that colloquy is acceptable to both gentlemen, I would hope that they would support the bill and I would urge all of our colleagues to support the bill accordingly. Is that acceptable?

Mr. SAXTON. Mr. Speaker, if the gentleman would continue to yield, that having been said, as far as this gentleman is concerned, that language is acceptable and I am prepared to support the bill with that assurance.

Mr. TORKILDSEN. If the gentleman would yield, the language is acceptable as well, and I will support the bill on that basis.

Mr. LIVINGSTON. Mr. Speaker, reclaiming my time, I thank the gentlemen and urge the adoption of the conference report.

Mr. Speaker, I submit the following for the RECORD:

[From the Washington Post, Sept. 21, 1995]

MORE POLICE OR MORE CHOICES

The Republicans are out to undo portions of the crime bill passed last year, particularly that part of the law that provides money to put 100,000 new community police on the streets. They would convert that program into law enforcement block grants without the mandate that the money be used to hire new officers. The current vehicle for this effort is the State, Justice and Commerce appropriations bill, which the Senate is expected to consider this week. President Clinton is determined to defend the police program because he views it as a major achievement of his administration. Setting aside this political consideration, though, preserving the form in which this assistance is given may not be worth a fight.

Protecting the public from violent crime has traditionally been a local responsibility, although, of course, federal funds have always been welcome. In the prosperous and innovative years of the Great Society, grants were made to state and local governments for law enforcement assistance, and broad discretion was given to the recipients in deciding how to use them. There were some abuses—scholarships for family members, purchases of high-tech equipment of dubious value—but much was achieved before the grant program was discontinued in the early '80s. Now the Democrats are reluctant to trust local authorities with real responsibility, so they set aside billions in the crime bill but mandated that the money be used only to hire officers for community policing.

There's nothing wrong with community policing, and many cities would be glad to spend federal dollars to implement it. But others, including some large cities, already have instituted community policing and need computers instead. Some communities, such as Washington, don't need additional police manpower at all but are short on funds to pay and provide benefits to people already on the payroll. Finally, as many cities have realized after a careful reading of the law, the feds will pay only start-up costs

of new hires. Matching funds are provided at a diminishing rate for five years, after which localities must pick up the full cost of the new employees. Many communities simply can't afford to do that.

In light of the federal government's budget situation, this may not be the time for Washington to be financing local programs of this kind. But if funds are to be given, it makes sense to provide communities more flexibility in planning and spending. Because community policing has proved to be so effective and so popular with the public, many areas will spend the money as Washington intends. But if new technologies, more cars or a social service unit trained to deal with juveniles are needed more, why shouldn't local authorities have more choice? Word processors, a modernized telephone system or better lab equipment may not have the political appeal of 100,000 new cops. But for some cities, they may be a much better deal.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I appreciate that colloquy, and particularly what the gentleman from New Jersey [Mr. SAXTON] said. But I must warn that I am concerned that this very research program, which is in the report language, is the very thing that we are opposed to. In fact, if the research program goes ahead, which hopefully it will not based on what the gentleman from New Jersey just said, but if this research program were to go ahead, it is essentially open ended. That would allow a significant amount of ocean dumping to take place of various contaminated materials.

Mr. Speaker, this is why the Department of Commerce, in a letter to the chairman of the Committee on Resources on July 28 of this year, specifically said that they were opposed to this research project because it is open ended; there is no guidance, and ultimately there would be ocean dumping taking place of various contaminated materials.

Mr. Speaker, I would also point out that the Naval Research Laboratory in a report issued this year in the early part of 1995, specifically said that this tethered container concept was analyzed and determined to be unacceptable from both the production rate capability and because of handling system problems.

Mr. Speaker, there is no reason to do this research. It has already been done and it has been found to be unacceptable.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. REGULA], who is a very hard-working member of our subcommittee.

Mr. REGULA. Mr. Speaker, I simply want to say this is a good bill. I think it recognizes, of course, the fiscal restraints that we are under. It is $700 million under 1995 in terms of discretionary spending.

But as chairman of the Steel Caucus, I want to also point out that we have kept the funding up for the International Trade Administration. We are in a competitive environment worldwide with our products, including steel, and it is therefore very important that the ITA have full funding.

We have been able to do that. It is almost at 1995 levels, and what this means is that the International Trade Administration will be able to very vigorously support our trade laws and make sure that none of our industries are subjected to unfair trading practices.

With the GATT treaty in place the challenges to maintain a fair trade environment has become extremely important. The Commerce Department funding is down about $578 million, and many people say this Department perhaps is not necessary. However, the ITA has a very essential function, and I am pleased that we have been able to keep the funding level at 1995.

The second important thing I would bring to the attention of my colleagues is the manufacturing extension program. Again, we have kept the funding level up. This is an agency that provides help to many small businesses. Some 14,000 of them in northern Ohio potentially benefit from this program, because this agency provides help to many small businesses and give them advice as to how to manage their accounting, how to manage in some cases the sales programs. They provide the kind of professional consulting that many times the small business does not have.

So, these two features are important to the economy and jobs, and I am pleased that we could fund them at almost a 100 percent level.

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DIXON], a member of our subcommittee.

Mr. DIXON. Mr. Speaker, I rise in opposition to the conference report on H.R. 2076. I do so reluctantly because of my strong feeling that Appropriations Subcommittee Chairman ROGERS has sought to be fair and reasonable in the midst of a very difficult process. The fact is that the conference committee was unable to report a balanced bill—the allocation for Commerce, Justice, State, and Judiciary was just not sufficient to make that possible.

There are provisions of this conference report that I strongly support. Five hundred million dollars is allocated to reimburse States and localities for the cost of incarcerating aliens convicted of a criminal offense. Obviously, these funds are vital to my State of California, as well as Los Angeles County, which bear an enormous burden of the costs of the Federal Government's inability to control illegal immigration. Increases in funding for the Immigration and Naturalization Service included in the legislation are essential to the Government's ability to control this problem.

However, while the INS and law enforcement are well funded, there are serious problems with the allocation of funds for other components of the bill. Funding for programs within the Department of Commerce are dramatically reduced from fiscal year 1995. State Department activities are seriously underfunded, particularly as it relates to the United States commitment to international organizations and United Nation's peacekeeping activities.

In addition to the underfunding of many valuable accounts, I have fundamental differences with the conference report over policy initiatives included in the legislation. The crime bill enacted by the 103d Congress and signed by President Clinton balanced the needs of law enforcement with the needs of prevention. The Community Oriented Policing Services program [COPS] addressed the real fear of millions of Americans that there were insufficient numbers of law enforcement personnel on our streets. At the same time, the law authorized prevention activities aimed at reducing the prevalence of criminal activity among the Nation's youth.

H.R. 2076 undermines this approach by ignoring enacted authorizations and creating a new law enforcement block grant. The COPS program has already been successful in providing 25,000 additional cops on the street. This block grant eliminates a program that is working; allows funds to be used for a variety of purposes—including equipment and infrastructure; and places prevention programs in the unenviable position of competing for the same funding as personnel and equipment.

There are also small programs within the Justice Department which provide far greater benefits than their cost to the Federal Government. The Community Relations Service [CRS] is such a program. CRS provides valuable mediation, conflict resolution, and technical assistance services in the resolution of volatile racial disputes. Unfortunately, such dispute resolution activities remain essential in communities across the Nation and the small Federal investment in CRS' activities is well spent in prevention of more serious problems.

The dispute resolution activities of CRS were funded at $10 million in fiscal year 1995. This year Americans have become acutely aware of the racial tensions which exist in this country. Yet this small investment—supported by law enforcement and the civil rights community alike—has been cut by almost 50 percent. As for conference report language supporting additional funding for CRS through transfer in the case of emergent circumstances, I can report that those emergent circumstances already exist in many parts of this country.

The technology programs of the Department of Commerce are particularly

hard hit by this bill. The Advanced Technology Program [ATP] has been eliminated. When all the smoke about industrial policy and picking winners and losers clears, what is it we have done in this bill? We have struck funding for a public-private partnership for the development of high-risk technologies with the potential for long-term economic benefits.

Sharing the costs of high-risk research with the private sector, and allowing research and development that might not otherwise proceed, seems to me a wise investment in our economic future. At a time when job creation is increasingly dependent on small businesses, it is important to note that half of ATP awards in the first 4 years of the program have been made to small businesses.

The Commerce Department's information infrastructure grant program is cut by over 50 percent from last year's funding level of $45 million. These grants foster an essential public-private partnership to support the expansion of the information superhighway.

As a result of where they live, income level, or educational attainment, millions of Americans now find the information age inaccessible. Perhaps nowhere is this problem as critical and the repercussions for the future as serious as in our educational system. Millions of children are being left behind as their higher-income counterparts avail themselves of the computer age, both at home and in schools where funding is available for information technology.

USA Today recently reported that high school drop-out rates fell dramatically and absentee rates dropped in half when kids were given access to computers, CD-ROMS and other technology. While many decry the failure of our public school systems to teach our children, we have an opportunity with technology grants to do something significant in our schools and provide essential opportunities to poor and at-risk youth.

Through matching grants to schools, libraries, State and local governments and non-profit organizations, information infrastructure grants can provide an invaluable catalyst to assure that we do not become a Nation divided into information technology haves and have nots.

Last Monday, the Washington Post featured an article highlighting the Minority Business Development Agency [MBDA] as an agency that is virtually privatized, was established under a Republican administration and has been credited with stimulating business growth around the country. Today we will pass a bill that reduces funding for the MBDA by 27 percent—from $44 million to $32 million.

Minorities continue to be significantly underrepresented in the business community. MBDA enhances business opportunities and expansion of existing minority enterprises by providing management and technical assistance and enhancing access to capital for minority entrepreneurs. It seems inconsistent—to say the least—that the majority would target a program such as MBDA, while seeking to replace the access to the economic marketplace afforded minority businesses through affirmative action with some yet to be defined "empowerment agenda."

Finally, the conference report responds to the opponents of the Legal Services Corporation [LSC] by severely reducing funding for the LSC and placing tight restrictions on LSC grantee activities. LSC has done an exemplary job for over 30 years of providing access to the legal system for lower-income Americans.

Unfortunately, the conference chose to acquiesce to opponents of LSC who use isolated and anecdotal claims to insist that the Corporation's main activity has been to pursue a political and social agenda. As a result, the ability of poor Americans to enjoy their rights to adequate legal representation will be eroded. It was not enough to address opponents concerns about LSC through implementation of restrictions on grantee activities; the conference report goes far beyond these concerns by reducing funding for the LSC by over 30 percent.

As we continue to resolve appropriations matters, it is my hope we are able to deliberate on an alternative to this conference report that I can support. That will require that a more reasonable and adequate amount of funding be provided for the many essential functions of the Federal Government included in this measure.

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise in opposition to the conference report. Specifically, I strongly oppose dismantling the community policing initiative. This is one crime fighting program that works, as the ranking member said earlier.

This bill will not guarantee that even one new police officer would be put on the beat. The streets of my district are safer today because of community policing. Neighborhoods are safer because we put more police officers on the beat.

The chairman of the Committee on Appropriations made a comment before that said that this program does not work in inner-cities. That is wrong. It does work in inner-cities. In 1990, my hometown of New Haven, CT, an inner-city, had the unfortunate distinction of having the highest crime rate of any city in the State of Connecticut. Then police and community leaders came together and implemented a community policing program. Three years later, New Haven has a much prouder distinction, and that is of a crime-fighting innovator. Crime has been reduced by 7 percent in the first year of the program and by 10 percent in the second year. In fact, New Haven's community policing program has become a model for the Nation.

In my district, 41 new police officers are already on the job in 10 municipalities as a result of the COPS initiative to put 100,000 new police officers on our Nation's streets.

Mr. Speaker, the results are in. According to the FBI's Uniform Crime Reports for the first 3 months of 1995, aggravated assault is down by 40 percent, robbery is down by 21 percent, and murder is down by 5 percent. In February of 1996, because of COPS grants, my district is expected to put an additional 20 police officers on the beat in New Haven.

Make no mistake about it. A "yes" vote on this conference report today is a vote to take cops off of the streets. Vote "no" on this conference report. It is, in fact, wrong to end this program that has worked in our Nation's cities, inner-cities and rural communities.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. CHABOT].

Mr. CHABOT. Mr. Speaker I rise in strong support of this bill. I rise in very strong support of the conference report. It cuts corporate welfare coming from the Commerce Department; it prevents U.S. soldiers from being ordered to serve under foreign operational command; it makes much needed cuts in foreign aid; it begins to crack down on illegal immigration; it prohibits Federal funding to provide Federal convicts with weight-lifting equipment and other counter-productive pursuits; it helps limit frivolous prison litigation; it sends a clear message to the courts that they had better stop wasting money on overly-lavish courtroom facilities; and it significantly improves upon last year's very flawed crime bill.

The anti-crime block grants that will go to communities under this legislation are not bound up with the dictates, mandates, and restrictions that characterized last year's bill. I will tell you that the local officials in Cincinnati and Hamilton County are in a better position to judge how they can best spend anti-crime money than can Federal officials here in Washington. In fact, when Cincinnati was awarded a multi-million dollar grant last year under the old crime bill, my city found that it simply could not afford to accept the money—the Federal requirements were just too much. This bill provides local officials far more flexibility to spend the funds to meet the particular needs of the particular situations that they confront.

Now, I've got to say, again, that I would have preferred to enhance the tax base of local communities by reducing the tax bite that Washington takes and simply not have any Federal crime grants at all. It's better to leave the money in the communities rather than running it through DC and then sending it back. But the approach that this bill takes represents a great improvement over the existing top-down system in which the feds micro-manage everything.

I commend the committee and the conferees for their excellent work on these improvements, and I would like also to congratulate once again the chairman of the Crime Subcommittee, the gentleman from Florida [Mr. MCCOLLUM], and his absolutely tremendous staff, on the fine work that they have done to prove the way for the anti-crime provisions in this bill. I urge support for the conference report.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN], the distinguished chairman of the Committee on International Relations.

□ 1715

Mr. GILMAN. Mr. Speaker, I rise in support of the bill before us to appropriate funds for the Commerce, Justice, State Department, and related agencies. I commend my colleague, the distinguished chairman of the Subcommittee on Commerce, Justice, State, and Judiciary, Chairman ROGERS, for working through a very difficult conference to bring a reasonable conference agreement to the House floor.

I also thank the chairman and the staff of the subcommittee and full committee for their cooperation in working with our Committee on International Relations.

A key provision in the House passed bill has been retained in this conference report. The provision ties expansion of the United States mission in Vietnam to cooperation by the Government of the Socialist Republic of Vietnam on resolving the remaining POW/MIA cases. This addresses concerns that the President lifted the trade embargo on Vietnam in February 1994 and established full diplomatic relations in July 1995 in the absence of any concrete results on cases that Vietnam should be able to provide.

The conference report requires that before expanding the size of the United States mission in Hanoi, the President must certify that the Government of Vietnam is "fully cooperating" with the United States to account for our POW/MIA's. This includes turning over American remains and information on those still missing that we have every reason to believe is being held by the Vietnamese Government. I want to point out that this provision does not interfere with our diplomatic relations, but it does link expansion of the United States presence to specific cooperation by the Vietnamese. This provision reinforces the President's stated commitment to accounting for the 2,167 Americans still missing in Vietnam, Cambodia, and Laos.

This provision seeks to achieve real progress by the Government of Vietnam in accounting for our missing Americans. My colleagues, this issue is not solely about remains, though an honorable burial is certainly deserved by those who gave their lives in service to our country. It is about the POW/MIA families' and our veterans' trust in their Government to seek and discover the truth.

As we deploy 20,000 Americans to Bosnia, we must make every effort to assure them that if they are captured or become missing, the United States will make every effort to return them to their families and their Nation. It is crucial to our national honor that we, both in Congress and the executive branch, continue to press Vietnam to fully cooperate on our POW/MIA's.

Mr. Speaker, many of us have grave concerns that the Vietnamese have been less than forthcoming on cases brought to their attention. The data shows that since the President lifted the trade embargo against Vietnam, only 10 cases have been accounted for.

There is strong reason to believe, based on a November 1995 Department of Defense analytical assessment of each POW/MIA case, that the Vietnamese still have remains and records on individuals which they have so far not turned over to the United States Government.

This provision calls upon our Government to use all information available to account for our POW/MIA's. The intention is that "all information" include intelligence assessments, material evidence, incident information, and subsequent reporting, as well as the case-by-case assessments in DOD's "Zero-based Comprehensive Review of Cases Involving Unaccounted for Americans in Southeast Asia" produced in November 1995. This document provides valuable information on individual cases, to include where and what kind of information DOD analysts believe the Government of Vietnam has in its possession. It should be used to prompt the Vietnamese to respond to those cases. This would include the special remains cases, photo cases, priority discrepancy cases—fate not determined; priority discrepancy cases—death confirmed—Vietnam-Lao border cases, and priority discrepancy cases in areas of Laos and Cambodia where Vietnamese forces operated during the war.

Several United States Defense Intelligence Agency assessments through 1992 indicated that the Government of Vietnam likely holds hundreds of American remains that have not been repatriated to United States authorities. These analyses reinforce the recently released DOD case-by-case assessments.

Notably, the administration's fiscal year 1996 budget request for the State Department did not assume any expansion in Vietnam. Consequently it is my understanding that any expansion that might take place, if the President issues a certification, will require approval by Congress through the regular reprogramming process. As part of the review of any reprogramming request, the President's certification will be evaluated to determine whether the Government of Vietnam has exhausted all its unilateral efforts to cooperate fully with the United States in accounting for all discrepancy cases. We will assess Vietnam's cooperation to resolve the last known alive and remains discrepancy cases by the degree to which they meet the United States Government definition of accounting for our missing personnel which means locating and repatriating living Americans or their identifiable remains or providing convincing evidence as to why neither is possible.

In addition, Congress will be looking for the Vietnamese Government to increase its cooperation on the remaining original status POW-MIA cases in terms of results achieved in meeting the above definition, including on incidents of loss in areas of Laos and Cambodia where Vietnamese forces operated at the time of the incident.

We would expect if remains are not provided, then convincing evidence of why this is not possible should be provided by the Government of Vietnam from archival information, such as documents from the Central Committee of the Vietnamese Communist Party and reports of the Military Law Division of the Ministry of National Defense, including burial and photographic records of American casualties in Vietnam and in areas of Laos and Cambodia that were under Vietnamese control during the war.

Full Vietnamese cooperation on POW-MIA related archival records and documents also includes provision of the source documents used by a single Vietnamese official to compile the handwritten Group 559 summary document provided to the United States in 1993.

Many of my colleagues in the House and the Senate have worked for years on this issue yet we continue to hope that all the remaining cases will soon be resolved so that those most affected by the Vietnam war can end the uncertainty and frustration they have endured for so many years.

Speaking on behalf of the families and our Nation's veterans, I thank Chairman ROGERS for his outstanding efforts in finding a workable compromise on this provision. I yield back the balance of my time.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Speaker, I rise today in opposition to the conference report.

I think it is a bad bill for a number of reasons, but I would like to highlight just two aspects of the bill:

I would like to go back to an earlier statement made on the floor by the gentleman from Tennessee [Mr. BRYANT], which may have left the impression that money for the COPS Program

was not being directed to the right places. In talking about the COPS Program, he stated that the city of Portland, OR, only was to receive one new police officer. Let me remind my colleagues that the whole purpose of the COPS Program was to target smaller communities, and those communities where the rate of crime is growing. The city of Portland, thankfully, is not experiencing such growth. But the surrounding suburban and rural areas are. In my district alone, the following communities received one new police officer: Astoria, Carlton, Clatskanie, Clatsop County Sheriff's Office, Cornelius, Dundee, Gearhart, Hillsboro, Newberg, North Plains, Rainier, Scappoose, Seaside, Sherwood, St. Helens, Tigard, Vernonia, Warrenton, and five in Yamhill County. Many of these communities are in Washington County, which is the heart of my district, and the fastest growing part of the State—19 new police in this county alone. These are the types of communities in Oregon which need the money the most and can afford it the least. So I would remind my colleagues that the success of the COPS Program is that it puts the money where the money is most needed.

This bill eliminates funding for the Advanced Technology Program in the Commerce Department. This program provides loans to businesses to develop commercial applications for new technologies. Let me tell you why elimination of this is pound wise and penny foolish.

Over the past 50 years, innovation has been responsible for as much as half of the Nation's economic growth. Economic growth, of course, means more jobs and improved living standards. Combined public/private investment in research and development have resulted in millions of new jobs in biotechnology, communications, software, aerospace, and semiconductors.

The American Association for the Advancement of Science estimates that under the Republican budget resolution, there will be a 30-percent cut in the Federal investment in nondefense R&D.

Along with zeroing out funding for the Advanced Technology Program, funding in other bills will be drastically reduced for DOE's renewable energy R&D programs, and EPA's Environmental Technologies Initiative.

These cuts are coming at a time when Japan plans to double its R&D Government dollars by the year 2000. They are doubling their commitment and we are cutting ours. What is wrong with this picture?

I have repeatedly stated that while I am in favor of a balanced budget, but that it must be done with the right priorities in mind. Our balance the budget strategy should be based on an investment strategy—where can we put limited Federal dollars where they will do the most good—where they will invest in our Nation's well being—create new, high paying jobs—which in turn creates a better future for our children.

This appropriations bill does not get the priorities right, and I urge the defeat of this conference report.

Mr. MOLLOHAN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. STUPAK], who really has become quite an expert on these issues while bringing his law enforcement background to the debate.

Mr. STUPAK. Mr. Speaker, I thank the ranking member for yielding this time to me on this issue.

As my colleagues know, back in the 103d Congress we put forth the COPS Program, and now we are here in the 104th Congress, and suddenly we want to block-grant this program. We have heard all the horrors of the block grants that have occurred in the past, the airplanes, the tanks, the yachts that have been purchased, and under our colleagues' block grant proposal not one police officer is guaranteed. There is a possibility, but there are no guarantees. No communities can look with confidence that they will receive a police officer.

Mr. Speaker, they tell us they are going to do this because they want to leave it to the local units of government. Well, let me, if I may, look at Kentucky District No. 5 where the distinguished chairman is from. Every one of those communities that applied applied because they wanted a police officer, not because Washington made them. It was the local county commissioners of Perry County, or Pike County, or Clay County, or Wolf County, or Jenkins City Police Department, or how about West Liberty City Police Department. They applied. Washington did not force them. They know how to fight crime at the local level, and they received under the COPS Program 25 police officers.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from Kentucky.

Mr. ROGERS. Does the gentleman realize that the State of Kentucky under the COPS Program gets $10 million, but under the block grant program would get $18 million, Does the gentleman realize that?

Mr. STUPAK. I realize that, but tell me. Nowhere in that $18 million is one police officer guaranteed for Kentucky.

Mr. ROGERS. They can use it all.

Mr. STUPAK. Prisons and everything else.

Mr. ROGERS. They can use it all.

Mr. STUPAK. Reclaiming my time——

Mr. ROGERS. If the gentleman would yield——

Mr. STUPAK. No, I would like to finish my—and if I have time left——

Mr. ROGERS. If the gentleman would yield?

Mr. STUPAK. Mr. Speaker, I reclaim my time.

The SPEAKER pro tempore (Mr. GUNDERSON). The gentleman from Michigan reclaims the time.

Mr. STUPAK. Mr. Speaker, if I have time remaining, I will yield, but I am going to finish my argument.

Mr. ROGERS. The gentleman should not ask me questions if he does not want——

Mr. STUPAK. Mr. Speaker, when the gentleman tells us that these Washington force—it was the gentleman's local communities that wanted these police officers, and now what is going to happen? Now, according to page 21, if the gentleman's agencies fall below $10,000, they lose their block grant, they lose. They lose their COPS Program, and I know my friends on that side of the aisle say that is not true, but the Department of Justice says under page 21 when they fall below the $10,000 rule, they will lose their officers.

Mr. ROGERS. Will the gentleman yield?

Mr. STUPAK. No, I will not. I want to continue my argument.

Department of Justice, who administers the program, said——

Mr. ROGERS. The truth?

Mr. STUPAK, I am interested in putting forth my argument. I have not interrupted the gentleman, and the gentleman has never yielded to me yet today, so I am not going to yield to him now.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. STUPAK] is recognized.

Mr. STUPAK. Mr. Speaker, when the gentleman says that this is not going to happen, but the Department of Justice who must administer this program tells us that is what is going to happen, I believe the Department of Justice, that the program will be terminated because of their $10,000 rule.

In Kentucky there are 132 applications pending, 132 more municipalities and country sheriffs who did not know what they were doing underneath their logic are applying for the COPS Program. My colleague will say that we need flexibility, as the gentleman said and as the Washington Post pointed out. I do not want the Washington Post to fight crime for us. I want local agencies, and that is why we have the COPS More Program, more program which provides us equipment, which provides us technology, that provides us with the technology we need.

Mr. ROGERS. Mr. Speaker, I yield myself 1 minute.

If the gentleman from Michigan [Mr. STUPAK] is interested in hearing the truth, here is what the State of Michigan will sustain under these comparative programs.

Under the COPS Program Michigan gets $33,700,000. Under our block grant program Michigan gets about $74,500,000, and they can use it all on

cops if they want to, or they do not have to if they do not want to.

Mr. MOLLOHAN. Will the distinguished gentleman yield?

Mr. ROGERS. Not for the moment. We give the choice to local communities. We are going to give more than twice the amount of money to Michigan that they get under the old——

Mr. MOLLOHAN. Will the distinguished——

Mr. ROGERS. I will not.

If the gentleman from Michigan is interested in hearing it from the horse's mouth, or whatever he wants to call it, I am giving him the truth.

Michigan fares more than twice better under our program than the old COPS Program, and the old COPS Program grants will stay in effect. They are not going to lose any of the cops already on the beat under the program as it is now. But their communities will have in the future a chance for a lot more.

Mr. MOLLOHAN. Mr. Speaker, I yield myself 1 minute to ask the distinguished chairman if he would engage me, please?

I am curious. If we have two States here who, under the block grant program the gentleman is asserting, can get a considerable amount, a higher amount, of money, what is the base amount for COPS and for the block grant program that the gentleman is comparing? Is that the same amount of money?

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. MOLLOHAN. I yield to the gentleman from Kentucky.

Mr. ROGERS. It is the same amount of money this year, however let me also say this to the gentleman:

Under our proposal each community only has to put up 10 percent to get their 90 percent from us. Under the COPS Program, as the gentleman knows, in the first year the local community has to put up 25 percent; the second year, up to 50 percent, and so forth. That is——

Mr. MOLLOHAN. Reclaiming my time so I can just get to the point, if we are dealing with the same absolute dollar amount, COPS compared to block grant, the gentleman has sighted a pattern in two States where the State he is asserting is almost getting twice as much money under a block grant program; is that true——

The SPEAKER pro tempore. The time of the gentleman from West Virginia [Mr. MOLLOHAN] has expired.

Mr. MOLLOHAN. Mr. Speaker, I yield myself 1 additional minute, and I ask the gentleman from Kentucky, if this continues, would he mind yielding 1 minute so we can straighten this out? I think it is an important point.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. MOLLOHAN. I yield to the gentleman from Kentucky.

Mr. ROGERS. To answer the gentleman's question, the COPS Program, as it is now, is based on $1.3 billion in the first year. Our program is based on $1.9 billion.

Mr. MOLLOHAN. Mr. Speaker, please; $1.9 billion for what year?

Mr. ROGERS. For 1996, the year we are talking about.

Mr. MOLLOHAN. For 1996, so the gentleman is comparing last year's dollar volume with this year's dollar volume.

Mr. ROGERS. The awards are not made yet for COPS.

Mr. MOLLOHAN. I understand, Mr. Speaker. See, I am trying to understand if we are dealing from the same base number; then the gentleman has either picked two States who, under the formula, miraculously get twice as much money in a block grant program out of the same pot of money, or else there are a lot of States out there that are going to get a lot less money under the block grant program. One or the other?

See what I mean?

Mr. ROGERS. If the gentleman would yield, we know under the block grant program the dollar figure each State will get, and that is the figure I gave for the gentleman for the State of Michigan.

The SPEAKER pro tempore. The time of the gentleman from West Virginia [Mr. MOLLOHAN] has expired.

Mr. MOLLOHAN. I will have to conclude by making my point.

Mr. Speaker, I yield myself such time as I may consume to finish this statement.

My point, Mr. Speaker, is, if we are dealing with the same base number, if the block grant program is yielding up considerably more amounts of money, then we have to be dealing with a larger base, and the chairman has indicated here, if I am understanding him, that he is comparing the 1995 funding level, which I understand is $1.3 billion with the 1996 funding level, which is something like $1.9 billion. That would explain the discrepancy.

I reserve the balance of my time, Mr. Speaker, and I think that explains the discrepancy with the gentleman from Michigan [Mr. STUPAK], and I am sure under his program Michigan is going to get the same amount as Kentucky.

The SPEAKER pro tempore. The Chair advises the gentleman from West Virginia that he has utilized an additional 30 seconds.

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, we have only one difference about this matter. We just happen to think that cops on the streets of America speak a heck of a lot louder than all these political promises in Washington, and here are some of those police officers. This is their graduation picture in Austin, TX, and they are out patrolling the streets and the neighborhoods of America making Austin and central Texas safer because they are on the street instead of in some political promise. Last year they said it could not be done, but this Congress, the last Congress, the Democratic Congress, had the courage to pass a smart, comprehensive anticrime bill, and it pledged to put 100,000 police officers on the streets and neighborhoods across the country. They said it could not be done. Well, there are already 26,000 new officers on the street.

□ 1730

What do they propose as an alternative? They are going to have a comment period for the State bureaucracy, for the Governors of the States of the country to comment on whether or not these local requests for new cops are appropriate. That comment period is longer than it took the city of Austin to get approval to put these new law enforcement officers in cadet academies. That is a substitution of bureaucracy to go along with all the political rhetoric instead of backing up our law enforcement officers.

The idea that we will have some block grant program that requires the approval of a State bureaucracy that will not guarantee one single new law enforcement officer to back up these young men and woman who have dedicated their lives to protecting the security and the safety of their neighbors is flat wrong. These young people, according to our police chief, Elizabeth Watson, are out there working to build neighborhood enforcement teams. Instead of roving gangs, we have roving bands of law enforcement officers protecting our neighbors. The idea of a block grant program with no definition, no guarantees, no direction, does not provide the assurance we need for personal security in America today.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Texas [Mr. SMITH], chairman of the Subcommittee on Immigration and Claims of the Committee on the Judiciary.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I urge my colleagues to support H.R. 2076, the conference report to the Commerce, Justice, State, and the Judiciary appropriations bills.

Immigration, both legal and illegal, is an issue that affects every American. The Federal Government must take seriously its responsibility to establish and maintain a credible immigration policy that benefits American families, taxpayers, and workers, and serves America's national interests.

I introduced H.R. 2202, the Immigration in the National Interest Act of 1995, to address many of the problems in current immigration law. H.R. 2202 recently passed the Judiciary Committee on a bipartisan vote of 23 to 10, and

has 114 cosponsors. This legislation is designed to reduce illegal immigration, and to reform our immigration system.

Funding is crucial to the effective implementation of these immigration policies. Chairman Hal Rogers and I have worked together to ensure that the immigration programs and objectives contained in H.R. 2202, especially those that provide for stronger enforcement of our borders, are funded in H.R. 2076. I would like to thank Chairman ROGERS for his tireless efforts to secure our borders.

Both bills contain enforcement initiatives to secure America's borders. These include an increase of 1,000 border patrol agents on the front lines, additional support staff and improved equipment for the Border Patrol, and 400 additional land border inspectors.

Both bills also contain initiatives to remove criminal and illegal aliens from the United States. H.R. 2076 funds the removal of illegal aliens and criminal aliens after they have served their sentences and provides $500 million to reimburse States for the costs of incarcerating criminal aliens.

Mr. Chairman, America's immigration policies have failed in the past largely because the Immigration and Naturalization Service has often been ignored and underfunded. Both H.R. 2202 and H.R. 2076 will change that.

I urge my colleagues to support this conference report.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New York [Ms. MOLINARI], a leader in this body in the fight against violence against women.

Ms. MOLINARI. Mr. Speaker, I rise today in strong support of this conference report because of my strong support for the Violence Against Women Act. I want to thank the gentleman from Kentucky [Mr. ROGERS] and the gentleman from Louisiana [Mr. LIVINGSTON], and in fact the entire Committee on Appropriations for their cooperation and full support in securing $175 billion to protect women from abuse.

As we have seen recently, domestic abuse and other assaults on women do not discriminate based on social status. We already know the numbers. Each year over 4 million women are abused by their partners. During their lifetime three out of four women will be a victim of violent crime. The number of domestic crimes in our Nation today is twice that of robberies. Unfortunately, Mr. Speaker, the reality in America is that in the next 5 minutes, 1 woman will be raped and 14 more will be severely beaten by their husbands or boyfriends.

Yes, while we have heard these statistics over and over again, we have marveled at how little has been done in the past, because what we have failed to concentrate on up until today are the names and the faces and the bodies and souls that are destroyed every 15 seconds in America.

Last year Congress enacted the Violence Against Women Act to reduce these numbers and increase protection for women. Republicans and Democrats stood up and enacted a crime bill that protected them. It has been a long fight, first to authorize the Violence Against Women Act, and today now finally funding it. Today we show the rest of the country that this Congress is committed to stopping crime and helping the victims of crime. I would also like to thank the gentlewoman from New York, Ms. NITA LOWEY, for her cooperation.

Let me just conclude. At a time when the Nation's awareness of domestic violence has never been greater, it is essential that we in Congress stop talking about doing something about this crime and start putting our money behind it by fully funding the Violence Against Women Act in this conference report. In this section of the bill we are once again standing up for women and against criminals.

Again, I want to thank the gentleman from Kentucky [Mr. ROGERS] for his cooperation, and urge on behalf of all those women who will be victims of domestic abuse or who may not be because of our efforts today to please support this conference report.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 2 minutes to the hardworking and distinguished gentleman from Colorado [Mr. SKAGGS], a member of the subcommittee.

Mr. SKAGGS. Mr. Speaker, let me start by congratulating and paying my respects to the gentleman from Kentucky, HAL ROGERS, and our terrific staff. Given the incredible parameters within which they had to work, they have done a decent job, and if there is any indecency here, it is not HAL's doing. But there are some serious failings.

Let me just start off by returning to the question of the block grants versus the COPS program. I will be offering the motion to recommit when we finish debate on this to transfer or to specify that that portion of the funding in this bill that was going to go to block grants will be restored to funding the COPS program.

Mr. Speaker, this is, as many of my colleagues have already pointed out, a success already. It is focused, it is effective, it is putting money on task on the streets of America to improve safety and law enforcement. We are all, I think, appropriately forewarned, given the bad experience back in the Law Enforcement Assistance Administration days of what can happen in a slush-funded, no-accountable block grant environment. I hope my colleagues will support the motion to recommit.

Beyond that problem, Mr. Speaker, there are other problems with this bill: the underfunding of our technology investments in the NIST accounts, the incredible intrusion into the operations of the Legal Services Corporation, the huge shortfall in funding for peacekeeping operations at the United Nations that is going to put us in a fiscal corner for years; the incredible, idiotic waste of money on the TV Marti program; and several extraneous legislative provisions that have no business within this bill. This leaves me, with reluctance, to urge my colleagues, if the motion to recommit fails, to vote "no" on final passage.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. LOBIONDO].

Mr. LOBIONDO. Mr. Speaker, I rise today in strong support of the prison litigation reform provisions included in the conference report on H.R. 2076, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act.

Earlier this year the House passed H.R. 667, the Violent Criminal Incarceration Act. This bill contained many provisions designed to address the problems associated with inmate lawsuits. One area that was not included in that legislation was the many so-called Bivens actions that are filed by Federal prisoners in Federal court every year. These suits are not based on any statutory authority from Congress. In *Bivens* v. *Six Unknown Federal Narcotics Agents,* 403 U.S. 388 (1971), the Supreme Court created a so-called "constitutional tort" that allows inmates to circumvent the congressionally created Federal Tort Claims Act and sue the Federal Government for alleged violations of their constitutional rights due to prison conditions and/or treatment.

The real problem with these cases came with the Court's decision in 1992 that an inmate need not exhaust the administrative remedies available prior to proceeding with a Bivens action for money damages only. *McCarthy v. Madigan,* 112 S.Ct. 1081 (1992). This decision was made without the benefit of any legislative guidance and the Court made that point very clearly in its opinion, almost to the point of asking that Congress do something. Since 1993 there has been a total of 1,365 new Bivens cases filed in Federal court tying up the time of Federal judges and lawyers for the Bureau of Prisons at a time when we already have overcrowded dockets.

In order to address the problem of Bivens actions, I introduced H.R. 2468, the Prisoner Lawsuit Efficiency Act ("P.L.E.A."). This bill makes it clear that administrative exhaustion be imposed in all actions arising under the Bivens case. In H.R. 667, the House adopted a similar provision to that of the P.L.E.A. by requiring the exhaustion of administrative remedies for those prisoners bringing suit under 42 U.S.C. §1979 (the Civil Rights for Institutionalized Persons Act ("CRIPA")).

I am very pleased to say that I have worked with the conferees of H.R. 2076 to ensure that the prison litigation reform measures address the Bivens issue. The new administrative exhaustion language in H.R. 2076 will require that all cases brought by Federal inmates contesting any aspect of their incarceration be

submitted to administrative remedy process before proceeding to court. By returning these cases to the Federal Bureau of Prisons, we will provide the opportunity for early resolution of the problem, we will reduce the intrusion of the courts into the administration of the prisons, and we will provide some degree of fact-finding so that when or if the matter reaches Federal court there will be a record upon which to proceed in a more efficient manner.

I would also like to take this opportunity to thank the 56 Members who joined me as a cosponsor of H.R. 2468. Their commitment to a fair and efficient judicial system is to be commended. In addition to the strong support this proposal has had here in the House, H.R. 2468 has been endorsed by Mr. Norman Carlson, Director of the Federal Bureau of Prisons from 1970 until 1987, and Mr. Michael Quinlan, Director of the Federal Bureau of Prisons from 1987 until 1992. Former U.S. Attorney General Dick Thornburgh has written to me stating that:

An exhaustion requirement [as imposed by H.R. 2468 and now H.R. 2076] would aid in deterring frivolous claims: by raising the cost, in time/money terms, of pursuing a Bivens action, only those claims with a greater probability/magnitude of success would, presumably, proceed.

Mr. Thornburgh also points out that an administrative review process would also aid the Federal courts by allowing for preliminary fact-finding and the creation of a record at the Bureau level, so as to clarify the issues to be presented to the court.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. CANADY].

Mr. CANADY of Florida. Mr. Speaker, I rise in strong support of H.R. 2076 and I commend Mr. ROGERS for bringing this conference report to the floor.

I want to speak particularly about title VIII of the conference agreement, which contains important provisions concerning prison litigation reform. These provisions were proposed by the Senate conferees and are substantially similar to the prison litigation reform legislation which passed the House—earlier this year.

Title VIII will provide much needed relief to States dealing with the problems of unreasonable Federal court intervention in the operation of prisons and frivolous litigation by prisoners.

For too long, Federal judges have been attempting to micromanage correctional facilities throughout the country. Judicial intervention in local prison management has often resulted in the release of dangerous criminals.

This legislation will ensure that relief granted to prisoners who claim their rights are being violated by prison officials will go no further than necessary to remedy the alleged violation, and that imposing a prison population cap should absolutely be a last resort. It will also prevent the permanent court supervision of correctional facilities by allowing a party to move for the termination of court-ordered prospective relief within set time periods.

Title VIII will also significantly curtail the ability of prisoners to bring frivolous and malicious lawsuits by forcing prisoners to exhaust all administrative remedies before bringing suit in Federal court.

In addition, Title VIII will require a Federal court to dismiss, on its own motion, lawsuits which do not state a claim upon which relief may be granted or are frivolous or malicious. Furthermore, a prisoner who filed a lawsuit in Federal court will have to pay at least a nominal filing fee if he has sufficient assets.

For too long the Federal courts have entertained meritless claims by inmates, and have imposed unreasonable and unnecessary burdens on State and local correctional authorities. As a consequence, taxpayers' resources have been wasted, and efforts to protect the public safety have been compromised. It's time we restored some balance and common sense to the judiciary's handling of prison litigation.

Mr. Speaker, the provisions in this conference report which reform prison litigation are desperately needed. I urge my colleagues to pass the report.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Michigan [Mr. CONYERS], the ranking member of the Committee on the Judiciary.

Mr. CONYERS. Mr. Speaker, I thank my friend, the gentleman from West Virginia, for yielding time to me.

Mr. Speaker, I congratulate the chairman of this subcommittee of the Committee on Appropriations, who is the nicest guy that has ever run through a rotten bill. It is a wonderful feat. Everybody brags about him, but the bill stinks, thank you very much.

The President is going to veto the measure. He has told us that over and over and over again. Even a Republican Attorney General came before the Senate and told them that the provisions dealing with terminating all consent decrees is unconstitutional, we do not need an ex-Republican Attorney General to find that out, and that it would not stand constitutional muster. It never got changed.

What about the most authorizing on an appropriation that has happened this year? It happened in this nice chairman's bill here that is loaded with judicial matters.

I urge my colleagues to vote against the Commerce, Justice, State appropriations conference report. This conference report improperly includes substantive legislative provisions regarding prison litigation reform and truth in sentencing. In addition, the bill severely cuts funding for both drug courts and the President's Cops on the Beat Program. We cannot incarcerate ourselves out of crime.

None of these provisions belong in an appropriations bill. These are matters clearly within the jurisdiction of the Judiciary Committee and I am distressed that the Judiciary Committee's jurisdiction has been subverted in this way.

The prison litigation reform provisions are problematic for several reasons. First, these provisions would have an enormous, negative fiscal impact on the Federal judiciary. According to the Administrative Office of Courts, requiring the Federal judiciary to hold a trial in every future prison conditions case and in every case that is currently operating under a consent decree, and requiring that such a hearing be held every 2 years thereafter could cost $239 million annually and require the hiring of 2,096 new personnel. Notwithstanding this price tag, the bill does not appropriate any funds for the Federal judiciary to offset these costs.

Second, the provisions would render emergency relief ineffective. Preliminary injunctions would mandatorily terminate 90 days after entry unless the court made the injunction final within the 90-day period. It is virtually impossible for the parties to complete discovery and for the court to complete a trial and issue a decision within 90 days. Preliminary injunctions are designed to address emergencies, often involving life and death situations that warrant attention in advance of the time that is required to conduct a full-blown trial.

Termination of a preliminary injunction, without attention to whether there is good cause for the injunction to remain in effect, and without allowing adequate time for the parties to conduct discovery and the court to hold a trial would deprive a court of the power to prevent a defendant from returning to life threatening practices. Federal courts would be prevented from issuing any relief in prison or jail conditions cases without a finding of a violation of law, effectively prohibiting court-enforceable settlement agreements.

Third, the provisions would require a court to terminate relief, upon motion of either party, 2 years after issuance or 2 year's after the Act's enactment unless the court holds a trial and finds an ongoing violation of law. In effect, this would legislatively authorize defendants to revert to practices that run afoul of the Constitution or Federal statutes without consequence until the court could conduct a trial and reissue relief. This provision also fails to take into account the fact that changing systemic problems often takes years.

Fourth, the bill would prevent the Federal courts from remedying egregious abuses suffered by prisoners. The provisions in the bill would apply to all prisoner initiated lawsuits, not merely frivolous lawsuits. Thus lawsuits seeking to enjoin the rape of juvenile and female prisoners by prison guards, suits to enjoin sadistic beating of prisoners, and the failure to provide prisoners with minimally adequate medical care would all be prevented by this legislation.

Finally, the prison litigation reform provisions are unconstitutional as written. Witnesses called by both sides at a Senate Judiciary Committee hearing this past July agreed that changes were necessary before the bill could pass constitutional muster.

For example, former Attorney General William Barr, who testified in support of the general principles behind the bill, testified that the termination of all existing consent decrees is unconstitutional. The changes suggested by the witnesses to make the bill constitutional are not reflected in the current language.

The truth in sentencing provisions in the conference report are also troubling. Current law evenly distributes funding for prisons. But under the new provisions in this bill, some states will totally be denied funding and states that make only modest improvements in relatively weak sentencing schemes will be highly favored over states with long-standing,

tougher policies. Moreover, funds will be unfairly and irrationally allocated among the states so that low population states with relatively little violent crime will often get the same funding as high population states with serious violent crime problems.

Finally, the conference report contains block grants for both the Cops on the Beat Program and the Drug Court Program. If states are given block grants for general law enforcement purposes rather than given money to be spent on hiring more police officers, the President will not be able to fulfill his pledge to put 100,000 more cops on the beat. Putting police officers on the streets, walking the beat, has proven effective. There is no reason to halt the funding for a program that has been shown to reduce crime and increase public confidence in police. Similar logic applies to the drug courts program. We should not stop funding programs that have been shown to reduce crime.

Because I object to this use of an appropriations bill as a way to subvert the Judiciary Committee's jurisdiction and because the bill contains provisions which are substantively harmful, I urge a no vote on the conference report.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Speaker, I rise for the purpose of engaging the distinguished chairman of the subcommittee, who I think wrote an extraordinarily good bill, in a colloquy.

Mr. Speaker, I would like to point out that this bill is the first step toward eliminating the Department of Commerce. As Senator Majority Leader DOLE said yesterday in a Wall Street Journal opinion page piece, and I quote "We are firmly committed to eliminating the Commerce Department this year so that we may establish, in practice, the principle that wasteful programs and agencies no longer have permanent tenure in the Federal Government." I will be entering this article into the RECORD.

Mr. Speaker, I would ask the gentleman from Kentucky [Mr. ROGERS], am I correct in assuming the Commerce dismantling language must take place in the authorization process.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. BROWNBACK. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Speaker, the gentleman is correct. Any legislation dealing with the reorganization of the Commerce Department must be addressed in the authorization process. We have certainly taken a first step in this bill by terminating the Advanced Technology Program and taking significant reductions in many Commerce agencies and individual programs.

Mr. BROWNBACK. Mr. Speaker, I thank the gentleman very much.

[From The Wall Street Journal, Dec. 5, 1995]

"REINVENT" COMMERCE DEPARTMENT OUT OF EXISTENCE

(By Bob Dole and Spencer Abraham)

The 1994 Republican landslide came about because we had a clear message that resonated with the American people: Government should be smaller, more local, less intrusive, and less costly. Our welfare and budget measures constitute large steps in the right direction. But to fulfill our mission we also must reduce the size of the federal government by eliminating programs that are unnecessary, duplicative and wasteful.

No agency fits this description better than the Commerce Department. The department's own inspector general calls it "a loose collection in more than 100 programs." The nonpartisan General Accounting Office notes that it shares its "missions with at least 71 federal departments, agencies, and offices." And this loose collection of ill-defined programs has no unifying purpose or goal. Former Commerce Secretary Robert Mosbacher notes that the department's is "nothing more than a hall closet where you throw in everything that you don't know what to do with." Even the president's own Office of Management and Budget acknowledged the department's lack of purpose by sending home 67% of Commerce's bureaucrats as "nonessential" during the recent government shutdown.

We are firmly committed to eliminating the Commerce Department this year so that we may establish, in practice, the principle that wasteful programs and agencies no longer have permanent tenure in the federal government. This is not to say that we can or should begin a wholesale dismantling of the federal government. But as a federal bureaucracy, the Commerce Department simply has no reason to exist.

Defenders of the Commerce Department contend that it has a clear purpose: to promote U.S. international trade. They claim that the department's trade advocacy and counseling efforts "returned * * * to the federal Treasury for every * * * in export promotion." According to this view, it is federal bureaucrats who secure foreign contacts for American businesses, thus holding the American economy together.

This is obviously not true. As former Clinton economic adviser Robert Shapiro of the Progressive Policy Institute says: "All you can do with [export promotion] is increase jobs for companies with the clout to get the subsidy. But that's at the expense of industries that don't have the clout. You're just shifting things around."

Many of the department's other programs are simply taxpayer subsidies for some of America's biggest corporations. The U.S. Travel and Tourism Administration subsidizes tourism, while the Technology Administration and the National Institute of Standards and Technology subsidize corporate research. These programs take money from taxpayers and successful companies to fund bureaucrats' favorite companies and projects. And this comes at a heavy cost—the cost of employing 37,500 bureaucrats at an average salary of $42,000. That's about $10,000 more per year than the average Kansas or Michigan family earns.

In reality, most of the tens of thousands of bureaucrats in the vast Commerce Department building on Pennsylvania Avenue do nothing to promote U.S. trade. Some claim that the Commerce Department is required by our Constitution, because that document makes regulating commerce a federal function. But, in fact, about half of the department's $3.6 billion budget is consumed by the National Oceanic and Atmospheric Administration, the nation's weather and ocean mapping service. And while 19 federal agencies are charged with promoting U.S. exports, Commerce directs only 8% of federal spending toward trade promotion.

The Commerce Department's functions can be done without, or done more efficiently by other agencies, or the states, or the private sector. This does not mean, however, that we would or should terminate all the department's functions. Instead, after eliminating the umbrella organization and its bureaucracy, we would eliminate unneeded programs, transferring or privatizing programs that are necessary.

An example of a Commerce program that needs to be eliminated outright is the Economic Development Administration. At one point, 40% of the EDA's loans were in default, while economic assistance grants were being distributed to such affluent areas as Key Biscayne, Fla. Even when it is effective, the EDA duplicates the efforts of numerous other programs in other departments. Other programs that should be eliminated include the Technology Administration and the National Telecommunications and Information Administration. The latter outfit issues telecom grants; for example, it recently gave $200,000 to HandsNet Inc., a California-based Internet service used by liberal lobbyists. The last thing our government should be paying for is lobbying aimed at making it spend more taxpayer dollars.

While those programs should be eliminated, others, like the National Oceanic and Atmospheric Administration, should be moved to more appropriate agencies or to private institutions. For example, seafood inspection should be transferred to the Agriculture Department, which already carries out most food inspection programs. As for international trade programs, the bulk of these should be sent to a single, unified trade agency incorporating the existing U.S. Trade Representative's office.

This is the way to effectively "reinvent" government. Our Commerce Department elimination plan would save $6 billion over seven years. By eliminating unnecessary programs and bureaucracies, like those now churning away within the Commerce Department, we can bring federal spending under control. And guess what? The really essential functions of government will be done more efficiently than ever before once the federal bureaucracy isn't wasting its time on so many unnecessary efforts.

Mr. CHRYSLER. Mr. Speaker, will the gentleman yield?

Mr. BROWNBACK. I yield to the gentleman from Michigan.

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

I want to thank the chairman of the committee for helping us advance the cause to eliminate this unnecessary bureaucracy this year. May we assume that the chairman remains committed to dismantling the Department of Commerce, and that he will continue to work with us to do so in the authorization process this year?

Mr. ROGERS. Mr. Speaker, as the gentleman from Michigan knows, we have worked closely on these efforts this year, and I will continue to support the process that has been established.

Mr. CHRYSLER. I thank the chairman, and I thank the gentlewoman from New York [Ms. MOLINARI] for her work on eliminating woman abuse. I wholeheartedly support her efforts.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Wisconsin [Mr. OBEY], the distinguished ranking member of the subcommittee on the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I am opposed to this bill. I think it ought to be beaten. I am in favor of the motion to recommit that will be offered by the gentleman from Colorado [Mr. SKAGGS] to require the retention of the Cops on the Beat Program. The President has clearly indicated he will veto this bill if the Cops on the Beat Program is not restored.

This program is putting 26,000 cops in 175 communities all around the country, including 32 in my district. Forty-nine percent of the police agencies in communities under 50,000 people have applied for funding under the COPS Program. I think this indicates this is not just a program which is popular in urban areas. The Justice Department has requests for over 9,000 more to be funded right now. That, to me, indicates that communities are highly desirous of obtaining help under this bill.

I think the block grant program is a mistake. We have seen in the past outrageous examples of waste in that program. We do not want to repeat it. I urge Members to support the Skaggs motion to recommit.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. MCCOLLUM] who has been very active on the block grant program.

Mr. MCCOLLUM. Mr. Speaker, I thank the gentleman very much for yielding time to me.

Mr. Speaker, I have been listening to this debate here about the COPS Program. I find it fascinating to hear it, and the block grant program and so on.

I think we are dealing here with a fundamental difference between Republicans and Democrats. We have been a long time in making this block grant program and in making our point about it. What we are doing with the COPS Program and with the prevention programs that were passed in the last Congress is we are consolidating them into a $10 billion block grant program, $2 billion of which is in this bill for the first year over 5 years today before us as well as the authorization. What we are in the process of doing is saying to the cities and the counties, "You know best how to spend that money to fight crime." It makes a whole lot more sense to us.

□ 1745

Democrats on that side of the aisle want the same old business as usual up here that Washington knows best, and I do not think that is true. I think Spokane, WA, knows better how to spend its money to fight crime and Charleston, SC, knows better how to spend its money, and what is good for Spokane may not be good for Charleston.

The same thing is true for the COPS of the Street Program, which is what we are talking about. We are hearing about this bill being vetoed over that issue. I want to make the point that the choice is not between more police and block grants. The choice is between more police under the COPS Program versus more police at less cost to localities with greater flexibility under the block grant proposal.

Not one single cop that has been funded so far of the 26,000 would be lost or 1 year of funding under what we wrote that is in this bill. I do not care what the Justice Department says, I helped write the language, and I am very confident of that.

In addition to that, under your proposal, as you can see from this chart, the 74,000 more cops that the President is going to get under his plan over here under the 100,000 are easily going to be funded by the cities in making their choice over here, with only about a third of the block grant money. I am confident that is going to take place. I am confident because in one measure the President of the League of Cities wrote a letter to me yesterday that I want to introduce into the RECORD right here.

NATIONAL LEAGUE OF CITIES,
Washington, DC, December 5, 1995.

Hon. BILL MCCOLLUM,
Chairman, Subcommittee on Crime and Criminal Justice, Cannon House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I am writing on behalf of the nation's 135,000 municipal elected leaders from cities and towns across the country to reaffirm our continued support for your leadership efforts to make the federal anti-crime partnership more efficient and effective in addressing local crime and violence. Rather than supplanting police officers, we believe your public safety block grant legislation would have the effect of enabling us at the local level to take initiatives to put more police officers on the street to enhance neighborhood safety.

Just this last week, more than 4,100 of our members met at our Congress of Cities in Phoenix and voted unanimously to adopt national municipal policy urging greater flexibility for municipal officials to take steps to address public safety in our communities. No level of government has a greater stake in federal anti-crime and safety efforts, so the response from our members—Republicans, Democrats, and Independents—from cities and towns of all sizes, reemphasizes our support for the positive steps you are taking to address the public safety needs of cities.

Our experience is that the kinds of approaches to and needs for public safety vary enormously from city to city, as do local resources. Consequently, we are apprehensive that any one-size-fits-all approach or one that requires a match irrespective of demands and local resources limits our ability and flexibility to meet local issues as effectively as possible. We are concerned that the debate between the existing cops program and your legislation is elevating form over substance.

We believe your legislation could lead to initiatives and programs that would put more, not less officers on the street than current law. It would permit cities to purchase equipment, to move trained personnel onto the streets, and to take other actions to insure more effective and efficient responses. Equally importantly, it is more balanced in meeting the needs of cities with disproportionately limited resources and higher crime and violence rates. These are critical issues to us.

Our members strongly believe that your proposal would make for a more effective and flexible partnership on one of the highest priorities of every municipal leader in America. We appreciate your efforts and look forward to positive action by the Congress.

Sincerely,

GREGORY S. LASHUTKA,
President, Mayor of Columbus.

It says, "We believe that your legislation could lead to initiatives and programs," talking about the block grants, "that would put more, not less, officers on the streets than current law. It would permit cities to purchase equipment, to move trained personnel onto the streets, and to take other actions to ensure more effective and efficient responses. Equally important, it is more balanced in meeting the needs of cities with disproportionately limited resources and higher crime and violence rates. These are critical to us."

Mr. Speaker, the fact of the matter is, cities and communities around this country with block grants are going to put more cops, more than 100,000, on the streets with this flexibility that they want. The police chief in Washington, DC, Chief Thomas, testifying before my subcommittee this summer, said in response to a question that Mr. Davis asked, "Would you prefer to put that money into technology as opposed to new officers at this point?" Chief Thomas responded, "Yes, I would. I think that is a better use of our dollars to improve the infrastructure in the department." The Washington Post said the block grant program is a better program.

My point is that we are dealing here now with an opportunity for us to get this clarification we need on the record. This is a form-over-substance thing for those who are opposing it.

The COPS Program is a good program. It is what the cities and communities want under the block grant system, not the President's proposal, but the block grant proposal that is in this bill that allows them maximum flexibility and gets more police officers, and the other is nonsense.

Mr. MOLLOHAN. Mr. Speaker, I yield the remainder of the time to the distinguished gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, this conference report is a Christmas gift to America's violent felons. Every gun-toting gang-banger, every ruthless drug lord, every violent carjacker on America's streets should celebrate tonight if this bill passes, because it will mean fewer cops on the street and fewer prison cells to put them away once the cops apprehend them. The report is so filled with bad ideas it ought

to be called the "Soft-On-Violent-Criminals Act."

Here are just three of the worst ideas: First, it kills the COPS Program, as has been mentioned. Every major police organization in America opposes this bill because they know it will mean fewer cops. They know it will give money to mayors and governors and all sorts of politicians to do what they want with it, not to put cops on the street.

Now the gentleman from Florida [Mr. MCCOLLUM] defends the block grant program, and he is my friend and I respect him. Let us hear what NEWT GINGRICH said about the block grant program. He said, this is Speaker GINGRICH, the exalted leader, the man who brought you to the Promised Land. He said

> If they say to me, in the name of fighting crime, will I send a $2 billion check to the cities, many of which have destructive bureaucracies, to let the local politicians build a bigger machine with more patronage, my answer is no. What I cannot defend is sending a blank check to local politicians across the country for them to decide how to spend it.

The last time we did a block grant, a small town in Louisiana bought a tank. The Governor of Indiana bought a jet plane. A study was even financed to figure out why inmates want to escape from prison.

And to boot, 23 States will get less money to build prisons under the Republican proposal. Your State is probably on the list. Take a look when we come to the door.

Less money for cops, less money for prisons. It just does not make any sense. And instead, a giant pork barrel that says to governors and mayors: put your brother-in-law on the payroll, buy useless equipment, do not put cops on the street.

This bill, simply because COPS was originally an idea of Democrats, simply because Democrats wanted to get tough on crime, came about as an alternative. It is a weak alternative. The President should veto it, and then we should support law enforcement, support prisons, support cops, and put a better bill together. I strongly urge a vote against this wasteful, soft-on-crime proposal.

Mr. ROGERS. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, the gentleman portrays the idea that the COPS Program put more policemen on the beat than the local block grant will. Nothing could be further from the truth. If you want to know the answer to the question of which is best for our communities, let me refer you, gentleman, to the mayor of Columbus, OH, who happens to be the president of the National League of Cities who wrote a letter just yesterday to us, and I will submit it for the RECORD.

He says, and we have lifted this portion from the letter: "We believe your legislation," the block grant program, "could lead to initiatives and programs that would put more, not less, officers on the street than current law. It would permit cities to purchase equipment, to move trained personnel onto the streets, and to take other actions to ensure more effective and efficient responses. Equally important, it is more balanced in meeting the needs of cities with disproportionately limited resources and higher crime and violence rates. These are critical issues to us." So says the mayor of Columbus, OH, and so says the League of Cities of the United States of America.

The National Association of Chiefs of Police, the people who have to enforce our laws, says, please give us the block grant program. We need cops, yes. We also need bulletproof vests for those cops. We need police cars. We need radios, we need equipment. Let us decide where to put the money. Do not tell us from Washington with your cookie-cutter approach, one-size-fits-all, do not tell us what we need. Give us the money to fight crime in our cities, do not tell us how to use it.

So we say to you, support this bill, reject the motion to recommit, and let us put those cops on the beat as the cities and communities want them. Vote against the motion to recommit and support the conference report.

NATIONAL LEAGUE OF CITIES,
Washington, DC.

Hon. BILL MCCOLLUM,
Chairman, Subcommittee on Crime and Criminal Justice, Washington, DC.

DEAR MR. CHAIRMAN: I am writing on behalf of the nation's 135,000 municipal elected leaders from cities and towns across the country to reaffirm our continued support for your leadership efforts to make the federal anti-crime partnership more efficient and effective in addressing local crime and violence. Rather than supplanting police officers, we believe your public safety block grant legislation would have the effect of enabling us at the local level to take initiatives to put more police officers on the street to enhance neighborhood safety.

Just this last week, more than 4,100 of our members met at our Congress of Cities in Phoenix and voted unanimously to adopt national municipal policy urging greater flexibility for municipal officials to take steps to address public safety in our communities. No level of government has a greater stake in federal anti-crime and safety efforts, so the response from our members—Republicans, Democrats, and Independents—from cities and towns of all sizes, reemphasizes our support for the positive steps you are taking to address the public safety needs of cities.

Our experience is that the kinds of approaches to and needs for public safety vary enormously from city to city, as do local resources. Consequently, we are apprehensive that any one-size-fits-all approach or one that requires a match irrespective of demands and local resources limits our ability and flexibility to meet local issues as effectively as possible. We are concerned that the debate between the existing cops program and your legislation is elevating form over substance.

We believe your legislation could lead to initiatives and programs that would put more, not less officers on the street than current law. It would permit cities to purchase equipment, to move trained personnel onto the streets, and to take other actions to insure more effective and efficient responses. Equally importantly, it is more balanced in meeting the needs of cities with disproportionately limited resources and higher crime and violence rates. These are critical issues to us.

Our members strongly believe that your proposal would make for a more effective and flexible partnership on one of the highest priorities of every municipal leader in America. We appreciate your efforts and look forward to positive action by the Congress.

Sincerely,

GREGORY S. LASHUTKA,
President, Mayor of Columbus.

Mr. MOLLOHAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Speaker, now is not the time to terminate this successful COPS Program.

Mr. Speaker, I rise in support of the COPS Program, and in opposition to H.R. 2076.

The American people are demanding tough and effective solutions to our Nation's crime problem. That's why Congress passed the most sweeping crime bill in U.S. history last year. That important legislation created the COPS Program, which is already making our streets safer by putting more than 25,000 new police officers on American streets in its first year.

In my district alone, the COPS Program has provided funding for almost two dozen new officers to patrol the streets of Marin and Sonoma Counties. These officers are helping to protect my constituents from violent criminals, and officers like them are sharply reducing crime rates throughout the country.

Now, just as we are beginning to see a significant reduction in crime, the other side wants to take thousands of officers off our streets and leave local communities without adequate police protection. This legislation will put the American people at risk by eliminating the COPS Program and slashing funding for crucial crime prevention efforts.

Now is not the time to be terminating successful anticrime initiatives like the COPS Program. I urge my colleagues to vote for the motion to recommit, and to vote against this misguided bill.

Mr. MOLLOHAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Speaker, I also place in the RECORD a letter from the United States Conference of Mayors opposing this.

The Commerce-Justice-State appropriations conference report cuts 12 percent from the administration's request. This report eliminates the successful Cops-on-the-Beat Program and replaces it with a block grant to States. We do not know that this block grant will provide more police on our streets, it could be used for many other purposes.

In my district in Houston, our Mayor Lanier and Police Chief Nuchia have used the Cops-on-the-Beat to add 376 more police officers on

the streets of Houston. It is a success and yet the Congress wants to kill it—I hope President Clinton vetoes this bill because we need to keep these 376 police officers on our Houston streets—not have them lost in the bureaucracy.

THE UNITED STATES
CONFERENCE OF MAYORS,
Washington, DC, December 6, 1995.

Hon. CHARLES SCHUMER,
Ranking Member, Subcommittee on Crime, Committee on the Judiciary, House of Representatives, Cannon House Office Building, Washington, DC.

DEAR MR. SCHUMER: As the Subcommittee on Crime begins an oversight hearing on the COPS program, I am writing to apprise you of the strong support of The U.S. Conference of Mayors for the program. We worked very hard with Congress and the Administration last year to see the program enacted into law. The U.S. Department of Justice, and the COPS Office in particular, have worked very hard since then to implement it in a quick and effective fashion, and it has already begun to make a difference on the streets of our cities. They have been extremely responsive to the needs and requests of our cities.

We are aware that there are proposals in Congress to change the COPS program into a block grant and that, in fact, the conference agreement on the Commerce, Justice, State appropriations bill would substitute the block grant for FY96. We believe that changing the program at this time would be a mistake. Cities have allocated money and personnel to the program and have budgeted for the future with the COPS program in mind. While a block grant is quite tempting, we have a program on hand which is working. We are concerned that changing the program at this time would represent bad public policy and could jeopardize some of the progress we have made in our cities to prevent and control crime.

Change now also seems premature since the Subcommittee is just now holding an oversight hearing. We recommend that Congress examine the program's effectiveness through the oversight process before considering changes in it.

At the annual meeting of The U.S. Conference of Mayors last June we adopted a policy resolution which reiterated our continuing support for the COPS program and called on Congress to provide full funding for it in the future. We urge you to help us see this happen.

Sincerely,

WELLINGTON WEBB,
Mayor of Denver,
Chair, Criminal and Social Justice Committee.

Mr. ROGERS. Mr. Speaker, the gentleman from Iowa [Mr. LIGHTFOOT], chairman of the Treasury, Postal Service Appropriations Subcommittee has expressed his concerns to me regarding the Organized Crime and Drug Enforcement Task Forces. As the gentleman from Iowa and I both know, there has been a long history of cooperation between the Treasury and Justice Departments on the Organized Crime and Drug Enforcement Task Forces [OCDETF], with nearly a third of the assigned agents coming from Treasury agencies. These task forces have been successful in part because of Treasury's specialized expertise in money laundering, financial crime, tax law and other matters. Treasury's expertise is particularly critical in drug racketeering cases, and can often clinch a case for a jury and make the difference between a conviction and an acquittal. The appropriation for these task forces has been reduced $15 million below the House level. As indicated in the Statement of Managers, the conferees intend that reductions be made proportionately among all law enforcement agencies, not just from Treasury and the Coast Guard, based on each agency's task force requirements and participation. The conferees will work to ensure funds are distributed fairly, and have required Justice to report back to the committee on the allocation of these funds.

Mr. STOKES. Mr. Speaker, I rise in strong opposition to the conference report on H.R. 2076, making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Programs for fiscal year 1996. This bill will cripple many of our Nation's most important governmental functions so that the interests of the American people will not be well served.

Excluding the money from the violent crime control trust fund, established in the 1994 Crime Control Act (Public Law 103–322), this bill appropriates 13 percent less than requested by the Clinton administration. This legislation cuts the State Department by 9 percent and the Commerce Department by 15 percent.

In addition to these overall reductions, the conference report also eliminates funding for many governmental programs that have proven to be excellent investments of Federal dollars. The conference report on H.R. 2076 eliminates the advanced technology program that has created thousands of jobs across this Nation. The bill also eliminates the U.S. Travel and Tourism Administration, which provides assistance to one of America's fastest growing industries, an industry that provides jobs to millions of Americans.

In the Justice portion of the bill, the committee has failed to follow through with the President's unprecedented efforts to fight crime. The bill provides for $281 million less than requested by the Clinton administration for the Department of Justice. This substantial cut in crime fighting dollars for many programs that would have played an essential role in our efforts to make our citizens safer is short sighted and dangerous.

Crime control measures supported by the administration to prevent crime, hire more police officers and fight the scourge of drugs will be substantially cut or eliminated in this conference report. The report would slash funding for the highly successful and popular cops program that responds to the public's desire for an increased police presence in our communities. As a result of the cuts in this legislation, the hiring of new police officers under the cops grant program would be ended, and instead, a Republican local law enforcement block grant program would replace mechanisms set up in the 1994 crime bill to fund local crime fighting.

Mr. Speaker, the appropriation for the Department of Commerce is a devastating $1.3 billion—27 percent—below the total requested by the administration. The conference report hampers our Government's efforts to promote economic development and technology advancement. As a result of the draconian cuts to the Department of Commerce, the Economic Development Administration originally targeted for elimination would survive, but would be cut by over 21 percent. In addition, the National Institute of Standards and Technology would be drastically cut by over 60 percent. This program includes the successful manufacturing extension partnership program that has helped our Nation's industries create jobs for thousands of Americans.

Economic opportunities for women and minorities will also be substantially curtailed by the legislation we are considering today. The minority business development agency will be cut by over 33 percent. This irresponsible and unjust slashing of the budget for this important agency will lead to the foreclosing of economic opportunities for thousands of Americans who must also endure the ravages of systematic discrimination.

Next, the Legal Services Corporation, that provides vital legal assistance to poor Americans who cannot afford an attorney, has also been targeted for substantial cuts. In addition to cutting the budget for the Legal Services Corporation by a staggering 37 percent, this appropriations bill prohibits attorneys from receiving Federal assistance when representing illegal aliens, initiating class action suits or participating in litigation involving prisoners or abortions. There are few more sacred rights possessed by Americans than their right to seek redress in the courts. This attack on the Legal Services Corporation is yet another attempt by the new Republican majority to weaken programs which are politically unpopular with conservatives.

Mr. Speaker, I would also like to add that the attempt by the majority to curtail essential governmental services to the American public is clearly inappropriate. This action circumvents the appropriate authorizing committees that should consider the proposed elimination or weakening of so many important laws. With limited opportunity for debate and hearings, this "legislation" in an appropriations bill is clearly an unjustifiable circumvention of the procedures of the U.S. House of Representatives. This attempt to short circuit the process can only have one result: The compromise of vital services affecting the poor, minorities, women, and Americans overall.

It is my belief that the conference report for H.R. 2076 and the circumstances under which it is presented in this House is an attempt to mislead the American people to believe that simplistic solutions will cure what ails this Nation. Nothing could be further from the truth. As our Nation faces an epidemic of crime, discrimination and poverty, the solution to these problems will not be found in quick fixes by slashing programs unpopular with the Republican majority. The American people elected us to act in their best interest, not compromise their welfare because Government refuses to have the courage to meet its obligations to all of its citizens.

Mr. Speaker, in closing, I would again like to express my opposition to the misguided priorities this bill represents. I strongly encourage all of my colleagues to vote against the conference report on H.R. 2076.

Mr. TAYLOR of North Carolina. Mr. Speaker, let me first applaud Chairman ROGERS, the Committee, and the Committee staff for their extraordinary efforts in producing this fiscal year 1996 Commerce, Justice, State and Judiciary appropriations bill. Furthermore, I would

like to acknowledge the Committee's support for initiatives under the National Institute on Justice [NIJ] account, and in particular the language that encourages the NIJ to undertake a national study on correctional health care.

This language carries a considerable amount of importance to our Nation's criminal justice system and not-for-profit organizations devoted to assisting states with correctional health care programs. For example, in North Carolina, the National Commission on Correctional Health Care has been working with health and correctional officials in an effort to stem escalating costs and other problems associated with correctional health care. Understanding the potential health risk associated with the more than 11 million persons that are released from jails, prisons, and juvenile correctional facilities annually, the National Commission assists correctional and public health officials throughout the country with correctional health care concerns. As we look to advance the efforts that provide data relevant to crime and the criminal justice system at NIJ, efforts like that of the National Commission should be encouraged.

I thank Chairman ROGERS for his support on this matter, and I urge the committee's continued support for activities related to the National Commission and correctional health care.

Mr. MARTINI. Mr. Speaker, I rise today as a former Federal prosecutor to discuss a topic that unfortunately, directly impact so many of our constituents.

Crime in this country has reached epidemic proportions, and it is time this body got serious about restoring the rule of law to our society.

Today 8 out of every 10 Americans can expect to be the victim of a violent crime at least once in their lives.

Indeed, the fight against crime engages us in a struggle that affects the very core and future of American society.

As the 104th Congress joins in this fight, I urge all of my colleagues to support the conference report before us today.

It allocates to this battle a very significant amount of money in a very sensible way.

It takes us away from the Washington-knows-best of the 103rd Congress, and sends decision making back to the local law enforcement agencies.

I congratulate my colleagues on the Appropriations Committee for following through on the Judiciary Committee's fine work, and look forward to supporting this conference report.

Mrs. MINK of Hawaii. Mr. Speaker, I am pleased that the Commerce-Justice-State appropriations conference report includes $11.75 million for the East-West Center in Honolulu, HI.

The brain child of President Lyndon B. Johnson, the East-West Center has been dedicated to improving the mutual understanding and cooperation among the governments and peoples of the Asia-Pacific region for 35 years. The Center, established in 1960, helps prepare the United States for constructive involvement in Asia and the Pacific through education, dialog, research and outreach.

Over 35,000 Americans, Asians and Pacific Islanders from over 60 nations and territories have participated in the East-West Center's educational, research and conference programs. Presidents, prime ministers, ambassadors and distinguished scholars and statesmen from all parts of the region have used the Center as a forum to advance international cooperation.

Among, its most important functions is its graduate program which brings together students from all over the United States and the Asia-Pacific region to study specific issues related to the Asian Pacific region and develop through personal contact mutual understanding and cooperation among the Asia-Pacific nations, including the United States. Most of these students go on to assume positions in government, business, the media and academia in their respective countries and utilize their experience at the East-West center to shape policy and foster understanding among Asia-Pacific nations.

Mr. Speaker, at a time when we face unparalleled challenges in Asia and the Pacific continuing the work of the center is more important now than ever. I am pleased that the conference committee affirmed the important role of the East-West center by continuing Federal support.

Mr. KIM. Mr. Speaker, I rise today in support of H.R. 2076, the Commerce, State, Justice Appropriations bill which provides needed funds to the states, especially my state of California, to pay for the costs of illegal immigrants. The decision by Judge Mariana Pfaelzer to strike many important portions of the vote-passed Proposition 187, which had eliminated state support for illegal aliens, stresses the need for this Congress to respond to the growing problem of illegal immigration. Judge Pfaelzer ruled that illegal immigration was a federal problem requiring a federal solution. While this is not the ultimate or best solution, it certainly is an acceptable interim step.

H.R. 2076 would provide $500 million to lift from the backs of state taxpayers the cost of incarcerating illegal immigrant felons. In addition, this important appropriations measure would provide for an additional $300 million to fight the problem of illegal immigration at the border.

While not in this specific Conference Report, I would like to take this opportunity to point out that the Balanced Budget Act passed by Congress also provides $3.5 billion for assisting the states with the cost of emergency health care for illegal immigrants. This is an important initiative about which Speaker GINGRICH and I first announced a month ago in Yorba Linda in my district. The people of California are strongly in favor of this needed reimbursement and rightly deserve it.

I ask my colleagues, especially those who represent districts equally affected by the problem of illegal immigration, to support the passage of this important legislation.

Mrs. LOWEY. Mr. Speaker, in September 1994, the Congress passed a historic piece of legislation—the Violence Against Women Act [VAWA]. VAWA passed the House of Representatives with unanimous, bipartisan support. One of the major purposes for VAWA was to assure that the legal system treated domestic violence as the very serious crime we know it is.

A very important provision of the act is entitled "Equal Justice for Women in the Courts." These provisions assure that the arbiters of justice in our Nation—judges and the courts—treat domestic violence in a serious and fair manner.

It has come to my attention that some Members of the Senate inserted a colloquy into the CONGRESSIONAL RECORD challenging the merit of the gender fairness task forces provided for under the Equal Justice for Women in the Courts provisions. I could not disagree more strongly.

Sections 40421–22 of the act allow each Federal judicial circuit to conduct studies of "the instances, if any, of gender bias * * * and to implement recommended reforms." A this time, a majority of the Federal circuits are conducting gender fairness studies to ascertain whether women receive disparate treatment in the courts, and, if so, how best we can address this critical problem. Clearly, the judicial branch has the authority, and an obligation, to discover any bias in the dispensation of justice in our Nation. There is no place for unequal justice in the United States.

In addition, recently there have been a growing number of press reports—most notably about the O.J. Simpson case in California—about victims of domestic violence who availed themselves of the courts and received little or no protection from their batterers. The failure of the courts to respond to complaints of domestic violence puts the very lives of American women at risk. Further, the mere impression that courts do not take domestic violence seriously will cause some women who desperately need the protection of the legal system to not reach out for help.

Finally, I would like to note that the colloquy entered by the Senators on this issue has absolutely no binding effect on the Federal judicial circuits. The colloquy is merely the opinion of three Members of Congress; it is not law.

The Commerce-Justice-State appropriations bill contains no legislative language barring courts from establishing gender fairness studies. Nor does the conference report, the Senate Appropriations Committee report, or the House Appropriations Committee report. If the Congress intended to bar these very important studies, then we would have done so in the legislative or report language. The judicial circuits clearly have the right under this bill to establish the gender fairness task forces.

When the Congress passed the Violence Against Women Act, we made a promise to the people of this Nation that we would fight to end domestic violence. If the legal system, our first line of defense against his heinous crime, is not properly addressing this issue, then we cannot even begin the process of ending domestic violence. I strongly support any efforts by the judiciary to investigate gender bias in the courts, and to provide for recommendations to eradicate it.

Mr. LANTOS. Mr. Speaker, the conference report on the bill making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies has been discussed at some length by a number of my colleagues on this side of the aisle. I share their serious concerns with the deficiencies of this legislation that have been so eloquently expressed by my friend and colleague from Wisconsin, Mr. OBEY, and by my friend and colleague from West Virginia, Mr. MOLLOHAN.

I want to focus my remarks on the serious defects of this bill with regard to the international obligations of the United States. The conference report that we are considering reduces by one-half our Nation's contributions to international peacekeeping activities. Mr. Speaker, this is an incredibly short-sighted reduction.

BY supporting such peacekeeping activities under the auspices of the United Nations, we are encouraging our involvement and participation in activities to keep the peace in a number of areas around the world. By fostering international peacekeeping, we are encouraging the participation of other nations and the participation of the military forces of other countries in activities that encourage peace and stability in many regions of the world. We have supported and fostered such efforts in a number of areas around the world, areas which are important to the United States—Cyprus, the Sinai, Cambodia—to name only a few. Our contribution to such peacekeeping efforts is an indication of our commitment to international action to maintain stability and encourage respect for appropriate international behavior.

Second, this conference report reduces by almost one quarter, 24 percent, U.S. contributions to international organizations, which fund the U.S. share of activities in the United Nations, the International Atomic Energy Agency, the North Atlantic Treaty Organization, and other such international organizations. These are not good will donations to these organizations; these are international treaty obligations of the United States. These organizations support important national security and foreign policy interests—international sanctions against rogue regimes such as Iran, Libya, and Iraq; efforts to reduce nuclear proliferation and other weapons of mass destruction; common international efforts to maintain Middle East peace and security, including the struggle to maintain the borders of Israel and Kuwait; the promotion of an open international trade framework; the control of diseases, such as the Ebola virus; and the promotion of human rights.

These short-sighted reductions in funding in this legislation impede the ability of the United States to carry out these vital national security and foreign policy objectives. Furthermore, the draconian cuts in funds severely hamper the State Department's ability to press for much-needed reforms at the United Nations and at other international organizations. Under strong pressure from many of us here in this body, the administration—under both Democratic and Republican leadership—has made considerable progress in pressuring for managerial, administrative, and budgetary reform. The unilateral reduction of our contributions seriously undermines our ability to continue to press for these needed reforms.

For half a century—since the end of World War II—the United States has spent enormous sums of money for our military forces to protect our national security and to further our international objectives. We pursued farsighted policies that had broad bipartisan support. Unfortunately, now that the cold war is over, we have not been willing to continue even the relatively modest spending that is required to protect these more cost-effective security and foreign policy interests. This is extraordinarily imprudent. This ought to be changed, and changing this legislation is the place to begin.

Mr. Speaker, I urge my colleagues to oppose the adoption of this legislation before us today. We can—and we should—do better.

The SPEAKER pro tempore [Mr. EMERSON]. All time has expired.

Without objection, the previous question is ordered.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. SKAGGS

Mr. SKAGGS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. SKAGGS. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SKAGGS moves to recommit the conference report on the bill H.R. 2076 (H. Rept. 104-378) to the committee of the conference report with the instruction that within the scope of the differences committed to them, that the managers on the part of the House insist that the funds intended for community policing from within the $1,903,000,000 provided under the heading "Violent Crime Reduction Programs, State and Local Law Enforcement Assistance" for Local Law Enforcement Black Grants, pursuant to H.R. 728 as passed by the House of Representatives on February 14, 1995, in the conference substitute be provided instead pursuant to the Public Safety Partnership and Community Policing provisions of title I of the Violent Crime Control and Law Enforcement Act of 1994 for which the Senate amendment provided funds.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. SKAGGS. 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 190, nays 231, not voting 11, as follows:

[Roll No. 840]

YEAS—190

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blute
Bonior
Borski
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—231

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bono
Boucher
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe

LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wolf
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Chapman
DeFazio
Fowler
Jefferson
Laughlin
Ros-Lehtinen
Tucker
Volkmer
Whitfield
Wilson
Young (AK)

□ 1816

Messrs. DELAY, POMBO, and NEUMAN changed their vote from "yea" to "nay."

Messrs. NADLER, CRAMER, and BEVILL changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. EMERSON). The question is on the conference report.

Pursuant to clause 7, rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 256, nays 166, not voting 10, as follows:

[Roll No. 841]

YEAS—256

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Petri
Pombo
Porter
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Roukema
Royce
Salmon
Saxton
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Young (FL)
Zeliff
Zimmer

NAYS—166

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Berman
Bishop
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chenoweth
Clay
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooley
Costello
Coyne
de la Garza
DeLauro
Dellums
Deutsch
Dingell
Dixon
Doggett
Dooley
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Moakley
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Portman
Poshard
Rangel
Reed
Richardson
Rose
Roth
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Scarborough
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stockman
Stokes
Studds
Stump
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wyden
Wynn
Yates

NOT VOTING—10

Chapman
Clayton
DeFazio
Fowler
Jefferson
Ros-Lehtinen
Tucker
Volkmer
Wilson
Young (AK)

□ 1832

The Clerk announced the following pair:

On this vote:

Ms. Ros-Lehtinen for, with Mr. DeFazio against.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. CLAYTON. Mr. Speaker, I was unavoidably detained. If I had been here, on H.R. 2076 I would have voted "no."

PERSONAL EXPLANATION

Mr. JEFFERSON. Mr. Speaker, I was unavoidably detained and missed two votes.

Had I been present, I have would have voted "yes" on rollcall 840 and "no" on rollcall 841.

PERSONAL EXPLANATION

Mrs. FOWLER. Mr. Speaker, due to a death in the family, I was not present for rollcall votes Nos. 840 and 841. Had I been present I would have voted "yes" on both of these rollcall votes.

PERSONAL EXPLANATION

Ms. ROS-LEHTINEN. Mr. Speaker, due to the illness of my mother-in-law, I was unable to vote on December 6. I would have voted "yes" on H.R. 290 waiving points of order against the conference report to accompany the bill H.R. 1058 to reform Federal securities litigation, "yes" on final passage of the conference report on H.R. 1058 and "no" on the motion to recommit the conference report on H.R. 2067, the Commerce, State, Justice and the Judiciary appropriations bill.

CONFERENCE REPORT ON H.R. 2099, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1996

Mr. LEWIS of California submitted the following conference report and statement on the bill (H.R. 2099) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes.

CONFERENCE REPORT (H. REPT. 104–384)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2099) "making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 12, 14, 20, 24, 43, 62, 67, 75, 82, 86, 87, 89, 90, 91, 92, 98, 111, 112, and 116.

That the House recede from its disagreement to the amendments of the Senate numbered, 6, 7, 10, 11, 17, 19, 21, 22, 26, 27, 28, 29, 30, 34, 35, 38, 39, 40, 42, 44, 45, 46, 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 59, 60, 61, 64, 69, 73, 78, 79, 84, 85, 88, 93, 95, 96, 97, 99, 100, 101, 103, 106, 107, 108, 113, and 115, and agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$16,564,000,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$848,143,000: Provided, That of the amount appropriated and any other funds made available from any other source for activities funded under this heading, except reimbursements, not to exceed $214,109,000 shall be available for General Administration; including not to exceed (1) $2,450,000 for personnel compensation and benefits and $50,000 for travel in the Office of the Secretary, (2) $4,392,000 for personnel compensation and benefits and $75,000 for travel in the Office of the Assistant Secretary for Policy and Planning, (3) $1,980,000 for personnel compensation and benefits and $33,000 for travel in the Office of the Assistant Secretary for Congressional Affairs, and (4) $3,500,000 for personnel compensation and benefits and $100,000 for travel in the Office of the Assistant Secretary for Public and Intergovernmental Affairs: Provided further, That during fiscal year 1996, notwithstanding any other provision of law, the number of individuals employed by the Department of Veterans Affairs (1) in other than "career appointee" positions in the Senior Executive Service shall not exceed 6, and (2) in schedule C positions shall not exceed 11: Provided further, That not to exceed $6,000,000 of the amount appropriated shall be available for administrative expenses to carry out the direct and guaranteed loan programs under the Loan Guaranty Program Account*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$136,155,000*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

Delete the matter proposed by said amendment and on page 16 of the House engrossed bill, H.R. 2099, delete the language on lines 9–18.

And the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment, insert: *$4,500,000*; and the Senate agreed to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, $10,155,795,000, to remain available until expended: Provided, That of the total amount provided under this head, $160,000,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb): Provided further, That of the total amount provided under this head, $2,500,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l), including up to $20,000,000 for the inspection of public housing units, contract expertise, and training and technical assistance, directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public and Indian housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public and Indian housing program: Provided further, That of the total amount provided under this head, $400,000,000 shall be for rental subsidy contracts under the section 8 existing housing certificate program and the housing voucher program under section 8 of the Act, except that such amounts shall be used only for units necessary to provide housing assistance for residents to be relocated from existing federally subsidized or assisted housing, for replacement housing for units demolished or disposed of (including units to be disposed of pursuant to a homeownership program under section 5(h) or title III of the United States Housing Act of 1937) from the public housing inventory, for funds related to litigation settlements, for the conversion of section 23 projects to assistance under section 8, for public housing agencies to implement allocation plans approved by the Secretary for designated housing, for funds to carry out the family unification program, and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: Provided further, That of the total amount provided under this head, $4,350,862,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, such amount shall be merged with all remaining obligated and unobligated balances heretofore appropriated under the heading "Renewal of expiring section 8 subsidy contracts": Provided further, That notwithstanding any other provision of law, assistance reserved under the two preceding provisos may be used in connection with any provision of Federal law enacted in this Act or after the enactment of this Act that authorizes the use of rental assistance amounts in connection with such terminated or expired contracts: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1996: Provided further, That of the total amount provided under this head, $610,575,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended; and $261,000,000 shall be for section 8 assistance and rehabilitation grants for property disposition: Provided further, That during fiscal year 1996, the Secretary of Housing and Urban Development may manage and dispose of multifamily properties owned by the Secretary, including the provision for grants from the General Insurance Fund (12 U.S.C. 1735c) for the necessary costs of rehabilitation and other related development costs, and multifamily mortgages held by the Secretary without regard to any other provision of law: Provided further, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section: Provided further, That of the total amount provided under this head, $171,000,000 shall be for housing opportunities for persons with AIDS under title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act; and $65,000,000 shall be for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992: Provided further, That the Secretary may make up to $5,000,000 of any amount recaptured in this account available for the development of performance and financial systems.

Of the total amount provided under this head, $624,000,000, plus amounts recaptured from interest reduction payment contracts for section 236 projects whose owners prepay their mortgages during fiscal year 1996 (which amounts shall be transferred and merged with this account), shall be for use in conjunction with properties that are eligible for assistance under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the Emergency Low-Income Housing Preservation Act of 1987 (ELIHPA): Provided, That prior

to July 1, 1996, funding to carry out plans of action shall be limited to sales of projects to nonprofit organizations, tenant-sponsored organizations, and other priority purchasers: Provided further, That of the amount made available by this paragraph, up to $10,000,000 shall be available for preservation technical assistance grants pursuant to section 253 of the Housing and Community Development Act of 1987, as amended: Provided further, That with respect to amounts made available by this paragraph, after July 1, 1996, if the Secretary determines that the demand for funding may exceed amounts available for such funding, the Secretary (1) may determine priorities for distributing available funds, including giving priority funding to tenants displaced due to mortgage prepayment and to projects that have not yet been funded but which have approved plans of action; and (2) may impose a temporary moratorium on applications by potential recipients of such funding: Provided further, That an owner of eligible low-income housing may prepay the mortgage or request voluntary termination of a mortgage insurance contract, so long as said owner agrees not to raise rents for sixty days after such prepayment: Provided further, That an owner of eligible low-income housing who has not timely filed a second notice under section 216(d) prior to the effective date of this Act may file such notice by March 1, 1996: Provided further, That such developments have been determined to have preservation equity at least equal to the lesser of $5,000 per unit or $500,000 per project or the equivalent of eight times the most recently published fair market rent for the area in which the project is located as the appropriate unit size for all of the units in the eligible project: Provided further, That the Secretary may modify the regulatory agreement to permit owners and priority purchasers to retain rental income in excess of the basic rental charge in projects assisted under section 236 of the National Housing Act, for the purpose of preserving the low and moderate income character of the housing: Provided further, That the Secretary may give priority to funding and processing the following projects provided that the funding is obligated not later than August 1, 1996: (1) projects with approved plans of action to retain the housing that file a modified plan of action no later than July 1, 1996 to transfer the housing; (2) projects with approved plans of action that are subject to a repayment or settlement agreement that was executed between the owner and the Secretary prior to September 1, 1995; (3) projects for which submissions were delayed as a result of their location in areas that were designated as a federal disaster area in a Presidential Disaster Declaration; and (4) projects whose processing was, in fact or in practical effect, suspended, deferred, or interrupted for a period of twelve months or more because of differing interpretations, by the Secretary and an owner or by the Secretary and a state or local rent regulatory agency, concerning the timing of filing eligibility or the effect of a presumptively applicable state or local rent control law or regulation on the determination of preservation value under section 213 of LIHPRHA, as amended, if the owner of such project filed notice of intent to extend the low-income affordability restrictions of the housing, or transfer to a qualified purchaser who would extend such restrictions, on or before November 1, 1993: Provided further, That eligible low-income housing shall include properties meeting the requirements of this paragraph with mortgages that are held by a State agency as a result of a sale by the Secretary without insurance, which immediately before the sale would have been eligible low-income housing under LIHPRHA: Provided further, That notwithstanding any other provision of law, subject to the availability of appropriated funds, each unassisted low-income family residing in the housing on the date of prepayment or voluntary termination, and whose rent, as a result of a rent increase occurring no later than one year after the date of the prepayment, exceeds 30 percent of adjusted income, shall be offered tenant-based assistance in accordance with section 8 or any successor program, under which the family shall pay no less for rent than it paid on such date: Provided further, That any family receiving tenant-based assistance under the preceding proviso may elect (1) to remain in the unit of the housing and if the rent exceeds the fair market rent or payment standard, as applicable, the rent shall be deemed to be the applicable standard, so long as the administering public housing agency finds that the rent is reasonable in comparison with rents charged for comparable unassisted housing units in the market or (2) to move from the housing and the rent will be subject to the fair market rent of the payment standard, as applicable, under existing program rules and procedures: Provided further, That up to $10,000,000 of the amount made available by this paragraph may be used at the discretion of the Secretary to reimburse owners of eligible properties for which plans of action were submitted prior to the effective date of this Act, but were not executed for lack of available funds, with such reimbursement available only for documented costs directly applicable to the preparation of the plan of action as determined by the Secretary, and shall be made available on terms and conditions to be established by the Secretary: Provided further, That, notwithstanding any other provision of law, effective October 1, 1996, the Secretary shall suspend further processing of preservation applications which do not have approved plans of action.

Of the total amount provided under this head, $780,190,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959; and $233,168,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act; and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act: Provided, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of the Cranston-Gonzalez National Affordable Housing Act for tenant-based assistance, as authorized under that section, which assistance is five-years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.

PUBLIC HOUSING DEMOLITION, SITE REVITALIZATION, AND REPLACEMENT HOUSING GRANTS

For grants to public housing agencies for the purposes of enabling the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937 for the purpose of providing replacement housing and assisting tenants to be displaced by the demolition, $280,000,000, to remain available until expended: Provided, That the Secretary of Housing and Urban Development shall award such funds to public housing agencies by a competition which includes among other relevant criteria the local and national impact of the proposed demolition and revitalization activities and the extent to which the public housing agency could undertake such activities without the additional assistance to be provided hereunder: Provided further, That eligible expenditures hereunder shall be those expenditures eligible under section 8 and section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437f and l): Provided further, That the Secretary may impose such conditions and requirements as the Secretary deems appropriate to effectuate the purposes of this paragraph: Provided further, That the Secretary may require an agency selected to receive funding to make arrangements satisfactory to the Secretary for use of an entity other than the agency to carry out this program where the Secretary determines that such action will help to effectuate the purpose of this paragraph: Provided further, That in the event an agency selected to receive funding does not proceed expeditiously as determined by the Secretary, the Secretary shall withdraw any funding made available pursuant to this paragraph that has not been obligated by the agency and distribute such funds to one or more other eligible agencies, or to other entities capable of proceeding expeditiously in the same locality with the original program: Provided further, That of the foregoing $280,000,000, the Secretary may use up to .67 per centum for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided further, That any replacement housing provided with assistance under this head shall be subject to section 18(f) of the United States Housing Act of 1937, as amended by section 201(b)(2) of this Act

And the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

For grants to public and Indian housing agencies for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $290,000,000, to remain available until expended, of which $10,000,000 shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training) and of which $2,500,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector

General of the Department of Housing and Urban Development: Provided, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary.

And the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$823,000,000*; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the senate numbered 25, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$50,000,000*; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to $53,000,000 for grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals to become self-sufficient: Provided, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services shall include congregate services for the elderly and disabled, service coordinators, and coordinated educational, training, and other supportive services, including academic skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, transportation, and child care: Provided further, That the Secretary shall require applicants to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this head on a competitive basis, taking into account the quality of the proposed program (including any innovative approaches), the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary.

Of the amount made available under this heading, notwithstanding any other provision of law, $12,000,000 shall be available for contracts, grants, and other assistance, other than loans, not otherwise provided for, for providing counseling and advice to tenants and homeowners both current and prospective, with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106 of the Housing and Urban Development Act of 1968, as amended, notwithstanding section 106(c)(9) and section 106(d)(13) of such Act.

Of the amount made available under this heading, notwithstanding any other provision of law, $15,000,000 shall be available for the tenant opportunity program.

Of the amount made available under this heading, notwithstanding any other provision of law, $20,000,000 shall be available for youth build program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading.

And the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$31,750,000*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

$1,500,000,000: Provided further, That the Secretary of Housing and Urban Development may make guarantees not to exceed the immediately foregoing amount notwithstanding the aggregate limitation on guarantees set forth in section 108(k) of the Housing and Community Development Act of 1974; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and for contracts with qualified fair housing enforcement organizations, as authorized by section 561 of the Housing and Community Development Act of 1987, as amended by the Housing and Community Development Act of 1992, $30,000,000, to remain available until September 30, 1997.

And the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$962,558,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$47,850,000*; and the Senate agree to the same.

Amendment numbered 48:

That the House receded from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert:

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of modifying such loans; $85,000,000, to remain available until expended: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total; and the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

SEC. 201. EXTEND ADMINISTRATIVE PROVISIONS FROM THE RESCISSION ACT.

(a) PUBLIC AND INDIAN HOUSING MODERNIZATION.—

(1) Expansion of use of modernization funding.—Subsection 14(q) of the United States Housing Act of 1937 is amended to read as follows:

"(q)(1) In addition to the purposes enumerated in subsections (a) and (b), a public housing agency may use modernization assistance provided under section 14, and development assistance provided under section 5(a) that was not allocated, as determined by the secretary, for priority replacement housing, for any eligible activity authorized by this section, by section 5, or by applicable Appropriations Acts for a public housing agency, including the demolition, rehabilitation, revitalization, and replacement of existing units and projects and, for up to 10 percent of its allocation of such funds in any fiscal year, for any operating subsidy purpose authorized in section 9. Except for assistance used for operating subsidy purposes under the preceding sentence, assistance provided to a public housing agency under this section shall principally be used for the physical improvement or replacement of public housing and for associated management improvements, except as otherwise approved by the Secretary. Public housing units assisted under this paragraph shall be eligible for operating subsidies, unless the Secretary determines that such units or projects have not received sufficient assistance under this Act or do not meet other requirements of this Act.

"(2) A public housing agency may provide assistance to developments that include units for other than very low-income families ('mixed income developments'), in the form of a grant, loan, operating assistance, or other form of investment which may be made to—

(A) a partnership, a limited liability company, or other legal entity in which the public housing agency or its affiliate is a general partner managing member, or otherwise participates in the activities of such entity; or

(B) any entity which grants to the public housing agency the option to purchase the development within 20 years after initial occupancy in accordance with section 42(i)(7) of the Internal Revenue Code of 1986, as amended. Units shall be made available in such developments for periods of not less than 20 years, by master contract or by individual lease, for occupancy by low-income families referred from time to time by the public housing agency. The number of such units shall be:

(i) in the same proportion to the total number of units in such development that the total financial commitment provided by the public housing agency bears to the value of the total financial commitment in the development, or

(ii) not be less than the number of units that could have been developed under the convention

public housing program with the assistance involved, or

(iii) as may otherwise be approved by the Secretary.

"(3) A mixed income development may elect to have all units subject only to the applicable local real estate taxes, notwithstanding that the low-income units assisted by public housing funds would otherwise be subject to section 6(d) of the Housing Act of 1937.

"(4) If an entity that owns or operates a mixed-income project under this subsection enters into a contract with a public housing agency, the terms of which obligate the entity to operate and maintain a specified number of units in the project as public housing units in accordance with the requirements of this Act for the period required by law, such contractual terms may provide that, if, as a result of a reduction in appropriations under section 9, or any other change in applicable law, the public housing agency is unable to fulfill its contractual obligations with respect to those public housing units, that entity may deviate, under procedures and requirements developed through regulations by the Secretary, from otherwise applicable restrictions under this Act regarding rents, income eligibility, and other areas of public housing management with respect to a portion or all of those public housing units, to the extent necessary to preserve the viability of those units while maintaining the low-income character of the units, to the maximum extent practicable.".

(2) APPLICABILITY.—Section 14(q) of the United States Housing Act of 1937. As amended by subsection (a) of this section, shall be effective only with respect to assistance provided from funds made available for fiscal year 1996 or any preceding fiscal year.

(3) APPLICABILITY TO IHAS.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendment made by this subsection shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

(b) ONE-FOR-ONE REPLACEMENT OF PUBLIC AND INDIAN HOUSING.—

(1) EXTENDED AUTHORITY.—Section 1002(d) of Public Law 104–19 is amended to read as follows:

"(d) Subsections (a), (b), and (c) shall be effective for applications for the demolition, disposition, or conversion of homeownership of public housing approved by the Secretary, and other consolidation and relocation activities of public housing agencies undertaken, on, before, or after September 30, 1995 and before September 30, 1996.".

(2) Section 18(f) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence:

"No one may rely on the preceding sentence as the basis for reconsidering a final order of a court issued, or a settlement approved by, a court.".

(3) APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by this subsection and by sections 1002 (a), (b), and (c) of Public Law 104–19 shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

SEC. 202. PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS, AND PREFERENCES.

(a) MINIMUM RENTS.—Notwithstanding sections 3(a) and 8(o)(2) of the United States Housing Act of 1937, as amended, effective for fiscal year 1996 and no later than October 30, 1995—

(1) public housing agencies shall require each family who is assisted under the certificate or moderate rehabilitation program under section 8 of such Act to pay a minimum monthly rent of not less than $25, and may require a minimum monthly rent of up to $50;

(2) public housing agencies shall reduce the monthly assistance payment on behalf of each family who is assisted under the voucher program under section 8 of such Act so that the family pays a minimum monthly rent of not less than $25, and may require a minimum monthly rent of up to $50;

(3) with respect to housing assisted under other programs for rental assistance under section 8 of such Act, the Secretary shall require each family who is assisted under such program to pay a minimum monthly rent of not less than $25 for the unit, and may require a minimum monthly rent of up to $50; and

(4) public housing agencies shall require each family who is assisted under the public housing program (including public housing for Indian families) of such Act to pay a minimum monthly rent of not less than $25, and may require a minimum monthly rent of up to $50.

(b) ESTABLISHMENT OF CEILING RENTS.—

(1) Section 3(a)(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2) Notwithstanding paragraph (1), a public housing agency may—

"(A) adopt ceiling rents that reflect the reasonable market value of the housing, but that are not less than the monthly costs—

"(i) to operate the housing of the agency; and

"(ii) to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

"(B) allow families to pay ceiling rents referred to in subparagraph (A), unless, with respect to any family, the ceiling rent established under this paragraph would exceed the amount payable as rent by that family under paragraph (1).".

(2) Regulations.—

(A) IN GENERAL.—The Secretary shall, by regulation, after notice and an opportunity for public comment, establish such requirements as may be necessary to carry out section 3(a)(2)(A) of the United States Housing Act of 1937, as amended by paragraph (1).

(B) TRANSITION RULE.—Prior to the issuance of final regulations under paragraph (1), a public housing agency may implement ceiling rents, which shall be not less than the monthly costs to operate the housing of the agency and—

(i) determined in accordance with section 3(a)(2)(A) of the United States Housing Act of 1937, as that section existed on the day before enactment of this Act;

(ii) equal to the 95th percentile of the rent paid for a unit of comparable size by tenants in the same public housing project or a group of comparable projects totaling 50 units or more; or

(iii) equal to the fair market rent for the area in which the unit is located.

(c) DEFINITION OF ADJUSTED INCOME.—Section 3(b)(5) of the United States Housing Act of 1937 is amended—

(1) at the end of subparagraph (F), by striking "and";

(2) at the end of subparagraph (G), by striking the period and inserting "; and"; and

(3) by inserting after subparagraph (G) the following:

"(H) for public housing, any other adjustments to earned income established by the public housing agency. If a public housing agency adopts other adjustments to income pursuant to subparagraph (H), the Secretary shall not take into account any reduction of or increase in the public housing agency's per unit dwelling rental income resulting from those adjustments when calculating the contributions under section 9 for the public housing agency for the operation of the public housing.".

(d) REPEAL OF FEDERAL PREFERENCES.—

(1) PUBLIC HOUSING.—Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended to read as follows:

"(A) the establishment, after public notice and an opportunity for public comment, of a written system of preferences for admission to public housing, if any, that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;".

(2) SECTION 8 EXISTING AND MODERATE REHABILITATION.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

"(A) the selection of tenants shall be the function of the owner, subject to the provisions of the annual contributions contract between the Secretary and the agency, except that for the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;".

(3) SECTION 8 VOUCHER PROGRAM.—Section 8(o)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)(B)) is amended to read as follows:

"(B) For the purpose of selecting families to be assisted under this subsection, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act.".

(4) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(A) REPEAL.—Section 545(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended to read as follows:

"(c) [Reserved.]".

(B) PROHIBITION.—Notwithstanding any other provision of law, no Federal tenant selection preferences under the United States Housing Act of 1937 shall apply with respect to—

(i) housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937 (as such section existed on the day before October 1, 1983); or

(ii) projects financed under section 202 of the Housing Act of 1959 (as such section existed on the day before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act).

(5) RENT SUPPLEMENTS.—Section 101(k) of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is amended to read as follows:

"(k) [Reserved.]".

(6) CONFORMING AMENDMENTS.—

(A) UNITED STATES HOUSING ACT OF 1937.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(i) in section 6(o), by striking "preference rules specified in" and inserting "written system of preferences for selection established pursuant to";

(ii) in the second sentence of section 7(a)(2), by striking "according to the preferences for occupancy under" and inserting "in accordance with the written system of preferences for selection established pursuant to";

(iii) in section 8(d)(2)(A), by striking the last sentence;

(iv) in section 8(d)(2)(H), by striking "Notwithstanding subsection (d)(1)(A)(i), an" and inserting "An";

(v) in section 16(c), in the second sentence, by striking "the system of preferences established

by the agency pursuant to section 6(c)(4)(A)(ii)" and inserting "the written system of preferences for selection established by the public housing agency pursuant to section 6(c)(4)(A)"; and

(vi) in section 24(e)—

(I) by striking "(e) EXCEPTIONS" and all that follows through "The Secretary may" and inserting the following:

"(e) EXCEPTION TO GENERAL PROGRAM REQUIREMENTS.—The Secretary may"; and

(II) by striking paragraph (2).

(B) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—Section 522(f)(6)(B) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704 et seq.) is amended by striking "any preferences for such assistance under section 8(d)(1)(A)(i)" and inserting "the written system of preferences for selection established pursuant to section 8(d)(1)(A)".

(C) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking "the preferences" and all that follows up to the period at the end and inserting "any preferences".

(D) REFERENCES IN OTHER LAW.—Any reference in any Federal law other than any provision of any law amended by paragraphs (1) through (5) of this subsection to the preferences for assistance under section 6(c)(4)(A)(i), 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States Housing Act of 1937 (as such sections existed on the day before the date of enactment of this Act) shall be considered to refer to the written system of preferences for selection established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(3)(B), respectively, of the United States Housing Act of 1937, as amended by this section.

(e) APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by subsections (a), (b), (c), (d), and (f) of this section shall also apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

(f) This section shall be effective upon the enactment of this Act and only for fiscal year 1996.

SEC. 203. CONVERSION OF CERTAIN PUBLIC HOUSING TO VOUCHERS.

(a) IDENTIFICATION OF UNITS.—Each public housing agency shall identify any public housing developments—

(1) that are on the same or contiguous sites;

(2) that total more than—

(A) 300 dwelling units; or

(B) in the case of high-rise family buildings or substantially vacant buildings, 300 dwelling units;

(3) that have a vacancy rate of at least 10 percent for dwelling units not in funded, on-schedule modernization programs;

(4) identified as distressed housing that the public housing agency cannot assure the long-term viability as public housing through reasonable revitalization, density reduction, or achievement of a broader range of household income; and

(5) for which the estimated cost of continued operation and modernization of the developments as public housing exceeds the cost of providing tenant-based assistance under section 8 of the United States Housing Act of 1937 for all families in occupancy, based on appropriate indicators of cost (such as the percentage of total development cost required for modernization).

(b) IMPLEMENTATION AND ENFORCEMENT.—

(1) STANDARDS FOR IMPLEMENTATION.—The Secretary shall establish standards to permit implementation of this section in fiscal year 1996.

(2) CONSULTATION.—Each public housing agency shall consult with the applicable public housing tenants and the unit of general local government in identifying any public housing developments under subsection (a).

(3) FAILURE OF PHAS TO COMPLY WITH SUBSECTION (A).—Where the Secretary determines that—

(A) a public housing agency has failed under subsection (a) to identify public housing developments for removal from the inventory of the agency in a timely manner;

(B) a public housing agency has failed to identify one or more public housing developments which the Secretary determines should have been identified under subsection (a); or

(C) one or more of the developments identified by the public housing agency pursuant to subsection (a) should not, in the determination of the Secretary, have been identified under that subsection;

the Secretary may designate the developments to be removed from the inventory of the public housing agency pursuant to this section.

(c) REMOVAL OF UNITS FROM THE INVENTORIES OF PUBLIC HOUSING AGENCIES.—

(1) Each public housing agency shall develop and carry out a plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a) or subsection (b)(3), over a period of up to five years, from the inventory of the public housing agency and the annual contributions contract. The plan shall be approved by the relevant local official as not inconsistent with the Comprehensive Housing Affordability Strategy under title I of the Housing and Community Development Act of 1992, including a description of any disposition and demolition plan for the public housing units.

(2) The Secretary may extend the deadline in paragraph (1) for up to an additional five years where the Secretary makes a determination that the deadline is impracticable.

(3) The Secretary shall take appropriate actions to ensure removal of developments identified under subsection (a) or subsection (b)(3) from the inventory of a public housing agency, if the public housing agency fails to adequately develop a plan under paragraph (1), or fails to adequately implement such plan in accordance with the terms of the plan.

(4) To the extent approved in appropriations Acts, the Secretary may establish requirements and provide funding under the Urban Revitalization Demonstration program for demolition and disposition of public housing under this section.

(5) Notwithstanding any other provision of law, if a development is removed from the inventory of a public housing agency and the annual contributions contract pursuant to paragraph (1), the Secretary may authorize or direct the transfer of—

(A) in the case of an agency receiving assistance under the comprehensive improvement assistance program, any amounts obligated by the Secretary for the modernization of such development pursuant to section 14 of the United States Housing Act of 1937;

(B) in the case of an agency receiving public and Indian housing modernization assistance by formula pursuant to section 14 of the United States Housing Act of 1937, any amounts provided to the agency which are attributable pursuant to the formula for allocating such assistance to the development removed from the inventory of that agency; and

(C) in the case of an agency receiving assistance for the major reconstruction of obsolete projects, any amounts obligated by the Secretary for the major reconstruction of the development pursuant to section 5 of such Act,

to the tenant-based assistance program or appropriate site revitalization of such agency.

(6) Cessation of unnecessary spending.—Notwithstanding any other provision of law, if, in the determination of the Secretary, a development meets or is likely to meet the criteria set forth in subsection (a), the Secretary may direct the public housing agency to cease additional spending in connection with the development, except to the extent that additional spending is necessary to ensure decent, safe, and sanitary housing until the Secretary determines or approves an appropriate course of action with respect to such development under this section.

(d) CONVERSION TO TENANT-BASED ASSISTANCE.—

(1) The Secretary shall make authority available to a public housing agency to provide tenant-based assistance pursuant to section 8 to families residing in any development that is removed from the inventory of the public housing agency and the annual contributions contract pursuant to subsection (b).

(2) Each conversion plan under subsection (c) shall—

(A) require the agency to notify families residing in the development, consistent with any guidelines issued by the Secretary governing such notifications, that the development shall be removed from the inventory of the public housing agency and the families shall receive tenant-based or project-based assistance, and to provide any necessary counseling for families; and

(B) ensure that all tenants affected by a determination under this section that a development shall be removed from the inventory of a public housing agency shall be offered tenant-based or project-based assistance and shall be relocated, as necessary, to other decent, safe, sanitary, and affordable housing which is, to the maximum extent practicable, housing of their choice.

(e) IN GENERAL.—

(1) The Secretary may require a public housing agency to provide such information as the Secretary considers necessary for the administration of this section.

(2) As used in this section, the term "development" shall refer to a project or projects, or to portions of a project or projects, as appropriate.

(3) Section 18 of the United States Housing Act of 1937 shall not apply to the demolition of developments removed from the inventory of the public housing agency under this section.

SEC. 204. STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.

(a) "TAKE-ONE, TAKE-ALL".—Section 8(t) of the United States Housing Act of 1937 is hereby repealed.

(b) EXEMPTION FROM NOTICE REQUIREMENTS FOR THE CERTIFICATE AND VOUCHER PROGRAMS.—Section 8(c) of such Act is amended—

(1) in paragraph (8), by inserting after "section" the following: "(other than a contract for assistance under the certificate or voucher program)"; and

(2) in the first sentence of paragraph (9), by striking "(but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o))" and inserting ", other than a contract under the certificate or voucher program".

(c) ENDLESS LEASE.—Section 8(d)(1)(B) of such Act is amended—

(1) in clause (ii), by inserting "during the term of the lease," after "(ii)"; and

(2) in clause (iii), by striking "provide that" and inserting "during the term of the lease,".

(d) APPLICABILITY.—The provisions of this section shall be effective for fiscal year 1996 only.

Sec. 205. SECTION 8 FAIR MARKET RENTALS, ADMINISTRATIVE FEES, AND DELAY IN REISSUANCE.

(a) FAIR MARKET RENTALS.—The Secretary shall establish fair market rentals for purposes of section 8(c)(1) of the United States Housing Act of 1937, as amended, that shall be effective for fiscal year 1996 and shall be based on the 40th percentile rent of rental distributions of

standard quality rental housing units. In establishing such fair market rentals, the Secretary shall consider only the rents for dwelling units occupied by recent movers and may not consider the rents for public housing dwelling units or newly constructed rental dwelling units.

(b) ADMINISTRATIVE FEES.—Notwithstanding sections 8(q)(1) and (4) of the United States Housing Act of 1937, for fiscal year 1996, the fee for each month for which a dwelling unit is covered by an assistance contract under the certificate, voucher, or moderate rehabilitation program under section 8 of such Act shall be equal to the monthly fee payable for fiscal year 1995: Provided, That this subsection shall be applicable to all amounts made available for such fees during fiscal year 1996, as if in effect on October 1, 1995.

(c) DELAY REISSUANCE OF VOUCHERS AND CERTIFICATES.—Notwithstanding any other provision of law, a public housing agency administering certificate or voucher assistance provided under subsection (b) or (o) of section 8 of the United States Housing Act of 1937, as amended, shall delay for 3 months, the use of any amounts of such assistance (or the certificate or voucher representing assistance amounts) made available by the termination during fiscal year 1996 of such assistance on behalf of any family for any reason, but not later than October 1, 1996; with the exception of any certificates assigned or committed to project based assistance as permitted otherwise by the Act, accomplished prior to the effective date of this Act.

SEC. 206. PUBLIC HOUSING/SECTION 8 MOVING TO WORK DEMONSTRATION.

(a) PURPOSE.—The purpose of this demonstration is to give public housing agencies and the Secretary of Housing and Urban Development the flexibility to design and test various approaches for providing and administering housing assistance that: reduce cost and achieve greater cost effectiveness in Federal expenditures; give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and increase housing choices for low-income families.

(b) PROGRAM AUTHORITY.—The Secretary of Housing and Urban Development shall conduct a demonstration program under this section beginning in fiscal year 1996 under which up to 30 public housing agencies (including Indian housing authorities) administering the public or Indian housing program and the section 8 housing assistance payments program, administering a total number of public housing units not in excess of 25,000, may be selected by the Secretary to participate. The Secretary shall provide training and technical assistance during the demonstration and conduct detailed evaluations of up to 15 such agencies in an effort to identify replicable program models promoting the purpose of the demonstration. Under the demonstration, notwithstanding any provision of the United States Housing Act of 1937 except as provided in subsection (e), an agency may combine operating assistance provided under section 9 of the United States Housing Act of 1937, modernization assistance provided under section 14 of such Act, and assistance provided under section 8 of such Act for the certificate and voucher programs, to provide housing assistance for low-income families, as defined in section 3(b)(2) of the United States Housing Act of 1937, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve.

(c) APPLICATION.—An application to participate in the demonstration—

(1) shall request authority to combine assistance under sections 8, 9, and 14 of the United States Housing Act of 1937;

(2) shall be submitted only after the public housing agency provides for citizen participation through a public hearing and, if appropriate, other means;

(3) shall include a plan developed by the agency that takes into account comments from the public hearing and any other public comments on the proposed program, and comments from current and prospective residents who would be affected, and that includes criteria for—

(A) families to be assisted, which shall require that at least 75 percent of the families assisted by participating demonstration public housing authorities shall be very low-income families, as defined in section 3(b)(2) of the United States Housing Act of 1937, and at least 50 percent of the families selected shall have incomes that do not exceed 30 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family income;

(B) establishing a reasonable rent policy, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent;

(C) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined;

(D) maintaining a comparable mix of families (by family size) as would have been provided had the amounts not been used under the demonstration; and

(E) assuring that housing assisted under the demonstration program meets housing quality standards established or approved by the Secretary; and

(4) may request assistance for training and technical assistance to assist with design of the demonstration and to participate in a detailed evaluation.

(d) SELECTION.—In selecting among applications, the Secretary shall take into account the potential of each agency to plan and carry out a program under the demonstration, the relative performance by an agency under the public housing management assessment program under section 6(j) of the United States Housing Act of 1937, and other appropriate factors as determined by the Secretary.

(e) APPLICABILITY OF 1937 ACT PROVISIONS.—

(1) Section 18 of the United States Housing Act of 1937 shall continue to apply to public housing notwithstanding any use of the housing under this demonstration.

(2) Section 12 of such Act shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance.

(f) EFFECT ON SECTION 8, OPERATING SUBSIDIES, AND COMPREHENSIVE GRANT PROGRAM ALLOCATIONS.—The amount of assistance received under section 8, section 9, or pursuant to section 14 by a public housing agency participating in the demonstration under this part shall not be diminished by its participation.

(g) RECORDS, REPORTS, AND AUDITS.—

(1) KEEPING OF RECORDS.—Each agency shall keep such records as the Secretary may prescribe as reasonably necessary to disclose the amounts and the disposition of amounts under this demonstration, to ensure compliance with the requirements of this section, and to measure performance.

(2) REPORTS.—Each agency shall submit to the Secretary a report, or series of reports, in a form and at a time specified by the Secretary. Each report shall—

(A) document the use of funds made available under this section;

(B) provide such data as the Secretary may request to assist the Secretary in assessing the demonstration; and

(C) describe and analyze the effect of assisted activities in addressing the objectives of this part.

(3) ACCESS TO DOCUMENTS BY THE SECRETARY.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this section.

(4) ACCESS TO DOCUMENTS BY THE COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall have access for the purpose of audit and examination of any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this section.

(h) EVALUATION AND REPORT.—

(1) CONSULTATION WITH PHA AND FAMILY REPRESENTATIVES.—In making assessments throughout the demonstration, the Secretary shall consult with representatives of public housing agencies and residents.

(2) REPORT TO CONGRESS.—Not later than 180 days after the end of the third year of the demonstration, the Secretary shall submit to the Congress a report evaluating the programs carried out under the demonstration. The report shall also include findings and recommendations for any appropriate legislative action.

(i) FUNDING FOR TECHNICAL ASSISTANCE AND EVALUATION.—From amounts appropriated for assistance under section 14 of the United States Housing Act of 1937 for fiscal years 1996, 1997, and 1998, the Secretary may use up to a total of $5,000,000—

(1) to provide, directly or by contract, training and technical assistance—

(A) to public housing agencies that express an interest to apply for training and technical assistance pursuant to subsection (c)(4), to assist them in designing programs to be proposed for the demonstration; and

(B) to up to 10 agencies selected to receive training and technical assistance pursuant to subsection (c)(4), to assist them in implementing the approved program; and

(2) to conduct detailed evaluations of the activities of the public housing agencies under paragraph (1)(B), directly or by contract.

SEC. 207. REPEAL OF PROVISIONS REGARDING INCOME DISREGARDS.

(a) MAXIMUM ANNUAL LIMITATION ON RENT INCREASES RESULTING FROM EMPLOYMENT.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act is hereby repealed, retroactive to November 28, 1990, and shall be of no effect.

(b) ECONOMIC INDEPENDENCE.—Section 923 of the Housing and Community Development Act of 1992 is hereby repealed, retroactive to October 28, 1992, and shall be of no effect.

SEC. 208. EXTENSION OF MULTIFAMILY HOUSING FINANCE PROGRAMS.

(a) The first sentence of section 542(b)(5) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking "on not more than 15,000 units over fiscal years 1993 and 1994" and inserting "on not more than 7,500 units during fiscal year 1996".

(b) The first sentence of section 542(c)(4) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended by striking "on not to exceed 30,000 units over fiscal years 1993, 1994, and 1995" and inserting "on not more than 10,000 units during fiscal year 1996".

SEC. 209. FORECLOSURE OF HUD-HELD MORTGAGES THROUGH THIRD PARTIES.

During fiscal year 1996, the Secretary of Housing and Urban Development may delegate to one or more entities the authority to carry out some or all of the functions and responsibilities of the Secretary in connection with the foreclosure of mortgages held by the Secretary under the National Housing Act.

SEC. 210. RESTRUCTURING OF THE HUD MULTIFAMILY MORTGAGE PORTFOLIO THROUGH STATE HOUSING FINANCE AGENCIES.

During fiscal year 1996, the Secretary of Housing and Urban Development may sell or otherwise transfer multifamily mortgages held by the Secretary under the National Housing Act to a State housing finance agency in connection with a program authorized under section 542 (b) or (c) of the Housing and Community Development Act of 1992 without regard to the unit limitations in section 542(b)(5) or 542(c)(4) of such Act.

SEC. 211. TRANSFER OF SECTION 8 AUTHORITY.

(a) Section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection at the end:

"(bb) TRANSFER OF BUDGET AUTHORITY.—If an assistance contract under this section, other than a contract for tenant-based assistance, is terminated or is not renewed, or if the contract expires, the Secretary shall, in order to provide continued assistance to eligible families, including eligible families receiving the benefit of the project-based assistance at the time of the termination, transfer any budget authority remaining in the contract to another contract. The transfer shall be under such terms as the Secretary may prescribe.".

SEC. 212. DOCUMENTATION OF MULTIFAMILY REFINANCING.

Notwithstanding the 16th paragraph under the item relating to "administrative provisions" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103–327; 108 Stat. 2316), the amendments to section 223(a)(7) of the National Housing Act made by the 15th paragraph of such Act shall be effective during fiscal year 1996 and thereafter.

SEC. 213. FHA MULTIFAMILY DEMONSTRATION AUTHORITY.

(a) On and after October 1, 1995, and before October 1, 1997, the Secretary of Housing and Urban Development shall initiate a demonstration program with respect to multifamily projects whose owners agree to participate and whose mortgages are insured under the National Housing Act and that are assisted under section 8 of the United States Housing Act of 1937 and whose present section 8 rents are, in the aggregate, in excess of the fair market rent of the locality in which the project is located. These programs shall be designed to test the feasibility and desirability of the goal of ensuring, to the maximum extent practicable, that the debt service and operating expenses, including adequate reserves, attributable to such multifamily projects can be supported with or without mortgage insurance under the National Housing Act and with or without above-market rents and utilizing project-based assistance or, with the consent of the property owner, tenant based assistance, while taking into account the need for assistance of low and very low income families in such projects. In carrying out this demonstration, the Secretary may use arrangements with third parties, under which the Secretary may provide for the assumption by the third parties (by delegation, contract, or otherwise) of some or all of the functions, obligations, and benefits of the Secretary.

(1) GOALS.—The Secretary of Housing and Urban Development shall carry out the demonstration programs under this section in a manner that—

(A) will protect the financial interests of the Federal Government;

(B) will result in significant discretionary cost savings through debt restructuring and subsidy reduction; and

(C) will, in the least costly fashion, address the goals of—

(i) maintaining existing housing stock in a decent, safe, and sanitary condition;

(ii) minimizing the involuntary displacement of tenants;

(iii) restructuring the mortgages of such projects in a manner that is consistent with local housing market conditions;

(iv) supporting fair housing strategies;

(v) minimizing any adverse income tax impact on property owners; and

(vi) minimizing any adverse impact on residential neighborhoods.

In determining the manner in which a mortgage is to be restructured or the subsidy reduced, the Secretary may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

(2) DEMONSTRATION APPROACHES.—In carrying out the demonstration programs, subject to the appropriation in subsection (f), the Secretary may use one or more of the following approaches:

(A) Joint venture arrangements with third parties, under which the Secretary may provide for the assumption by the third parties (by delegation, contract, or otherwise) of some or all of the functions, obligations, and benefits of the Secretary.

(B) Subsidization of the debt service of the project to a level that can be paid by an owner receiving an unsubsidized market rent.

(C) Renewal of existing project-based assistance contracts where the Secretary shall approve proposed initial rent levels that do not exceed the greater of 120 percent of fair market rents or comparable market rents for the relevant metropolitan market area or at rent levels under a budget-based approach.

(D) Nonrenewal of expiring existing project-based assistance contracts and providing tenant-based assistance to previously assisted households.

(b) For purposes of carrying out demonstration programs under subsection (a)—

(1) the Secretary may manage and dispose of multifamily properties owned by the Secretary as of October 1, 1995 and multifamily mortgages held by the Secretary as of October 1, 1995 for properties assisted under section 8 with rents above 110 percent of fair market rents without regard to any other provision of law; and

(2) the Secretary may delegate to one or more entities the authority to carry out some or all of the functions and responsibilities of the Secretary in connection with the foreclosure of mortgages held by the Secretary under the National Housing Act.

(c) For purposes of carrying out demonstration programs under subsection (a), subject to such third party consents (if any) as are necessary including but not limited to (i) consent by the Government National Mortgage Association where it owns a mortgage insured by the Secretary; (ii) consent by an issuer under the mortgage-backed securities program of the Association, subject to the responsibilities of the issuer to its security holders and the Association under such program; and (iii) parties to any contractual agreement which the Secretary proposes to modify or discontinue, and subject to the appropriation in subsection (c), the Secretary or one or more third parties designated by the Secretary may take the following actions:

(1) Notwithstanding any other provision of law, and subject to the agreement of the project owner, the Secretary or third party may remove, relinquish, extinguish, modify, or agree to the removal of any mortgage, regulatory agreement, project-based assistance contract, use agreement, or restriction that had been imposed or required by the Secretary, including restrictions on distributions of income which the Secretary or third party determines would interfere with the ability of the project to operate without above market rents. The Secretary or third party may require an owner of a property assisted under the section 8 new construction/substantial rehabilitation program to apply any accumulated residual receipts toward effecting the purposes of this section.

(2) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may enter into contracts to purchase reinsurance, or enter into participations or otherwise transfer economic interest in contracts of insurance or in the premiums paid, or due to be paid, on such insurance to third parties, on such terms and conditions as the Secretary may determine.

(3) The Secretary may offer project-based assistance with rents at or below fair market rents for the locality in which the project is located and may negotiate such other terms as are acceptable to the Secretary and the project owner.

(4) The Secretary may offer to pay all or a portion of the project's debt service, including payments monthly from the appropriate Insurance Fund, for the full remaining term of the insured mortgage.

(5) Notwithstanding any other provision of law, the Secretary may forgive and cancel any FHA-insured mortgage debt that a demonstration program property cannot carry at market rents while bearing full operating costs.

(6) For demonstration program properties that cannot carry full operating costs (excluding debt service) at market rents, the Secretary may approve project-based rents sufficient to carry such full operating costs and may offer to pay the full debt service in the manner provided in paragraph (4).

(d) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures to provide appropriate and timely notice to officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

(e) LIMITATION ON DEMONSTRATION AUTHORITY.—The Secretary may carry out demonstration programs under this section with respect to mortgages not to exceed 15,000 units. The demonstration authorized under this section shall not be expanded until the reports required under subsection (f) are submitted to the Congress.

(f) APPROPRIATION.—For the cost of modifying loans held or guaranteed by the Federal Housing Administration, as authorized by this subsection (a)(2) and subsection (c), $30,000,000, to remain available until September 30, 1997: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

(g) REPORT TO CONGRESS.—The Secretary shall submit to the Congress every six months after the date of enactment of this Act a report describing and assessing the programs carried out under the demonstrations. The Secretary shall also submit a final report to the Congress not later than six months after the end of the demonstrations. The reports shall include findings and recommendations for any legislative action appropriate. The reports shall also include a description of the status of each multifamily housing project selected for the demonstrations under this section. The final report may include—

(1) the size of the projects;

(2) the geographic locations of the projects, by State and region;

(3) the physical and financial condition of the projects;

(4) the occupancy profile of the projects, including the income, family size, race, and ethnic origin of current tenants, and the rents paid by such tenants;

(5) a description of actions undertaken pursuant to this section, including a description of the effectiveness of such actions and any impediments to the transfer or sale of mulifamily housing projects;

(6) a description of the extent to which the demonstrations under this section have displaced tenants of multifamily housings projects;

(7) a description of any of the functions performed in connection with this section that are transferred or contracted out to public or private entities or to States;

(8) a description of the impact to which the demonstrations under this section have affected the localities and communities where the selected multifamily housing projects are located; and

(9) a description of the extent to which the demonstrations under this section have affected the owners of multifamily housing projects.

SEC. 214. SECTION 8 CONTRACT RENEWALS.

(a) For fiscal year 1996 and henceforth, the Secretary of Housing and Urban Development may use amounts available for the renewal of assistance under section 8 of the United States Housing Act of 1937, upon termination or expiration of a contract for assistance under section 8 of such Act of 1937 (other than a contract for tenant-based assistance and notwithstanding section 8(v) of such Act for loan management assistance), to provide assistance under section 8 of such Act, subject to the Section 8 Existing Fair Market Rents, for the eligible families assisted under the contracts at expiration or temination, which assistance shall be in accordance with terms and conditions prescribed by the Secretary.

(b) Notwithstanding subsection (a) and except for projects assisted under section 8(e)(2) of the United States Housing Act of 1937 (as it existed immediately prior to October 1, 1991), at the request of the owner, the Secretary shall renew for a period of one year contracts for assistance under section 8 that expire or terminate during fiscal year 1996 at the current rent levels.

(c) Section 8(v) of the United States Housing Act of 1937 is amended to read as follows:

"The Secretary may extend expiring contracts entered into under this section for project-based loan management assistance to the extent necessary to prevent displacement of low-income families receiving such assistance as of September 30, 1996.".

(d) Section 236(f) of the National Housing Act (12 U.S.C. 1715z-1(f)) is amended:

(1) by striking the second sentence in paragraph (1) and inserting in lieu thereof the following: "The rental charge for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the lower of (i) the fair market rental charge determined pursuant to this paragraph, or (ii) the fair market rental established under section 8(v) of the United States Housing Act of 1937 for the market area in which the housing is located, as represents 30 per centum of the tenant's adjusted income."; and

(2) by striking paragraph (6).".

SEC. 215. EXTENSION OF HOME EQUITY CONVERSION MORTGAGE PROGRAM.

Section 255(g) of the National Housing Act (12 U.S.C. 1715z-20(g)) is amended—

(1) in the first sentence, by striking "September 30, 1995" and inserting "September 30, 1996"; and

(2) in the second sentence, by striking "25,000" and inserting "30,000".

SEC. 216. ASSESSMENT COLLECTION DATES FOR OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT.

Section 1316(b) of the Housing and Community Development Act of 1992 (12 U.S.C. 4516(b)) is amended by striking paragraph (2) and inserting the following new paragraph:

"(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually for each fiscal year, on October 1st and April 1st.".

SEC. 217. MERGER LANGUAGE FOR ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS AND ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING.

All remaining obligated and unobligated balances in the Renewal of Expiring Section 8 Subsidy Contracts account on September 30, 1995, shall immediately thereafter be transferred to and merged with the obligated and unobligated balances, respectively, of the Annual Contributions for Assisted Housing account.

SEC. 218. DEBT FORGIVENESS.

(a) The Secretary of Housing and Urban Development shall cancel the indebtedness of the Hubbard Hospital Authority of Hubbard, Texas, relating to the public facilities loan for Project Number PFL-TEX-215, issued under title II of the Housing Amendments of 1955. Such hospital authority is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any fees and charges payable in connection with such loan.

(b) The Secretary of Housing and Urban Development shall cancel the indebtedness of the Groveton Texas Hospital Authority relating to the public facilities loan for Project Number TEX-41-PFL0162, issued under title II of the Housing Amendments of 1955. Such hospital authority is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any fees and charges payable in connection with such loan.

(c) The Secretary of Housing and Urban Development shall cancel the indebtedness of the Hepzibah Public Service District of Hepzibah, West Virginia, relating to the public facilities loan for Project Number WV-46-PFL0031, issued under title II of the Housing Amendments of 1955. Such public service district is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any fees and charges payable in connection with such loan.

SEC. 219. CLARIFICATIONS.

For purposes of Federal law, the Paul Mirabile Center in San Diego, California, including areas within such Center that are devoted to the delivery of supportive services, has been determined to satisfy the "continuum of care" requirements of the Department of Housing and Urban Development, and shall be treated as:

(a) consisting solely of residential units that (i) contain sleeping accommodations and kitchen and bathroom facilities, (ii) are located in a building that is used exclusively to facilitate the transition of homeless individuals (within the meaning of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302), as in effect on December 19, 1989) to independent living within 24 months, (iii) are suitable for occupancy, with each cubicle constituting a separate bedroom and residential unit, (iv) are used on other than a transient basis, and (v) shall be originally placed in service on November 1, 1995; and

(b) property that is entirely residential rental property, namely, a project for residential rental property.

SEC. 220. EMPLOYMENT LIMITATIONS.

(a) By the end of fiscal year 1996 the Department of Housing and Urban Development shall employ no more than seven Assistant Secretaries, notwithstanding section 4(a) of the Department of Housing and Urban Development Act.

(b) By the end of fiscal year 1996 the Department of Housing and urban Development shall employ no more than 77 schedule C and 20 noncareer senior executive service employees.

SEC. 221. USE OF FUNDS.

(a) Of the $93,400,000 earmarked in Public Law 101-144 (103 Stat 850), as amended by Public Law 101-302 (104 Stat 237), for special projects and purposes, any amounts remaining of the $500,000 made available to Bethlehem House in Highland, California, for site planning and land acquisition shall instead be made available to the County of San Bernardino in California to assist with the expansion of the Los Padrinos Gang Intervention Program and the Unity Home Domestic Violence Shelter.

(b) The amount made available for fiscal year 1995 for the removal of asbestos from an abandoned public school building in Toledo, Ohio shall be made available for the renovation and rehabilitation of an industrial building at the University of Toledo in Toledo, Ohio.

SEC. 222. LEAD-BASED PAINT ABATEMENT.

(a) Section 1011 of Title X—Residential lead-Based Paint Hazard Reduction Act of 1992 is amended as follows: Strike "priority housing" wherever it appears in said section and insert "housing".

(b) Section 1011(a) shall be amended as follows: At the end of the subsection after the period, insert:

"Grants shall only be made under this section to provide assistance for housing which meets the following criteria—

"(1) for grants made to assist rental housing, at least 50 percent of the units must be occupied by or made available to families with incomes at or below 50 percent of the area median income level and the remaining units shall be occupied or made available to families with incomes at or below 80 percent of the area median income level, and in all cases the landlord shall give priority in renting units assisted under this section, for no less than 3 years following the completion of lead abatement activities, to families with a child under the age of six years—

"(A) except that buildings with five or more units may have 20 percent of the units occupied by families with incomes above 80 percent of area median income level;

"(2) for grants made to assist housing owned by owner-occupants, all units assisted with grants under this section shall be the principal residence of families with incomes at or below 80 percent of the area median income level, and not less than 90 percent of the units assisted with grants under this section shall be occupied by a child under age of six years or shall be units where a child under the age to six years spends a significant amount of time visiting; and

"(3) notwithstanding paragraphs (1) and (2), round II grantees who receive assistance under this section may use such assistance for priority housing.".

SEC. 223. EXTENSION PERIOD FOR SHARING UTILITY COST SAVINGS WITH PHAS.

Section 9(a)(3)(B)(i) of the United States Housing Act of 1937 is amended by striking "for a period not to exceed 6 years".

SEC. 223A. MORTGAGE NOTE SALES.

The first sentence of section 221(g)(4)(C)(viii) of the National Housing Act is amended by striking "September 30, 1995" and inserting in lieu thereof "September 30, 1996".

SEC. 223B. REPEAL OF FROST-LELAND.

Section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (Public Law 100-202; 101 Stat. 1329-213) is repealed.

SEC. 223C. FHA SINGLE-FAMILY ASSIGNMENT PROGRAM REFORM.

(a) FORECLOSURE AVOIDANCE.—The last sentence of section 204(a) of the National Housing Act (12 U.S.C. 1710(a)) is amended by inserting before the period the following: ": And provided further, That the Secretary may pay insurance benefits to the mortgagee to recompense the mortgagee for its actions to provide an alternative to the foreclosure of a mortgage that is in default, which actions may include special foreclosure, loan modification, and deeds in lieu of foreclosure, all upon terms and conditions as the mortgagee shall determine in the mortgagee's sole discretion, within guidelines provided by the Secretary, but which may not include assignment of a mortgage to the Secretary: And provided further, That for purposes of the preceding proviso, no action authorized by the Secretary and no action taken, nor any failure to act, by the Secretary or the mortgagee shall be subject to judicial review.".

(b) AUTHORITY TO ASSIST MORTGAGORS IN DEFAULT.—Section 230 of the National Housing Act (12 U.S.C. 1715u) is amended to read as follows:

"AUTHORITY TO ASSIST MORTGAGOR IN DEFAULT

"SEC. 230. (a) PAYMENT OF PARTIAL CLAIM.—The Secretary may establish a program for payment of a partial claim to a mortgagee that agrees to apply the claim amount to payment of a mortgage on a 1- to 4-family residence that is in default. Any such payment under such program to the mortgage shall be made in the sole discretion of the Secretary and on terms and conditions acceptable to the Secretary, except that—

"(1) the amount of the payment shall be in an amount determined by the Secretary, not to exceed an amount equivalent to 12 of the monthly mortgage payments and any costs related to the default that are approved by the Secretary; and

"(2) the mortgagor shall agree to repay the amount of the insurance claim to the Secretary upon terms and conditions acceptable to the Secretary.

The Secretary may pay the mortgagee, from the appropriate insurance fund, in connection with any activities that the mortgagee is required to undertake concerning repayment by the mortgagor of the amount owed to the Secretary.

"(b) ASSIGNMENT.—

"(1) PROGRAM AUTHORITY.—The Secretary may establish a program for assignment to the Secretary, upon request of the mortgagee, of a mortgage on a 1- to 4-family residence insured under this Act.

"(2) PROGRAM REQUIREMENTS.—The Secretary may accept assignment of a mortgage under a program under this subsection only if—

"(A) the mortgage was in default;

"(B) the mortgagee has modified the mortgage to cure the default and provide for mortgage payments within the reasonable ability of the mortgagor to pay, at interest rates not to exceed current market interest rates; and

"(C) the Secretary arranges for servicing of the assigned mortgage by a mortgagee (which may include the assigning mortgagee) through procedures that the Secretary has determined to be in the best interests of the appropriate insurance fund.

"(3) PAYMENT OF INSURANCE BENEFITS.—Upon accepting assignment of a mortgage under a program established under this subsection, the Secretary may pay insurance benefits to the mortgagee from the appropriate insurance fund, in an amount that the Secretary determines to be appropriate, not to exceed the amount necessary to compensate the mortgagee for the assignment and any losses and expenses resulting from the mortgage modification.

"(c) PROHIBITION OF JUDICIAL REVIEW.—No decision by the Secretary to exercise or forgo exercising any authority under this section shall be subject to judicial review.".

(c) SAVINGS PROVISION.—Any mortgage for which the mortgagee has applied to the Secretary, before the date of enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996, for assignment pursuant to subsection (b) of this section as in effect before such date of enactment shall continue to be governed by the provisions of such section, as in effect immediately before such date of enactment.

(d) APPLICABILITY OF OTHER LAWS.—No provision of this Act, or any other law, shall be construed to require the Secretary of Housing and Urban Development to provide an alternative to foreclosure for mortgagees with mortgages on 1- to 4-family residences insured by the Secretary under the National Housing Act, or to accept assignments of such mortgages.

(e) APPLICABILITY OF AMENDMENTS.—Except as provided in subsection (d), the amendments made by subsections (a) and (b) shall apply with respect to mortgages originated before fiscal year 1996.

(f) REGULATIONS.—Not later than 60 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall issue interim regulations to implement this section and amendments made by this section.

(g) EFFECTIVENESS AND APPLICABILITY.—If this Act is enacted after the date of enactment of the Balanced Budget Act of 1995—

(1) subsections (a), (b), (c), (d), and (e) of this section shall not take effect; and

(2) section 2052(c) of the Balanced Budget Act of 1995 is amended by striking "that are originated on or after October 1, 1995" and inserting in lieu thereof "to mortgages originated before, during, and after fiscal year 1996.".

SEC. 223D. SPENDING LIMITATIONS.

(a) None of the funds in this Act may be used by the Secretary to impose any sanction, or penalty because of the enactment of any State or local law or regulation declaring English as the official language.

(b) No part of any appropriation contained in this Act shall be used for lobbying activities as prohibited by law.

SEC. 223E. TRANSFER OF FUNCTIONS TO THE DEPARTMENT OF JUSTICE.

All functions, activities and responsibilities of the Secretary of Housing and Urban Development relating to title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and the Fair Housing Act, including any rights guaranteed under the Fair Housing Act (including any functions relating to the Fair Housing Initiatives program under section 561 of the Housing and Community Development Act of 1987), are hereby transferred to the Attorney General of the United States effective April 1, 1997: Provided, That none of the aforementioned authority or responsibility for enforcement of the Fair Housing Act shall be transferred to the Attorney General until adequate personnel and resources allocated to such activity at the Department of Housing and Urban Development are transferred to the Department of Justice.

And the Senate agree to the same.

Amendment numbered 65:

That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

SCIENCE AND TECHNOLOGY

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation and renovation of facilities, not to exceed $75,000 per project; $525,000,000, which shall remain available until September 30, 1997.

And the Senate agree to the same.

Amendment numbered 66:

That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses; $1,550,300,000, which shall remain available until September 30, 1997: Provided, that, notwithstanding any other provision of law, for this fiscal year and hereafter, an industrial discharger that is a pharmaceutical manufacturing facility and discharged to the Kalamazoo Water Reclamation Plant (an advanced wastewater treatment plant with activated carbon) prior to the date of enactment of this Act may be exempted from categorical pretreatment standards under section 307(b) of the Federal Water Pollution Control Act, as amended, if the following conditions are met: (1) the owner or operator of the Kalamazoo Water Reclamation Plant applies to the State of Michigan for an exemption for such industrial discharger, (2) the State or Administrator, as applicable, approves such exemption request based upon a determination that the Kalamazoo Water Reclamation Plant will provide treatment and pollution removal equivalent to or better than that which would be required through a combination of pretreatment by such industrial discharger and treatment by the Kalamazoo Water Reclamation Plant in the absence of the exemption, and (3) compliance with paragraph (2) is addressed by the provisions and conditions of a permit issued to the Kalamazoo Water Reclamation Plant under section 402 of such Act, and there exists an operative financial contract between the City of Kalamazoo and the industrial user and an approved local pretreatment program, including a joint monitoring program and local controls to prevent against interference and pass through.

And the Senate agree to the same.

Amendment numbered 68:

That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$28,500,000*; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *consisting of $913,400,000 as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $250,000,000 as a payment from general revenues to the Hazardous Substance Superfund as authorized by section 517(b) of SARA, as amended by Public Law 101–508*

On page 61, line 1, of the House engrossed bill, H.R. 2099, delete "*$1,003,400,000*" and insert "*$1,163,400,000*"; and the Senate agree to the same.

Amendment numbered 71:

That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$11,000,000*; and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$59,000,000*; and the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided further, That none of the funds made available under this heading may be used by the Environmental Protection Agency to propose for listing or to list any additional facilities on the National Priorities List established by section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended (42 U.S.C. 9605), unless the Administrator receives a written request to propose for listing or to list a facility from the Governor of the State in which the facility is located, or unless legislation to reauthorize CERCLA is enacted*; and the Senate agree to the same.

Amendment numbered 76:

That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$7,000,000*; and the Senate agree to the same.

Amendment numbered 77:

That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$500,000*; and the Senate agree to the same.

Amendment numbered 80:

That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for state revolving funds and performance partnership grants, $2,323,000,000, to remain available unit expended, of which $1,400,000,000 shall be for making capitalization grants for State revolving funds to support water infrastructure financing; $100,000,000 for architectural, engineering, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission; $50,000,000 for grants to the State of Texas, which shall be matched by an equal amount of State funds from State resources, for the purpose of improving wastewater treatment for colonias; $15,000,000 for grants to the State of Alaska, subject to an appropriate cost share as determined by the Administrator, to address wastewater infrastructure needs of rural and Alaska Native villages; and $100,000,000 for making grants for the construction of wastewater treatment facilities and the development of groundwater in accordance with the terms and conditions specified for such grants in the conference report accompanying the Act (H.R. 2099): Provided, That beginning in fiscal year 1996 and each fiscal year thereafter, and notwithstanding any other provision of law, the Administrator is authorized to make grants annually from funds appropriated under this heading, subject to such terms and conditions as the Administrator shall establish, to any State or federally recognized Indian tribe for multimedia or single media pollution prevention, control and abatement and related environmental activities at the request of the Governor or other appropriate State official or the tribe: Provided further, That from funds appropriated under this heading, the Administrator may make grants to federally recognized Indian governments for the development of multimedia environmental programs: Provided further, That of the $1,400,000,000 for capitalization grants for State revolving funds to support water infrastructure financing, $275,000,000 shall be for drinking water State revolving funds, but if no drinking water State revolving fund legislation is enacted by June 1, 1996, these funds shall immediately be available for making capitalization grants under title VI of the Federal Water Pollution Control Act, as amended: Provided further, That of the funds made available in Public Law 103–327 and in Public Law 103–124 for capitalization grants for State revolving funds to support water infrastructure financing, $225,000,000 shall be made available for capitalization grants for State revolving funds under title VI of the Federal Water Pollution Control Act, as amended, if no drinking water State revolving fund legislation is enacted by June 1, 1996: Provided further, That of the funds made available under this heading for capitalization grants for State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, $50,000,000 shall be for wastewater treatment in impoverished communities pursuant to section 102(d) of H.R. 961 as approved by the United States House of Representatives on May 16, 1995: Provided further, That of the funds appropriated in the Construction Grants and Water Infrastructure/State Revolving Funds accounts since the appropriation for the fiscal year ending September 30, 1992, and hereafter, for making grants for wastewater treatment works construction projects, portions may be provided by the recipients to States for managing construction grant activities, on condition that the States agree to reimburse the recipients from State funding sources: Provided further, That the funds made available in Public Law 103–327 for a grant to the City of Mt. Arlington, New Jersey, in accordance with House Report 103–715, shall be available for a grant to that city for water and sewer improvements.

And the Senate agree to the same.

Amendment numbered 81:

That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

ADMINISTRATIVE PROVISIONS

And the Senate agree to the same.

Amendment numbered 83:

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 301. None of the funds provided in this Act may be used within the Environmental Protection Agency for any final action by the Administrator or her delegate for signing and publishing for promulgation of a rule concerning any new standard for radon in drinking water.

And the Senate agree to the same.

Amendment numbered 94:

That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named in the matter restored, insert: *$222,000,000*; and the Senate agree to the same.

Amendment numbered 102:

That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$5,456,600,000*; and the Senate agree to the same.

Amendment numbered 104:

That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$5,845,900,000*; and the Senate agree to the same.

Amendment numbered 105:

That the House recede from its disagreement to the amendment of the Senate numbered 105; and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,502,200,000*; and the Senate agree to the same.

Amendment numbered 109:

That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

Upon the determination by the Administrator that such action is necessary, the Administrator may, with the approval of the Office of Management and Budget, transfer not to exceed $50,000,000 of funds made available in this Act to the National Aeronautics and Space Administration between such appropriations or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen requirements, than those for which originally appropriated: Provided further, That the Administrator of the National Aeronautics and Space Administration shall notify the Congress promptly of all transfers made pursuant to this authority:

And the Senate agree to the same.

Amendment numbered 110:

That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,274,000,000*; and the Senate agree to the same.

Amendment numbered 114:

That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 519. In fiscal year 1996, the Director of the Federal Emergency Management Agency shall sell the disaster housing inventory of mobile homes and trailers, and the proceeds thereof shall be deposited in the Treasury.

And the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 63.

JERRY LEWIS,
TOM DELAY,
BARBARA F. VUCANOVICH,
JAMES T. WALSH,
DAVE HOBSON,
JOE KNOLLENBERG,
RODNEY P. FRELINGHUYSEN,
MARK W. NEUMANN,
BOB LIVINGSTON,
Managers on the Part of the House.

CHRISTOPHER S. BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
MARK O. HATFIELD,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
J. BENNETT JOHNSTON,
BOB KERREY,
ROBERT C. BYRD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2099) making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

Amendment No. 1: Earmarks not to exceed $25,180,000 of compensation and pensions funds for payments to the general operating expenses and medical care appropriations to implement savings provisions of authorizing legislation as proposed by the House, instead of $27,431,000 as proposed by the Senate. The additional administrative funds are not required as the limitation on compensation payments to certain incompetent veterans is deleted.

Amendment No. 2: Appropriates $1,345,300,000 for readjustment benefits as proposed by the House, instead of $1,352,180,000 as proposed by the Senate.

Amendment No. 3: Deletes language proposed by the Senate earmarking $6,880,000 of the readjustment benefits appropriation for funding costs of the Service Members Occupational Conservation and Training Program. The conferees note that language is included under the general operating expenses appropriation permitting the payment of administrative costs for the Service Members Occupational Conversion and Training Act in fiscal year 1996.

VETERANS HEALTH ADMINISTRATION

Amendment No. 4: Appropriates $16,564,000,000 for medical care, instead of $16,777,474,000 as proposed by the House and $16,450,000,000 as proposed by the Senate.

The conferees note that the amount provided for medical care represents an increase of approximately $400,000,000 above the fiscal year 1995 level—and is the only appropriation in the bill with such a significant increase. While not the full amount requested, the increase provided will enable the Department to provide quality care to all veterans currently being served by the VA medical system. The conferees continue to be concerned about the Secretary's refusal to adopt systemic reforms and administrative improvements which would result in significant budgetary savings, without in any way compromising patient care. The Inspector General, the General Accounting Office, the Congressional Budget Office, and the service organizations have suggested changes which, if implemented, would yield hundreds of millions of dollars in administrative savings. As part of the operating plan,the Secretary is to submit a plan to implement the improvements identified by these organizations and any other reforms which would result in administrative savings totaling a minimum of $400,000,000 for fiscal year 1996.

The conference agreement includes funding for the following:

+$500,000 for a Low Vision Center in Ophthalmology at the East Orange VA Medical Center.

+$500,000 for a geriatric patient care program at the Lyons VA Medical Center.

+$396,000 to provide outpatient care at the Grafton Development Center in Grafton, North Dakota.

+$300,000 to provide outpatient care in Williamsport, Pennsylvania.

+$1,500,000 to expand existing community-based outpatient clinics in Wood County and Tucker County, West Virginia.

+$1,600,000 to establish a primary care clinic in Liberal, Kansas.

The conference committee is aware of the difficulty in staffing several VA facilities in the southwest, particularly in El Paso, Texas. This situation is compounded by budgetary constraints the VA faces in allocating FTEE's among its facilities. The conferees urge that the VA, through the veterans integrated service networks, engage in intra-VISN FTEE transfers during the fiscal year for purposes of staffing as warranted by changing circumstances in VA medical facilities. The conferees also urge the Department to review the staffing situation in El Paso and to move personnel as necessary to meet the new service demands that will exist if veterans are not required to travel to other VA facilities for treatment.

The conferees commend the Department for its participation in an advanced coal technology project at the Lebanon, Pennsylvania VA Medical Center in which a fluidized bed boiler will co-fire coal and medical wastes to provide steam for the hospital. Given the potential cost savings for energy and hospital waste disposal, the conferees direct the Department to study the potential for using this technology at other VA facilities.

The conference committee strongly urges VA to develop a center to coordinate academic training programs for physical therapists at the Brooklyn VA hospital. The conferees are aware there is a shortage of physical therapists nationwide. A training center would provide the opportunity for students to complete research projects in physical therapy and rehabilitation. In view of the critical shortage of clinical training sites in the New York City area, the Brooklyn VA would provide an excellent location for such a training program.

The conferees note with considerable interest that the VA has used laser-imaging, nonsilver, dry-medium technology to provide high resolution hard copy images for X-ray examinations in various hospitals around the country. This type of system produces faster diagnosis, with attendant cost savings, and is environmentally safe. Accordingly, the conferees strongly encourage the VA to expand the use of this type of technology in all of its facilities.

The VA plans to expand access to outpatient care. These access points are being considered in more than 180 locations. The conferees are concerned with associated policy, legal, and budgetary issues and expect the VA to address these matters before proceeding with such expansion plans.

The conferees understand that the Department expends approximately $212,000,000 annually on utility costs. Opportunities for creative private sector funding of energy efficiency programs exist through procurements sanctioned by the Department of Energy's Federal Energy Management Program. The VA is encouraged to explore such opportunities, and, where appropriate, to take advantage of them.

Questions have been raised concerning the expansion of the Los Angeles National Cemetery by utilizing open space at the West Los Angeles VA Medical Center. The conferees direct that no property disposal, leasing action or capital improvements be taken that would jeopardize the Government's title to any land at the West Los Angeles VA Medical Center until all options have been reviewed by the VA and the Congress.

The VA is encouraged to create outpatient clinics, especially to help veterans in rural areas. Specifically, the conferees encourage the establishment of outpatient clinics in Lynn, Massachusetts and Gainesville, Georgia. The VA also is strongly encouraged to establish an orthopedic clinic at the Muskogee VA Medical Center. Such a clinic should be staffed by an orthopedist at least three days a week.

Amendent No. 5: Deletes language proposed by the Senate enabling the VA to treat veterans eligible for hospital care or medical services in the most efficient manner. In deleting this language, the conferees wish to make clear that they support budget neutral eligibility reform. Current eligibility requirements for VA medical care are in need of simplification and reform. Such legislation will, within any given dollar amount, permit the medical treatment of a greater number of veterans on an outpatient basis, as compared to the current approach which emphasizes inpatient treatment.

Amendment No. 6: Appropriates $257,000,000 for medical and prosthetic research as proposed by the Senate, instead of $251,743,000 as proposed by the House. The conferees agree that the recommended amount includes $1,250,000 to establish an Office of Veterans Affairs Technology Transfer Center.

Amendment No. 7: Deletes language proposed by the House and stricken by the Senate appropriating $10,386,000 for the health professional scholarship program.

DEPARTMENTAL ADMINISTRATION

Amendment No. 8: Appropriates $848,143,000 for general operating expenses, instead of $821,487,000 as proposed by the House and $872,000,000 as proposed by the Senate. Language has been inserted to limit funding for General Administration activities, and the number of schedule C and non-career senior executive service positions. Language is also inserted to permit up to $6,000,000 of the appropriation to be used for administrative expenses of the housing loan guaranty programs.

The conference agreement includes the following changes from the budget estimate:

-$32,000,000 in the Veterans Benefits Administration as an offset to legislation carried in the VA administrative provisions which permits excess revenues in three insurance funds to be used for administrative expenses.

-$25,500,000 in the Veterans Benefits Administration as an offset to the provision carried under this heading permitting the $25,500,000 earmarked in the 1995 Appropriations Act for VBA's modernization program to be available for the general purposes of the account.

-$7,423,000 (as a minimum) to be taken from the $221,532,000 appropriation requested for General Administration activities. This will permit not to exceed $214,109,000, the 1995 level, for such activities. The conferees intend that to the maximum extent possible all reductions in General Administration and Veterans Benefits Administration be taken from central office activities.

-$2,577,000 as a general reduction in Veterans Benefits Administration activities, subject to normal reprogramming procedures. To continue improving the timeliness of claims, the conferees do not intend that any reduction in funding be applied to the compensation, pensions, and education program. The conferees further intend that VBA will utilize $1,000,000 for a study by the National Academy of Public Administration of the claims processing system. The conferees agree that the NAPA report should build upon and not duplicate any previous or ongoing evaluations of the Veterans Benefits Administration. NAPA is to coordinate with those entities which have conducted evaluations in the past and provide to the Department and the appropriate Committees of Congress a detailed and specific implementation plan for the recommendations it makes.

Language is included to limit to not to exceed $214,109,000 for General Administration costs, including not to exceed $2,450,000 for salaries and $50,000 for travel costs of the Office of the Secretary; $4,392,000 for salaries and $75,000 for travel costs of the Office of the Assistant Secretary for Policy and Planning; $1,980,000 for salaries and $33,000 for travel costs of the Office of the Assistant Secretary for Congressional Affairs; and $3,500,000 for salaries and $100,000 for travel costs of the Office of the Assistant Secretary for Public and Intergovernmental Affairs. The balance of the savings is to be taken at the discretion of the VA, subject to normal reprogramming procedures, from funds requested for the Office of the Assistant Secretary for Human Resources and Administration, the Office of General Counsel, and the Office of the Assistant Secretary for Acquisition and Facilities.

Language has also been included that would limit the number of schedule C employees to 11 and the number of non-career senior executive service positions to 6 in fiscal year 1996.

Language has also been included to permit up to $6,000,000 of general operating expenses funds to be used for administrative expenses of the loan guaranty and insured loans programs. The VA has requested this provision so as to avoid furloughs.

Amendment No. 9: Appropriates $136,155,0009 for construction, major projects, instead of $183,455,000 as proposed by the House and $35,785,000 as proposed by the Senate.

The conference agreement includes the following changes from the budget estimate:

-$146,900,000 from the $154,700,000 requested for the new medical center and nursing home project in Brevard County, Florida. The balance of the request, $7,800,000, together with $17,200,000 appropriated in 1995, will provide $25,000,000 for the design and construction of a comprehensive medical outpatient clinic in Brevard County, Florida. The conferees expect the VA to commence construction of this project as soon as possible.

-$163,500,000 from the $188,500,000 requested for the VA/Air Force joint venture at Travis Air Force Base in Fairfield, California. The balance of the request, $25,000,000, is for the design and construction of an outpatient clinic project at Travis Air Force Base. The conferees recognized that the VA's preliminary cost estimate for this project is $39,500,000. The VA should evaluate the needs of the veterans in the area for outpatient services and report such findings to the Committees on Appropriations.

+$1,000,000 for design of a new national cemetery in the Albany, New York area.

$5,000,000 for design of an ambulatory care addition, patient privacy and environmental improvements project at the Wilkes-Barre, Pennsylvania VA Medical Center.

$4,000,000 for the relocation of medical school functions at the Mountain Home, Tennessee VA Medical Center.

$1,500,000 for design of an ambulatory care addition project at the Asheville, North Carolina VA Medical Center.

+$1,400,000 for design of a new national cemetery in the Joliet, Illinois area.

-$9,000,000 for renovation of nursing units at the Lebanon, Pennsylvania VA Medical Center.

-$11,500,000 for environmental improvements at the Marion, Illinois VA Medical Center.

-$17,300,000 for replacement of psychiatric beds at the Marion, Indiana VA Medical Center.

-$15,100,000 for renovation of psychiatric wards at the Perry Point, Maryland VA Medical Center.

-$17,200,000 for environmental enhancements at the Salisbury, North Carolina VA Medical Center.

-$10,000,000 from the $17,500,000 requested for the advance planning fund.

The conferees have approved major construction funding only for those projects which do not require further authorization. While many of the projects requested in the budget are meritorious, without an authorization no funding can be obligated. The Department should utilize minor construction funds to meet life safety or code deficiencies and to ensure compliance with Joint Commission on Accreditation of Healthcare Organizations criteria.

The conferees believe that the Department must assemble a long-term plan for its infrastructure and construction needs, taking into consideration an increasingly constrained budgetary environment, a decline in the veteran population, shifting demographics, the need to provide more equitable access to veterans medical care systemwide, changes in health care delivery methods, and any policy changes the VA adopts with respect to access points. It is expected that the fiscal year 1997 budget request for major construction funding will be predicated on an analysis incorporating all such variables.

Amendment No. 10: Appropriates $190,000,000 for construction, minor projects, as proposed by the Senate, instead of $152,934,000 as proposed by the House. The conferees agree that this appropriation account should be used to meet any critical requirements, such as safety and fire code deficiencies, at facilities which were denied major construction funding in 1996.

ADMINISTRATIVE PROVISIONS

Amendment No. 11: Inserts language proposed by the Senate authorizing the VA to convey property to the Federal Highway Administration which is necessary for the modernization of U.S. Highway 54 in Wichita, Kansas.

Amendment No. 12: Deletes language proposed by the Senate authorizing the VA to use supply fund resources for an acquisition computer network.

Amendment No. 13: Deletes language proposed by the Senate regarding access to VA medical care for veterans in Hawaii, and deletes language in the administrative provisions which would limit compensation payments to certain incompetent veterans.

In deleting the Senate language, the conferees wish to make clear their concern that veterans in the State of Hawaii do not have access to veterans medical care comparable to that of veterans in the forty-eight contiguous states. Through sharing arrangements with the Tripler Army hospital and community facilities, and existing VA outpatient clinics, the Department is to ensure adequate and equitable access to care for Hawaii's veterans. Furthermore, VA should provide care within the State whenever possible rather than transferring patients to the West Coast for acute care services, which is extremely inconvenient for veterans and their families.

The conferees have agreed to delete language carried in sec. 107 of the VA's administrative provisions limiting compensation payments to certain incompetent veterans.

Amendment No. 14: Deletes language proposed by the Senate requiring the Secretary to develop a plan for the allocation of VA health care resources to remedy discrepancies in the allocation of funds to VA facilities across the country.

The conferees are concerned that VA's allocation of resources has not resulted in equal access to health care services for veterans nationally. Despite implementation of the resource planning and management system several years ago, VA has not shifted resources sufficiently to meet changing demand.

The conferees recognize the Veterans Health Administration recently reorganized into veterans integrated service networks and expect that the reorganization will result in a more equitable allocation of resources nationally. To ensure that this occurs, the conferees direct the Department to develop a plan to allocate resources in a manner that will result in equal access to medical care for veterans and will take into account projected changes in the workload of each facility. The plan should reflect the RPM system to account for forecasts in expected workload and should recognize facilities that provide cost-effective health care. The plan shall include procedures to identify reasons for variations in operating costs among similar facilities and ways to improve the allocation of resources so as to promote

efficient use of resources and provision of high quality care.

Amendment No. 15: Inserts language permitting the transfer of not to exceed $4,500,000 of 1996 medical care funds to the medical and administration and miscellaneous operating expenses account, instead of $5,700,00 as proposed by the Senate.

The conference agreement includes permissive transfer authority of up to $4,500,000 from the medical care account to the MAMOE account to help alleviate possible furloughs. The conferees wish to make clear, however, that any transfer is to occur only through the normal reprogramming procedures. It is expected that the central office medical staffing funded through this account will reduced to 600 by the end of the fiscal year 1996.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

Amendment No. 16: Appropriates $10,155,795,000 for annual contributions for assisted housing, instead of $10,182,359,000 as proposed by the House and $5,594,358,000 as proposed by the Senate. The conferees expect the Department and the Office of Management and Budget to adhere to the 1996 program detailed in the following table:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING FISCAL YEAR 1996—GROSS RESERVATIONS

	Units	Cost	Term	Budget authority
New authority	NA	NA	NA	$10,155,795,000
New spending:				
Public housing modernization	NA	NA	NA	2,500,000,000
Indian housing	1,603	$99,800	NA	160,000,000
Section 202 elderly	9,654	[NA]	[NA]	780,190,000
Section 811 disabled	2,915	[NA]	[NA]	233,168,000
HOPWA	6,400	[NA]	[NA]	171,000,000
Section 8 replacement assistance	35,398	$5,650	2	400,000,000
[Witness relocation]	NA	NA	NA	[2,500,000]
Preservation	NA	NA	NA	624,000,000
Property disposition	NA	NA	NA	261,000,000
Lead-based paint	NA	NA	NA	65,000,000
Family self-sufficiency	NA	NA	NA	
Section 8 amendments	NA	NA	NA	4,350,862,000
Section 8 contract renewals	435,028	$5,680	[1] 2	610,575,000
Total	490,998	NA	NA	10,155,795,000

[1] Loan management set-asides are renewed for one year.

Including these funding levels, the House and Senate agree to the resolution of the following issues:

Deletes language proposed by the House and stricken by the Senate to establish an outlay cap of $19,939,311,000 for the annual contributions for assisted housing account.

Provides $160,000,000 for Indian housing development, instead of $100,000,000 as proposed by the House and $200,000,000 as proposed by the Senate.

Provides $2,500,000,000 for public housing modernization as proposed by the House, instead of $2,510,000,000 as proposed by the Senate.

Deletes language proposed by the House and stricken by the Senate to provide the Secretary authority to direct any housing authority that receives modernization funds under this Act, or has yet to obligate rehabilitation funds from prior year appropriations Acts, to demolish, reconfigure, or reduce the density of any public housing project owned by the housing authority.

Deletes language proposed by the House and stricken by the Senate to provide $15,000,000 for the tenant opportunity program as a setaside from the public housing modernization program. Funding for this activity is provided as a separate setaside under the community development block grant program.

Inserts language proposed by the Senate to set aside funds from the public housing modernization program for technical assistance, but at a modified funding level of $20,000,000, instead of $30,000,000 as proposed.

Provides $400,000,000 for section 8 rental assistance, instead of $862,000,000 as proposed by the House and $240,000,000 as proposed by the Senate.

Inserts language proposed by the Senate to provide such section 8 rental assistance under only certain circumstances, including new language to allow funds to be used for witness relocation assistance in conjunction with the safe home initiative.

Restores language proposed by the House and stricken by the Senate to allow such section 8 rental assistance to be used in connection with subsequent authorizing legislation.

Deletes appropriations language establishing a special needs housing fund for multiple purposes as proposed by the House.

Provides $780,190,000 for section 202 elderly housing as proposed by the Senate, instead of an unspecified earmark as proposed by the House under the special needs housing appropriation. Such funding will assist 9,654 elderly households, the same number as provided for in fiscal year 1995.

Provides $233,168,000 for section 811 disabled housing as proposed by the Senate, instead of an unspecified earmark as proposed by the House under the special needs housing appropriation. Such funding will assist at least 2,915 disabled households, the number as provided for in fiscal year 1995. This figure is likely to be higher because language is added permitting the Secretary to use up to 25 percent of the funds provided to be used for section 8 vouchers to serve the same population. Such assistance must have a contract term of five years.

Provides $171,000,000 for the housing opportunities for persons with AIDS program, instead of an unspecified earmark as proposed by the House under the special needs housing appropriation. Such funding will assist 6,400 households and matches the amount of funding provided for in fiscal year 1995.

Inserts language proposed by the House and agreed to by the Senate to allow the Secretary to waive any provision of the section 202 and 811 programs, including the terms and conditions of project rental assistance.

Deletes language proposed by the House and stricken by the Senate to allow the Secretary to use up to $200,000,000 of unobligated carryover balances of the annual contributions for assisted housing account to implement preservation legislation enacted subsequent to this Act.

Provides $624,000,000 for the Emergency Low Income Preservation Act of 1987, as amended, and the Low Income Housing Preservation and Resident Homeownership Act of 1990, as amended. Until July 1, 1996, such funding will be limited to sales of projects to non-profit organizations, tenant-sponsored organizations, and other priority purchasers. Up to $10,000,000 of this amount will be available for preservation technical assistance grants pursuant to section 253 of the Housing and Community Development Act of 1987, as amended. With respect to funds remaining available after July 1, 1996, the Secretary may determine priorities for distributing such funds, including giving priority to tenants displaced due to mortgage prepayment and to projects that have not yet been funded but which have approved plans of action, if the Secretary determines that demand for funding exceeds amounts remaining. In addition, the Secretary may impose a temporary moratorium on applications by potential recipients of such funding.

The legislation also provides owners the opportunity to prepay their mortgages or request voluntary termination of a mortgage insurance contract, as long as the owner agrees not to increase rents for 60 days after such prepayment. This condition is necessary in order to allow HUD time to make available rental assistance for eligible families who desire to stay or move.

As a condition of eligibility for preservation funds under this Act, the legislation establishes a threshold of the lesser of $5,000 per unit, $500,000 per project, or eight times the local fair market rent for each unit in preservation equity. This is intended to direct federal resources at those projects with the greatest likelihood of prepayment.

The Secretary also may modify the regulatory agreement to permit owners and priority purchasers to retain rental income in excess of the basic rental charge in projects assisted under section 236. In addition, the Secretary may give priority to funding obligated not later than August 1, 1996 for the following purposes: (1) projects with approved plans of action to retain the housing that file a modified plan of action not later than July 1, 1996 to transfer the housing; (2) projects with approved plans of action that are subject to a repayment or settlement agreement that was executed between the owner and the Secretary prior to September 1, 1995; (3) projects for which submissions were delayed as a result of their location in areas that were designated as a federal disaster area in a Presidential Disaster Declaration; and (4) projects that have submitted an appraisal to the New York State office.

Notwithstanding any other provision of law, subject to the availability of appropriated funds, each unassisted low-income family residing in the housing on the date of prepayment, and whose rent, as a result of prepayment exceeds 30 percent of adjusted income, shall be offered tenant-based assistance in accordance with section 8 or any successor program, under which the family shall pay rent not less than that rent paid on such date. Any eligible family receiving such tenant-based assistance may elect to remain in the housing and if the rent is in excess of the fair market rent or payment standard, as applicable, the rent shall be deemed the applicable standard, so long as the administering public housing agency deems that the rent is reasonable in comparison to rents charged for comparable unassisted housing units in the market. In instances where eligible families move with such assistance to other private rental housing, the rent will be subject to the fair market rent or the payment standard, as applicable, under existing rules and procedures.

The resources provided by conferees under this Act for the preservation program ought not to be considered another payment in a long list of federal preservation program payments, but as the last payment for addressing preservation in this manner. Included in this section is a provision to effectively terminate the preservation program after October 1, 1996. Unless this program is substantially reformed, Congress will appropriate only rental assistance for eligible residents of projects where owners have decided to prepay. Such assistance will allow residents to stay in the same housing at the same cost or move to other private housing.

Provides $65,000,000 for lead-based paint activities, including abatement grants, instead of $10,000,000 as proposed by the House and $75,000,000 as proposed by the Senate.

Deletes $17,300,000 for family self-sufficiency coordinators as proposed by the House and stricken by the Senate. Such activities are eligible under the public and assisted housing services setaside under the community development block grant program.

Provides $4,350,862,000 for the renewal of expiring section 8 contracts, instead of $4,641,589,000 as proposed by the House. The Senate had proposed $4,350,862,000 for section 8 contract renewals under a separate appropriations heading.

Restores language proposed by the House and stricken by the Senate to merge funds provided for section 8 contract renewals with annual contributions for assisted housing.

The following table identifies expected section 8 contract renewal costs for fiscal year 1996:

SECTION 8—RENEWAL OF EXPIRING CONTRACTS

[Dollars in thousands]

	Units	1996 Budget authority
Certificates	241,206	$2,993,597
Vouchers	58,798	729,739
LMSA	120,587	475,354
Property Disposition	4,464	35,194
Moderate Rehabilitation	8,016	99,486
New Construction/Substantial Rehabilitation	1,957	17,492
Total	435,028	4,350,862

Note: Totals may not add due to rounding.

Restores language proposed by the House and stricken by the Senate to allow the use of section 8 contract renewal funds with subsequently enacted legislation.

Inserts language to allow the Secretary to renew housing vouchers without regard to section 8(o)(6)(B) of the Housing Act of 1937, a provision requiring HUD to budget an additional 10 percent to cover long-term inflation adjustments for housing vouchers. The Senate had proposed identical language under its separate heading for section 8 contract renewals.

Provides $610,575,000 for section 8 contract amendments as proposed by the House, instead of $500,000,000 as proposed by the Senate.

Provides $261,000,000 for property disposition as proposed by the Senate, instead of no funding as proposed by the House.

Inserts language proposed by the Senate to allow the Secretary to manage and dispose of multifamily properties owned by HUD and multifamily mortgages held by HUD with regard to any other provision of law.

Inserts language proposed by the Senate to allow state housing finance agencies, local governments, or local housing agencies to keep 50 percent of the savings from refinancing housing projects, as specified under section 1012(a) of the Stewart B. McKinney Homeless Assistance Act of 1988. The other 50 percent of budget authority savings shall be rescinded, or in the case of cash, remitted to the U.S. Treasury.

Provides $280,000,000 for the public housing demolition, site revitalization, and replacement housing grants program. The Senate proposed $500,000,000 for this activity and the House nothing.

Inserts language identifying eligible uses of these funds, as proposed by the Senate. Conferees agree funds are needed to assist housing authorities in the demolition of obsolete public housing. However, the conferees are concerned about the Department's use of waiver authority under the Department's total development cost (TDC) controls. Upon waiving such controls, the conferees direct the Department to notify the appropriate committees of Congress.

Deletes separate appropriation for the assistance for the renewal of expiring section 8 subsidy contracts as proposed by the Senate and all other language under this heading.

Amendment No. 17: Appropriates $2,800,000,000 for payments for the operation of public housing projects as proposed by the Senate, instead of $2,500,000,000 as proposed by the House.

The conferees are concerned that the funding formula applied to Puerto Rico, which has always been excluded from the Performance Funding System (PFS) under the operating expense subsidy program of the U.S. Housing Act of 1937, may have led to the inequitable treatment for Puerto Rico as compared to the states, and even other non-PFS territories. Consistent with overall objectives of streamlining programs and funding, allowable expense levels (AELs) should be fairly and effectively allocated among all jurisdictions, both inside and outside the PFS system. The conferees encourage HUD to study the AEL formula for Puerto Rico to determine if it accurately reflects the actual costs to operate decent and affordable assisted housing in Puerto Rico.

Amendment No. 18: Appropriates $290,000,000 for Drug Elimination Grants for Low-Income Housing as proposed by the Senate, instead of the proposed consolidation of these functions into the public housing modernization program as proposed by the House. Of this amount, the conferees earmark $10,000,000 for technical assistance grants and $2,500,000 for the Safe Home initiative. In addition, the conferees agree to language in the Senate bill that would redefine "drug-related crime" as determined by the HUD Secretary.

In order to defer to the committees of jurisdiction, the conferees delete language proposed by the Senate to allow the Secretary to distribute Drug Elimination Grants funds through a formula allocation.

Amendment No. 19: Deletes language proposed by the House and stricken by the Senate to provide $12,000,000 for housing counseling under a separate appropriations heading. Instead, $12,000,000 is provided for identical housing counseling activities as an earmark under the Community Development Block Grants program.

Amendment No. 20: Deletes language proposed by the Senate on describing how homeless assistance funds will be distributed, including language permitting the Secretary to distribute homeless funds under a formula allocation.

Amendment No. 21: Inserts technical correction to the language as proposed by the Senate.

Amendment No. 22: Deletes language proposed by the House and stricken by the Senate to make eligible the Innovative Homeless Initiatives Demonstration program under Homeless Assistance Grants. The authorization for this initiative terminated the demonstration as of September 30, 1995.

Amendment No. 23: Appropriates $823,000,000 for Homeless Assistance Grants, instead of $676,000,000 as proposed by the House and $760,000,000 as proposed by the Senate. This amount is equivalent to a funding freeze for homeless programs instead of a reduction. In fiscal year 1994, the appropriations for HUD homeless programs totaled $823,000,000. In fiscal year 1995, Public Law 104–19 deferred the availability of $297,000,000 of the original appropriations of $1,120,000,000 until September 30, 1995, effectively reducing the fiscal year 1995 program level to $823,000,000.

The conferees remain concerned that HUD homeless programs put too much emphasis on short-term solutions instead of long-term comprehensive strategies. To the maximum extent practicable, the conferees direct the Department to allocate homeless assistance grants under the Shelter Plus Care program which requires a dollar-for-dollar match of services for HUD housing assistance. Homeless assistance of nearly $1,000,000,000 is small compared to the $12,000,000,000 of federal service dollars that serve much of this same population. Homeless studies, such as the 1990 Annual Report of the Interagency Council on the Homeless, show that housing in combination with appropriate services is the most effective way of permanently reducing homelessness. The conferees recognize that a one-size-fits-all approach does not recognize the diversity among communities and the diverse needs of the homeless population.

Amendment No. 24: Deletes language proposed by the Senate to allow Homeless Assistance Grants to be distributed by formula in fiscal year 1996. The conferees defer to the authorizing committees to determine an adequate program formula over the coming months. Language is also deleted requiring the Secretary to complete a study on how to merge homeless assistance programs under the Stewart B. McKinney Homeless Assistance Act with the HOME program.

Amendment No. 25: Appropriates $50,000,000 for grants to Indian tribes instead of $46,000,000 as proposed by the House and $60,000,000 as proposed by the Senate.

Amendment No. 26: Inserts language proposed by the Senate to provide $2,000,000 for the Housing Assistance Council and $1,000,000 for the National American Indian Housing

Council as setasides under the Community Development Block Grants program. The House had proposed funding these two councils at the same level as setasides under the HUD salaries and expenses account.

Amendment No. 27: Appropriates $27,000,000 for Section 107 grants as proposed by the Senate instead of $19,500,000 as proposed by the House. The conferees are in agreement that Section 107 funding includes $7,000,000 for insular areas, $6,000,000 for work study (including $3,000,000 for Hispanic-serving institutions), $6,500,000 for historically black colleges and universities (HBCUs), and $7,500,000 for the community outreach partnership program.

The conferees urge HUD to use community outreach partnership funds to support new and existing planning grants to universities located in and around urban areas with high minority populations, low standards of living and large numbers of empty or abandoned dwellings. Priority ought to be given to proposals that seek to address community problems comprehensively and in partnership with local government, and consideration should be made for projects which include HBCUs as local partners.

The conferees are aware of an innovative business development center proposal of Hofstra University which will coordinate and target educational and technical assistance activities designed to foster economic development and job creation on Long Island. The proposal mirrors the goals of the Community Outreach Partnership program and therefore the Department is urged to carefully review this proposal in connection with the funding recommended for this activity.

Amendment No. 28: Inserts technical correction to the language as proposed by the Senate.

Amendment No. 29: Inserts language proposed by the Senate to permanently extend homeownership activities as an eligible use of CDBG funds.

Amendment No. 30: Inserts language proposed by the Senate to extend for one year a set-aside for Colonias of up to 10% of state CDBG allocations for the U.S. border states of Arizona, California, New Mexico, and Texas.

Amendment No. 31: Inserts language proposed by the Senate and amended by the House to provide $53,000,000 as a set-aside from the CDBG program for public and assisted housing supportive services. The amended language also earmarks $15,000,000 for the Tenant Opportunity Program, $12,000,000 for Housing Counseling activities, and $20,000,000 for the Youthbuild program. With regard to the Tenant Opportunity Program, this set-aside represents a 40 percent reduction from last year's funded level of $25,000,000. The conferees have been made aware of recent abuses in this program and direct the Department to eliminate such abuses if the program is to receive additional funding. Conferees agree this is the last year of appropriations funding for Youthbuild as a separate earmark and anticipate that Youthbuild will become an eligible activity under CDBG or another block grant in the coming year, to be determined by the appropriate authorizing committees. The conferees delete funding proposed by the Senate for Economic Development Initiatives at $80,000,000.

Amendment No. 32: Appropriates $31,750,000 for credit subsidies for the Section 108 loan guarantee program instead of $15,750,000 as proposed by the Senate, and $10,500,000 as proposed by the House.

Amendment No. 33: Establishes a loan limitation of $1,500,000,000 for the Section 108 loan guarantee program as proposed by the Senate, instead of $1,000,000,000 as proposed by the House, and inserts language to waive the aggregate loan limitation.

Amendment No. 34: Appropriates $675,000 for administrative expenses of the Section 108 loan guarantee program as proposed by the Senate, instead of $225,000 as proposed by the House.

Amendment No. 35: Inserts language for the reuse of a grant for Buffalo, New York for the central terminal and other public facilities in Buffalo, New York.

Amendment No. 36: Appropriates $30,000,000 for fair housing activities to be operated by HUD, instead of providing $30,000,000 for these activities to be funded under the Department of Justice, as proposed by the Senate. Language is added to limit eligibility under the fair housing initiatives program (FHIP) to only qualified fair housing enforcement organizations, as proposed by the Senate. The House and Senate conferees strongly support the enforcement of fair housing laws, but are concerned that FHIP funds have been used by non-traditional fair housing groups in a manner that is inconsistent with the program's intent to enforce fair housing laws. The conferees direct the Department to provide the Committees on Appropriations an opportunity to review the new standard of qualified fair housing organizations prior to awarding fiscal year 1996 FHIP funds. The House has proposed $30,000,000 for fair housing activities, but only for the fair housing assistance program (FHAP).

Amendment No. 37: Appropriates $962,558,000 for salaries and expenses, instead of $951,988,000 as proposed by the House and $980,777,000 as proposed by the Senate. The Department is to distribute the general reduction, subject to normal reprogramming guidelines. In addition, the conferees direct the Department to outline when and how future staffing reductions will occur to meet the Administration's goal of 7,500 HUD employees by fiscal year 2000. To the extent reductions are needed to take place in fiscal year 1996 to meet fiscal year 2000 staffing goals, the conferees urge the Department to utilize early in the fiscal year any resources needed to achieve such purpose.

Amendment No. 38: Authorizes the use of $532,782,000 for salaries and expenses from the various funds of the Federal Housing Administration as proposed by the Senate, instead of $505,745,000 as proposed by the House.

Amendment No. 39: Authorizes the use of $9,101,000 for salaries and expenses from the funds of the Government National Mortgage Association as proposed by the Senate, instead of $8,824,000 as proposed by the House.

Amendment No. 40: Authorizes the use of $675,000 for salaries and expenses from the Community Development Grants program account as proposed by the Senate, instead of $225,000 as proposed by the House.

Amendment No. 41: Appropriates $47,850,000 for salaries and expenses of the Office of Inspector General, instead of $47,388,000 as proposed by the House and $48,251,000 as proposed by the Senate.

Amendment No. 42: Authorizes the use of $11,283,000 for salaries and expenses of the Office of Inspector General from the various funds of the Federal Housing Administration as proposed by the Senate, instead of $10,961,000 as proposed by the House.

Amendment No. 43: Restores language proposed by the House and deleted by the Senate to appropriate $14,895,000 for the Office of Federal Housing Enterprise Oversight (OFHEO).

Amendment No. 44: Inserts language proposed by the Senate to allow the Secretary to sell up to $4,000,000,000 of assigned mortgage notes under the FHA Mutual Mortgage Insurance (FHA-MMI) Program account and use any negative credit subsidy amounts from such sales during fiscal year 1996 for the disposition of properties or notes under the FHA-MMI program.

Amendment No. 45: Appropriates $341,595,000 for administrative expenses of the guaranteed and direct loan programs of the FHA-MMI program account as proposed by the Senate, instead of $308,846,000 as proposed by the House.

Amendment No. 46: Authorizes the transfer of $334,483,000 for departmental salaries and expenses from the FHA-MMI program account as proposed by the Senate, instead of $308,290,000 as proposed by the House.

Amendment No. 47: Authorizes the transfer of $7,112,000 for the Office of Inspector General from the FHA-MMI program account as proposed by the Senate, instead of $6,790,000 as proposed by the House.

Amendment No. 48: Appropriates $85,000,000 for credit subsidies under the FHA-General and Special Risk Insurance (FHA-GI/SRI) program account, as authorized by Sections 238 and 519 of the National Housing Act, instead of $100,000,000 as proposed by Senate. It is the understanding of the conferees that when these funds are combined with new statutory authority to use net asset sales proceeds for additional credit subsidies, the combined program level will exceed $100,000,000. Under a different proviso stricken by the Senate, the House proposed $69,620,000 for these activities.

Amendment No. 49: Inserts technical correction to the language as proposed by the Senate.

Amendment No. 50: Establishes guarantee loan limitation of $17,400,000,000 as proposed by the Senate, instead of $15,000,000,000 as proposed by the House.

Amendment No. 51: Inserts language proposed by the Senate to authorize the sale of up to $4,000,000,000 of assigned notes under the FHA-GI/SRI program account. Under a separate proviso stricken by the Senate, the House had proposed the sale of $2,400,000,000 of such notes. Also inserts language proposed by the Senate to allow the use of any negative credit subsidy from such sales to offset new FHA-GI/SRI guarantee activity. A separate House provision stricken by the Senate contained similar language on the reuse of negative credit subsidies.

Amendment No. 52: Inserts language proposed by the Senate to allow funds previously appropriated to remain available until expended if such funds have not been obligated. The House language stricken by the Senate extended the availability of such funds if they had not been previously made available for obligation.

Amendment No. 53: Deletes language proposed by the House and stricken by the Senate to reuse negative credit subsidies from the sale of FHA-MI/SRI assigned notes for new loan guarantee credit subsidies under the same account. Also deletes House language establishing a cap of $2,600,000,000 on the amount of such sales, a limitation on the availability of $52,000,000 of excess proceeds from such sales, and an appropriation of $69,620,000 for credit subsidies.

Amendment No. 54: Appropriates $202,470,000 for administrative expenses of the guaranteed and direct loan programs of the FHA-GI/SRI program account as proposed by the Senate, instead of $197,470,000 as proposed by the House.

Amendment No. 55: Authorizes the transfer of $198,299,000 for departmental salaries and expenses from the FHA-GI/SRI program account as proposed by the Senate, instead of $197,455,000 as proposed by the House.

Amendment No. 56: Appropriates $9,101,000 for administrative expenses of the Government National Mortgage Association (GNMA) guaranteed mortgage-backed securities program as proposed by the Senate, instead of $8,824,000 as proposed by the House.

Amendment No. 57: Authorizes the transfer of $9,101,000 for departmental salaries and expenses from the GNMA mortgage-backed securities guaranteed loan receipt account as proposed by the Senate, instead of $8,824,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Amendment No. 58: Inserts administrative provisions agreed to by the conferees. These provisions, identified by section number, are as follows:

SEC. 201. Extend Administrative Provisions from the Rescission Act. Inserts language proposed by the Senate to modify and extend the applicability of language affecting the public housing modernization program and the public housing one-for-one replacement requirement first enacted in Public Law 104-19. The House proposed similar language to suspend the one-for-one replacement requirement for fiscal year 1996.

SEC. 202. Public and Assisted Housing Rents, Income Adjustments, and Preferences. (a) Minimum Rent. Inserts language to establish minimum rents at $25 per month per household and up to $50 per month at the discretion of the public housing authority (PHA). (b) Ceiling Rents. Also establishes a second calculation of ceiling rents that reflect reasonable market value of the housing but are not less than the monthly operating costs and, at the discretion of the PHA, contribution to a replacement reserve. (c) Definition of Adjusted Income. Allows PHAs to adopt separate income adjustments from those currently established under the Housing Act of 1937. However, the Secretary shall not take into account any reduction of the per unit dwelling rental income when calculating federal subsidies under the public housing operating subsidies program. (d) Preferences. Suspends federal preferences for the public and assisted housing programs. (e) Applicability. Extends the applicability of subsections (a), (b), (c), and (d) to Indian housing programs. (f) Limits the application of this section to fiscal year 1996 only.

SEC. 203. Conversion of Certain Public Housing to Vouchers. Establishes criteria for identifying public housing to be converted to voucher assistance, rules for implementation and enforcement, and a process for removing units from the public housing inventory and converting federal assistance to vouchers. Section 18 of the Housing Act of 1937 shall not apply to the demolition of developments under this section.

SEC. 204. Streamlining Section 8 Tenant-Based Assistance. (a) Suspends for fiscal year 1996 the "take one, take all" requirement, section 8(t) of the Housing Act of 1937. (b) Suspends for fiscal year 1996 certain notice requirements for owners participating in the certificate and voucher programs. (c) In addition, this provision suspends for fiscal year 1996 the "endless lease" requirement under section 8(d)(1)(B).

SEC. 205. Section 8 Fair Market Rentals, Administrative Fees, and Delay in Reissuance. (a) Establishes fair market rentals at the 40th percentile of modest cost existing housing instead of the current 45th percentile calculation. (b) Modifies provision to freeze administrative fees for tenant-based assistance administered by a public housing agency. (c) Delays the reissuance of section 8 vouchers and certificates by three months. The Administration originally proposed similar proposals in its fiscal year 1996 budget. Both the House and Senate are in agreement on these new policy directions.

SEC. 206. Public Housing/Section 8 Moving to Work Demonstration. Establishes a demonstration of no more than 30 public housing authorities to reduce cost and achieve greater cost-effectiveness in federal expenditures, to provide incentives for heads of households to become economically self-sufficient, and to increase housing choices for lower-income families. The demonstration may include no more than 25,000 public housing units.

SEC. 207. Repeal of Provisions Regarding Income Disregards. Repeals section 957 of the Cranston-Gonzalez National Affordable Housing Act and section 923 of the Housing and Community Development Act of 1992.

SEC. 208. Extension of Multifamily Housing Finance Programs. Extends sections 542(b)(5) and 542(c)(4) as proposed by the House and Senate.

SEC. 209. Foreclosure of HUD-held Mortgages Through Third Parties. During fiscal year 1996, allows the Secretary to delegate some or all of the functions and responsibilities in connection with the foreclosure of mortgages held by HUD under the National Housing Act.

SEC. 210. Restructuring of the HUD Multifamily Mortgage Portfolio Through State Housing Finance Agencies. During fiscal year 1996, allows the Secretary to sell or transfer multifamily mortgages held by the Secretary under the National Housing Act to a State housing finance agency.

SEC. 211. Transfer of Section 8 Authority. Allows the Secretary to use section 8 budget authority that becomes available because of the termination of a project-based assistance contract to provide continued assistance to eligible families. Section 8 renewal assistance may be used for the same purpose at the time of contract expiration.

SEC. 212. Documentation of Multifamily Refinancings. Extends through fiscal year 1996 and thereafter, the amendments to section 223(a)(7) of the National Housing Act included in Public Law 103-327.

SEC. 213. FHA Multifamily Demonstration. Establishes a demonstration to review the feasibility and desirability of "marking-to-market" the debt service and operating expenses attributable to HUD multifamily projects which can be supported with or without mortgage insurance under the National Housing Act and with or without above-market rents utilizing project-based or tenant-based assistance. Such demonstration is limited to 15,000 units over fiscal years 1996 and 1997. The provision also appropriates $30,000,000 as a credit subsidy for such activities.

SEC. 214. Section 8 Contract Renewals. Inserts language to limit the cost of section 8 contract renewals to the fair market rent (FMR) for the area, similar to language proposed by the House. In addition, language is added to make clear that the Secretary shall, at the request of the owner, renew expiring section 8 contracts for one year under the same terms and conditions as the expiring contract during fiscal year 1996. On October 1, 1996, additional expiring contracts will be subject to the local FMR. This language clarifies existing law with respect to renewal of these project-based subsidy contracts, and highlights the urgency of affirmative action by the authorizing committees in enacting legislation necessary to avoid loss of affordable housing and potential displacement of residents next fiscal year.

This section also amends the provisions of law requiring renewal of loan management setaside contracts to provide the Secretary the discretion to renew only that portion of expiring contracts necessary to avoid displacement of residents who have been previously assisted. Budgetary constraints will make continuing these rental subsidy contracts very difficult over the next several years and it is highly advisable that project owners reduce dependence on such project-based subsidies as such assisted residents voluntarily leave these developments.

Finally, this section amends the rental payment standards applicable to housing projects under section 236 of the National Housing Act to encourage the retention of working families in these developments by preventing rental charges in these projects which may exceed actual market rates in certain localities.

SEC. 215. Extension of Home Equity Conversion Mortgage Program. Extends demonstration through fiscal year 1996, increasing the maximum number of units insured from 25,000 to 30,000.

SEC. 216. Assessment Collection Dates for Office of Federal Housing Enterprise Oversight (OFHEO). Modifies OFHEO assessment collection dates to allow revenues to match the timing of expenditures.

SEC. 217. Merger Language for Assistance for the Renewal of Expiring Section 8 Subsidy Contracts and Annual Contributions for Assisted Housing. Merges the section 8 renewal account with annual contributions for assisted housing, as proposed by the House. This will allow a more accurate assessment of the ongoing commitment to affordable housing by the 104th Congress. More than 400,000 families will be assisted with funds provided under the Annual Contributions for Assisted Housing account in fiscal year 1996. Altogether, 4.5 million households will receive HUD assistance in fiscal year 1996.

SEC. 218. Debt Forgiveness. Inserts language to forgive public facilities loans in Hubbard and Groveton, Texas and Hepzibah, West Virginia. These loans were previously written off as uncollectible and will not increase the federal debt. In addition, the conferees direct the Department of Housing and Urban Development to work with the Rend Lake Conservancy District, Illinois, to resolve its indebtedness under the Public Facilities Loan program.

SEC. 219. Clarifications. Inserts language to clarify "continuum of care" requirements as applied to the Paul Mirabile Center in San Diego, California.

SEC. 220. Employment Limitations. Limits the number of Assistant Secretaries at the Department to 7, the number of schedule C employees to 77, and the number of non-career Senior Executive Service positions to 20. Such limitations are to be met by the end of fiscal year 1996.

SEC. 221. Use of Funds. Allows previously appropriated funds for Highland, California, and Toledo, Ohio, to be used in their respective communities for other purposes.

SEC. 222. Lead-based Paint Abatement. Amends eligible housing criteria under section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992.

SEC. 223. Extension Period for Sharing Utility Cost Savings with PHAs. Eliminates time restriction for sharing utility cost savings under section 9(a)(3)(B)(i) of the Housing Act of 1937.

SEC. 223A. Mortgage Note Sales. Extends for fiscal year 1996 mortgage sales under section 221(g)(4)(C)(viii) of the National Housing Act.

SEC. 223B. Repeal of Frost-Leland. This provision repeals section 415 of the VA, HUD, and Independent Agencies Appropriations Act for fiscal year 1988. The Dallas Housing Authority and the Housing Authority of the City of Houston may proceed with demolitions and revitalization of George Loving Place and Allen Parkway Village, respectively. In addition, the conferees have learned that the demolition of Allen Parkway Village, a large densely organized public housing project in Houston, Texas, which has been substantially vacant for over a decade, is being delayed by the section 106 process under the National Historic Preservation Act of 1966. The conferees believe that preservation of historic buildings is an admirable goal. However, the conferees do not believe that it is good policy to require the preservation of buildings unsuitable for modern family life at the expense of low income families in dire need of safe, decent, and affordable housing.

SEC. 223C. FHA Single-Family Assignment Program Reform. Reforms the assignment process of the Federal Housing Administration to reflect cost-savings achieved in the private sector for working out delinquent loans to avoid foreclosure and minimizing losses to the mortgage insurer.

SEC. 223D. Spending Limitations. (i) Property Insurance. The Department is in the process of promulgating regulations under the Fair Housing Act regarding discriminatory practices in property insurance activities. Certain courts have ruled upholding the application of the Fair Housing Act to property insurance. However, significant questions have been raised relative to HUD's jurisdiction in this regard, especially in light of the McCarran-Ferguson Act, which reserves to the States authority to regulate insurance matters, and the Fair Housing Act, which makes no mention of discriminating in providing property insurance.

Given the uncertainty and controversy over this issue, it is the consensus that this important issue should be promptly addressed by the legislative committees of jurisdiction.

(2) Prohibition on Penalties or Sanctions Against Communities That Adopt English as the Official Language. The conferees are concerned that communities across the United States feel it necessary to adopt State or local law or regulations to declare English the official language. While English ought to be an essential part of the American experience, the conferees do not oppose bilingual education and recognize the importance of such education efforts in order to meet the needs of an increasing population of immigrants and others, who in too many cases, are economically disadvantaged. The real need for Americans is to communicate fully with one another. To the extent English is chosen in individual communities as the main language, HUD ought not to punish or impose sanctions because of this action.

(3) Lobbying Prohibition. Prohibits funds provided under this Act from being used for purposes not authorized by the Congress.

(4) RESPA. The conference agreement does not include language prohibiting the expenditure of funds to promulgate regulations based upon the July 21, 1994 proposed rule on the Real Estate Settlement Procedures Act (RESPA). However, the conferees are concerned that HUD has been interpreting RESPA in a manner that may stifle competition and the development of innovative services in the settlement services industry. Before proceeding to finalize such rulemaking, the conferees urge the Department to seek additional guidance on this important issue from the appropriate authorizing committees.

(5) Land Use Regulations for Residential Care. Communities across the country have expressed serious concerns with fair housing law as it relates to their ability to review and implement and use regulations for residential care facilities. The conferees encourage the Department to work with the relevant authorizing committees to develop legislative remedies for these concerns as soon as possible.

SEC. 223E. Transfer of Functions to the Department of Justice. Language is inserted to transfer fair housing activities to the Department of Justice effective April 1, 1997. A similar provision was proposed by the Senate in amendment numbered 116. This transfer would include all responsibilities for fair housing issues, including administering the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiatives Program (FHIP). This 18-month transition would give the Department of Justice adequate time to ensure a smooth transfer of all functions. Congress would also have an opportunity to review key implementation issues.

The conferees emphasize that the intent of this provision is not to minimize the importance of addressing housing discrimination in this nation; instead, the Department of Justice with its own significant (and primary) responsibilities to address all forms of discrimination represents the appropriate place to consolidate and to provide consistency in policy direction for the federal government to combat discrimination, including discrimination with regard to housing issues.

While many members of Congress are advocating the elimination of HUD, the transfer of HUD's fair housing programs to the Department of Justice will allow HUD to refocus on its primary responsibilities of providing housing and community development assistance. The larger issue of determining the fate of HUD is better suited for the authorizing committees of the House and Senate.

Amendment No. 59: Inserts language proposed by the Senate to prohibit the expenditure of funds under this Act for the investigation or prosecution under the Fair Housing Act of any otherwise lawful activity, including the filing or maintaining of non-frivolous legal action, that is engaged in solely for the purposes of achieving or preventing action by a Government official, entity, or court of competent jurisdication.

Amendment No. 60: Inserts language proposed by the Senate to prohibit the use of funds under this Act to take enforcement action under the Fair Housing Act on the basis of familial status and which involves an occupancy standards except under the occupancy standards established by the March 20, 1991 Memorandum from the General Counsel of HUD to all Regional Counsel, or until such time as HUD issues a final rule on occupancy standards in accordance with standard rulemaking.

Amendment No. 61: Inserts language proposed by the Senate to allow reconstruction or rehabilitation costs as eligible activities for the expenditure of Community Development Block Grant funds, not just reconstruction and rehabilitation costs in conjunction with acquisition costs.

Amendment No. 62: Deletes language proposed by the Senate requiring HUD to submit a report to Congress on the extent federal funds are used to facilitate the closing or substantial reduction of operations of a plant that result in the relocation or expansion of a plant from one state to another. Instead, conferees direct HUD to review available data on this issue and report to Congress the costs and benefits of establishing such a database.

TITLE III—INDEPENDENT AGENCIES

CONSUMER PRODUCT SAFETY COMMISSION

The conferees agree to provide $40,000,000 for the Consumer Product Safety Commission, a reduction of $4,000,000 from the budget request. The conferees direct the Commission to make the necessary reduction in expenditures from among operating expenses, including contract services, overhead accounts such as space, rent, telephone and travel and by delay in filling vacant positions.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Amendment No. 63: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to the amendment of the House with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For necessary expenses for the Corporation for National and Community Service in carrying out the orderly termination of programs, activities, and initiatives under the National and Community Service Act of 1990, as amended (Public Law 103-82), $15,000,000; Provided, That such amount shall be utilized to resolve all responsibilities and obligations in connection with said Corporation and the Corporation's Office of Inspector General.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

COURT OF VETERANS APPEALS

The bill provides $9,000,000 for the Court of Veterans Appeals. The funding levels for this agency is not in conference because the recommended amount in the bill was identical as it passed both the House and the Senate. Because of concerns expressed with this level of funding, the conferees intend that the Committees on Appropriations review the benefits of the Court and how it can best operate in a constrained budget environment. It may be that the authorizing committees will also want to review these matters.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

Amendment No. 64: Appropriates $11,946,000 for salaries and expenses as proposed by the Senate, instead of $11,296,000 as proposed by the House.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

Amendment No. 65: Appropriates $525,000,000 for science and technology activities instead of $500,000,000 as proposed by the Senate and $384,052,000 under research and development as proposed by the House. The research and development account as proposed by the House and stricken by the Senate is deleted and a new science and technology account is adopted in lieu thereof.

The new science and technology account has been created to begin the consolidation of all research related activities at EPA, including appropriate personnel and laboratory costs. The conferees note that Environmental Service Division (ESD) labs have not been brought under this account at this time, however, the Agency is expected to provide an analysis of whether ESD labs, as well as other research related activities, should be included in this account in the fiscal year 1997 budget.

The conferees recognize that with the new account structure, EPA has additional flexibility to manage its resources. The conferees wish to make clear, however, that EPA is not to apply budgetary reductions disproportionately to contracts relative to the workforce. The agency must plan for further budgetary reductions anticipated in the outyears by gradually reducing its workforce, and the account structure is intended in part to ease the difficulties and disruption associated with downsizing the workforce. Any reprogramming of funds that become necessary throughout the fiscal year is to be made upon the notification and approval of the Committees on Appropriations.

The conferees are in agreement with the following changes to the budget request:

+$150,000,000 for research and development personnel costs transferred from the former program and research operations account.

+$35,000,000 for laboratory and facilities costs transferred from the former abatement, control, and compliance account.

+$500,000 for the National Urban Air Toxics Research Center.

+$2,500,000 for the Gulf Coast Hazardous Substance Research Center.

+$1,500,000 for the Water Environment Research Foundation.

+$2,500,000 for the American Water Works Association Research Foundation (AWWARF).

+$730,000 for continued study of livestock and agricultural pollution abatement.

+$1,000,000 for continuation of the San Joaquin Valley PM-10 study.

+$2,000,000 to continue research on urban waste management at the University of New Orleans.

+$1,500,000 for the Resource and Agricultural Policy Systems program at Iowa State University.

+$500,000 for oil spill remediation research at the Spill Remediation Research Center.

+$1,000,000 for research on the health effects of arsenic. In conducting this research, the Agency is strongly encouraged to contract with groups such as the AWWARF so that funds can be leveraged to maximize available research dollars.

+$1,000,000 for the Center for Air Toxics Metals.

+$1,000,000 for the EPSCoR program.

+$18,000,000 for research and development transferred from the hazardous substance superfund account, including $5,000,000 for the hazardous substance research center program. The conferees agree that most research being conducted under the Superfund account has application across media lines and thus should be carried forward in a manner consistent with all other Agency research and development activities. With this transfer, the conferees have included a total of $20,500,000 for Superfund research in the new science and technology account, including $2,500,000 for the Gulf Coast Hazardous Substance Research Center. This represents a further step in consolidating all agency research within this account. Should the amount provided for Superfund research be insufficient, the Committees on Appropriations would entertain an appropriate reprogramming request from the agency. The conferees expect EPA to conform its fiscal year 1997 budget submission to this account restructuring, including Superfund research.

−$69,200,000 from the Environmental Technology Initiative. Remaining funds in this program are to be used for technology verification activities, and the agency is expected to submit a spending plan for this activity as part of its annual operating plan.

−$31,645,700 from the Working Capital Fund included in the budget request. This new fund has not been approved for fiscal year 1996, however, the conferees are generally receptive to the philosophy behind the adoption of such a fund and expect to work closely with the agency throughout the fiscal year to develop a proposal for consideration for fiscal year 1997.

−$19,545,300 as a general reduction, subject to normal reprogramming guidelines.

The conferees have deleted Senate bill language contained in amendment number 92 related to EPA research and development activities and staffing. However, the conferees agree that EPA has not provided adequate information to the Congress regarding its new Science to Achieve Results (STAR) initiative including its purpose; the effects it might have on applied research needed to support the agency's regulatory activities; the impact on current staffing, cooperative agreements, grants, and support contracts; whether STAR will duplicate the work of other entities such as the National Science Foundation; and how STAR relates to the strategic plan of the Office of Research and Development. Therefore, the agency is directed to submit by January 1, 1996 a report to address these issues. The report also should identify the amount of funds to be spent on STAR, and a listing of any resource reductions below fiscal year 1995 funding levels, by laboratory, from federal staffing, cooperative agreements, grants, or support contracts as a result of funding for the STAR program. No funds should be obligated for the STAR program until the Committees are in receipt of the report.

The conferees direct EPA to discontinue any additional hiring under the contractor conversion program in the Office of Research and Development (ORD) and provide to the Committees by January 1, 1996, a staffing plan for ORD indicating the use of federal and contract employees.

As part of the peer review process of research activities, the conferees expect ORD to place more reliance on oversight and review of its ongoing research by the Science Advisory Board. The conferees agree that better use of the Board in such an oversight and review role will greatly enhance the credibility of the "science" conducted by EPA in support of program activities.

Finally, the conferees note that funds deleted by the House for the Gulf of Mexico Program (GMP) have been fully restored. While the conferees thus support its continuation for fiscal year 1996, there nevertheless remain concerns regarding the current scope, cost, and long term direction the agency has planned for this program. Precious little information is presented through budget justifications in support of the GMP, yet it has enjoyed financial support through the EPA, as well as significant contributions from numerous other federal and state sources. The conferees expect the agency to perform a thorough study and evaluation of this program and its total expenditures, from all sources, and include such information in the fiscal year 1997 budget support documents.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Amendment No. 66: Appropriates $1,550,300,000 for environmental programs and management instead of $1,670,000,000 under program administration and management as proposed by the Senate and $1,881,614,000 under environmental programs and compliance as proposed by the House. The environmental programs and compliance account as proposed by the House and stricken by the Senate is deleted and a new account is adopted in lieu thereof.

The new account combines most of what were formerly the abatement, control, and compliance and program and research operations accounts, thus providing the Agency with increased flexibility to meet personnel and program requirements within the framework of reduced financial resources. As noted under the science and technology account, personnel and laboratory costs associated with research activities have been reduced from the budget request under the aforementioned two accounts. Additionally, state categorical grants proposed in the budget request under abatement, control, and compliance have been moved to the new state and tribal assistance grant account.

In addition to providing flexibility across program lines, the actions of the conferees in approving such structural changes also are due to the necessity of the agency to make substantial changes in the manner in which it carries out its mission. It must be recognized that there simply are not enough financial resources available to remedy every environmental problem that can be identified. Rather, EPA must develop serious priorities, using cost-benefit-risk analysis if appropriate, so that it can go about the task of accomplishing meaningful environmental goals in an orderly and systematic way. To this end, the old "command and control" approach must be discarded—in the Regions as well as in headquarters—and replaced with new methods that promote facilitation, compliance assistance, and federal-state-business partnerships coupled with financial leveraging. The agency's Common Sense Initiative and Project XL are excellent examples of such new methods, and the conferees strongly urge the agency to be more deliberate and aggressive in its move to foster these new, flexible partnerships and relationships with the states and with business without compromising the environmental goals set by the Congress and carried out by the agency. The conferees stand ready to assist the agency in its move in this new direction.

The conferees strongly support the recommendations made by the National Academy of Public Administration in "Setting Priorities, Getting Results: A New Direction for EPA" as outlined in both the House and Senate committee reports accompanying this bill. The conferees believe that monitoring the progress in implementing NAPA's recommendations, and evaluating the effectiveness of such initiatives as Project XL, performance partnerships, and the Common Sense Initiative to determine if these programs offer the country a significant improvement over traditional regulatory approaches is very important. The conferees direct EPA to propose to the Committees by February 15, 1996, how to evaluate these initiatives, the agency's progress in implementing NAPA's recommendations, and how changes in EPA's management systems and organizational structure encourage or inhibit these innovations. EPA should consider as part of its proposal a further involvement by NAPA or other outside parties in this evaluation.

The conferees are in agreement on the following changes to the budget request:

+$2,000,000 for the Southwest Center for Environmental Research and Policy.

+$1,600,000 for Clean Water Act sec. 104(g) wastewater operator training grants.

+$350,000 for the Long Island Sound office.

+$1,000,000 for the Sacramento River Toxic Pollutant Control program, to be cost shared.

+$1,000,000 for continuing work on the water quality management plan for the

Skaneatles, Owasco, and Otisco Lake watersheds.

+$300,000 for the Cortland County, New York aquifer protection plan.

+$8,500,000 for rural water technical assistance activities.

+$500,000 for continuation of the Small Public Water Systems Technical Assistance Center at Montana State University.

+$300,000 for a feasibility study for the delivery of water from the Tiber Reservoir to Rocky Boy Reservation.

+$2,000,000 for the small grants program to communities disproportionately impacted by pollution.

+$1,000,000 for community/university partnership grants.

+$300,000 for the National Environmental Justice Advisory Council.

+$1,000,000 for ongoing Earthvision educational programs.

+$500,000 for ongoing programs of the Canaan Valley Institute.

+$900,000 for remediation of former and abandoned lead and zinc mining in Missouri.

+$250,000 for an evaluation of groundwater quality in Missouri where evidence exists of contamination associated with anthropological activities.

+$75,000 for the Rocky Mountain Regional Water Center's model watershed planning effort.

+$150,000 for the National Groundwater Foundation to continue ongoing programs.

+$500,000 to continue the methane energy and agricultural development demonstration project.

+$185,000 for the Columbia River Gorge Commission for monitoring activities.

+$1,000,000 for environmental review and basin planning for a sewer separation demonstration project for Tanner Creek.

+$300,000 to continue the Small Business Pollution Prevention Center managed by the Iowa Waste Reduction Center.

+$1,500,000 for the final year of the Alternative Fuels Vehicle Training program.

+$2,000,000 for the Adirondack Destruction program to assess the effects of acid deposition.

+$750,000 for the Lake Pontchartrain management conference.

+$750,000 to continue the solar aquatic waste water demonstration program in Vermont.

+$1,000,000 to continue the onsite waste water treatment demonstration through the small flows clearinghouse.

+$235,000 for a model program in the Cheney Reservoir to assess water quality improvement practices related to agricultural runoff.

+$500,000 to continue the coordinated model tribal water quality initiative in Washington State.

+$250,000 for the Ala Wai Canal watershed improvement project.

+$200,000 for the Sokaogon Cheppewa Community to continue to assess the environmental impacts of a proposed sulfide mine project.

+$2,000,000 for a demonstration program to remediate leaking above ground storage tanks in Alaska.

+$1,000,000 for the National Environmental Training Center for Small Communities.

+$500,000 for the Lake Champlain basin plan available for Vermont and New York.

+$31,645,700 for the Working Capital Fund transferred from the former research and development account. This fund has not been approved.

−$11,900,000 from low priority activities in the Office of Air and Radiation, except that no funds are to be reduced from the budget request for the WIPP compliance criteria or from the program activities associated with work at Yucca Mountain, Nevada.

−$2,600,000 from the Environmental Justice program, including the Partners in Protection Program.

−$47,000,000 from the Environmental Technology Initiative.

−$55,000,000 from Climate Change Action Plan programs. The conferees note that over $80,000,000 remains available for this program, an amount double that provided in fiscal year 1994. The agency is directed to terminate funding for programs which compete directly or indirectly with commercial business, including the Energy Star Homes Program.

−$12,000,000 from the Montreal Protocol Facilitation Fund.

−$405,000 from the Building Air Quality Alliance.

−$48,000,000 from low priority enforcement activities.

−$1,800,000 from low priority environmental education activities. The conferees urge the agency to ensure that other resources will be provided for the third and final year to carry out the environmental education grants program to minority institutions. In addition, the conferees expect the National Environmental and Training Foundation will be funded at the fiscal year 1995 level.

−$3,000,000 from low priority activities in the Office of International Activities.

−$350,000 from activities related to unauthorized research related to electromagnetic fields.

−$2,000,000 from the national service initiative.

−$1,000,000 from the GLOBE program.

−$25,000,000 from regional and state oversight activities.

−$81,474,300 from program office laboratory costs requested under the former abatement, control, and compliance and program and research operations accounts. As noted in the science and technology account, funds have been made available to continue funding these facilities under the new account structure agreed to by the conferees.

−$140,080,200 from Office of Research and Development personnel costs requested under the former program and research operations account. As noted in the science and technology account, funds have been made available to meet personnel requirements under the new account structure agreed to by the conferees.

−$683,466,200 from state and tribal categorical grants which have been transferred by the conferees from the former abatement, control, and compliance account to the new state and tribal assistance grants account.

−$166,786,000 as an undistributed general reduction throughout this restructured account, subject to the modified reprogramming procedures.

No legislative provisions as proposed by the House and stricken by the Senate have been included in this new account.

To provide the EPA with enhanced spending flexibility, the conferees have included language in the bill which makes funds available for expenditure for two years until September 30, 1997, and have agreed on reprogramming procedures for this account only, which permit reprogrammings below $500,000 without notice to the Committees, reprogrammings between $500,000 and $1,000,000 with notice to the Committees, and reprogrammings over $1,000,000 with approval of the Committees.

The conferees agree on the importance of the Environmental Finance Centers and expect that they be adequately supported. Similarly, the conferees direct that a grant for Sarasota County, Florida be provided from within funding for the National Estuary Program to support the implementation of the Sarasota Bay NEP Conservation and Management Plan. Finally, the conferees note that the Chesapeake Bay Program has been fully funded and expect that appropriate resources will be devoted to oyster reef construction in the Chesapeake.

The conferees urge EPA to work in a cooperative manner with the Commonwealth of Virginia to resolve issues concerning the state's proposed state implementation plan relative to title V of the Clean Air Act, and to receive the court's guidance before implementing section 502(b)(6) of the Act.

The conferees are in agreement that EPA should consider holding in abeyance the development of a proposed rule concerning a Sole Source Aquifer Designation for the Eastern Columbia Plateau Aquifer System in eastern Washington State, until all issues raised by the State are fully explored and resolved in a manner which meets the needs of all parties.

The conferees also remain concerned about reports filed earlier this year in Milwaukee, Wisconsin and other locations regarding illness alleged to be caused by the use of reformulated gasoline (RFG). While the conferees note that the scientific community has yet to make a direct link between such illness and the use of RFG, the conferees nevertheless expect the agency to continue its review of all available literature and data developed in response to this situation—including such information that may be developed during the winter of 1995–1996—and provide a determination of what additional studies or actions may be necessary to adequately monitor and address the situation.

The conferees are concerned about the interim policy statement on voluntary environmental self policing and self disclosure by the agency. The conferees believe that these state initiatives may prove to be valuable tools to increase compliance with environmental laws in their states. Therefore, the conferees urge EPA to work with the appropriate Committees of Congress to develop an appropriate policy concerning state environmental audit or self evaluation privilege or immunity laws.

As expressed in both House and Senate Committee reports accompanying H.R. 2099, there continues to be concern with EPA's proposed "cluster rule" for pulp and paper. The conferees urge EPA to appropriately address pollutants emitted at only de minimus levels, such as metals from pulping combustion sources, by using its existing authority to establish a de minimus exemption for such pollutants, or by establishing an emission threshold or level of applicability which would achieve a similar result.

Similarly, the conferees remain concerned about the direction taken by the agency with regard to the promulgation of a rule under TSCA to ban or regulate the use of acrylamide and n-methylolacrylamide (NMA) grouts. Such grouts are an important tool in the repair of sewer systems, and the loss of this tool would substantially impair the ability of municipalities to effect repairs of sewer systems without major and costly construction. The conferees strongly urge the agency to review its risk assessment and cost-benefit analysis and provide the appropriate committees of the Congress with all relevant updated information developed

through this review, prior to moving forward in this matter.

The conferees agree that concerns raised by the House regarding the joint EPA/DOE Life Cycle Assessment program have been addressed adequately by the agency. Provided that the agency continues to coordinate the scope, application, and direction of the program with the private sector, the conferees do not object to the use of appropriations in the furtherance of this program.

The conferees are concerned with EPA's plans to expand the Toxics Release Inventory (TRI) to include toxics use data, despite the lack of specific authorization under the Emergency Planning and Community Right-to-Know Act. The conferees note that while the legislation establishing the TRI (42 U.S.C. 11023) directs EPA to publish a uniform toxics chemical release form providing for the submission of data on "the general category or category of use" of a chemical, and the Pollution Prevention Act (42 U.S.C. 13101–13109) expanded the TRI by requiring that facilities filing such a release form include a source reduction and recycling report, Congress has not granted EPA the specific authority to expand the TRI to require the reporting of any mass balance, materials accounting, or other data on amounts of chemicals used by a reporting facility. The conferees urge EPA not to take final action to create a Toxics use Inventory until it seeks specific legislative authority to do so.

The conferees have agreed to delete a provision proposed by the House which prohibited the expenditure of funds to impose or enforce proposed rules under section 112(r) of the Clean Air Act and instead note their pleasure that EPA is considering amendments to the risk management plan list rule which address some of the concerns underlying the House amendment. The conferees remain concerned, however, that the status of natural gas processors may not be adequately addressed in these amendments. Arguments advanced to exempt exploration and production facilities from section 112(r) are equally applicable in the case of natural gas processing facilities, which are also remotely-located, uncomplicated, and often unmanned. Therefore, the conferees urge EPA to consider extending any clarification regarding exploration and production facilities to natural gas processors.

The conferees have also deleted language proposed by the House regarding the recently published maximum achievable control technology (MACT) rule for the petroleum refining industry. At both the House and Senate fiscal year 1996 budget hearings for the agency, held this spring, considerable testimony was taken on the issue of this refinery MACT. Although all parties agree that portions of this rule are acceptable and workable, testimony received at these hearings indicated that the agency drafted much of the rule relying on data that was as much as 15 years old, even when agency-acceptable three year old data was available. As the testimony itself revealed, drafting of MACT rules in this manner may not be consistent with the intent of the Congress in the passage of the Clean Air Act. In this regard, the conferees urge the agency to consider proposing appropriate amendments, using the latest data, to this rule so that the strongest, and fairest, MACT rule can be instituted.

Similarly, based on testimony received during the fiscal year 1996 budget hearings, the House had included bill language prohibiting the expenditure of funds to proceed with the so-called "combustion strategy" unless the agency followed its own regulatory guidelines. While the conferees have deleted this language they nevertheless remain concerned with the expenditure of funds by any agency in pursuit of a rulemaking which is in conflict with their own rules and procedures. In this instance, EPA has stated publicly that its use of applicable statutory authority must be accompanied by site-specific findings of risk in the administrative record supporting a permit and that any conditions are necessary to ensure protection of human health and the environment (56 Federal Register 7145). The conferees strongly urge the agency to fully comply with its own regulations in any invocation of omnibus permitting authority, and, in furtherance of their hearing records in this matter, direct EPA to report to the House and Senate Appropriations Committees as to how the agency intends to implement these requirements in connection with its "Combustion Strategy." In this regard, it should be noted that the National Academy of Sciences is conducting currently a study on the health effects of waste combustion scheduled for completion in September 1996. To ensure that policies are based on the best up-to-date science and to incorporate appropriate Academy findings, the conferees believe the sensible approach would be to await the results of the study before finalizing a rule addressing the combustion of hazardous waste.

Given the importance of maintaining an adequate and wholesome food supply to ensure good public health, the Office of Pesticide Programs (OPP) is encouraged to take steps to retain the same level of funding and FTEs as has been provided in fiscal year 1995.

It is the intention of the conferees that the EPA avoid unnecessary or redundant regulation and minimize burdens on beneficial research and development of genetically engineered plants. The conferees note that both the National Research Council of the National Academy of Sciences and the World Health Organization have concluded that the application of recombinant DNA technology does not pose any unique risk to food safety or the environment. While the conferees acknowledge the basic regulatory requirements set forth under the Federal Insecticide, Fungicide and Rodenticide Act, the agency is urged to minimize the regulatory burden on the developers of products of such technology. Moreover, the agency should adopt risk based regulations or exemptions from regulations for small scale field testing of genetically engineered plants that are not dissimilar from those regulations set forth for the testing of other pesticides. The conferees expect EPA to report to the appropriate committees of the Congress by May 1, 1996 on any regulatory or trade burdens imposed by the agency through registration under the Federal Insecticide, Fungicide and Rodenticide Act on developers of genetically modified plants (including such burdens as have been identified by academic scientists performing research in the field, companies using biotechnology techniques, and others), as well as the agency's actions to reduce those burdens to levels commensurate with the risks.

Language with regard to an exemption from section 307(b) of the Federal Water Pollution Control Act, as amended, for the Kalamazoo Water Reclamation Plant, has been included. The conferees slightly modified the language as proposed by the Senate to require that treatment and pollution removal is equivalent to or better than that which would be required through a combination of pretreatment by an industrial discharger and treatment by the Kalamazoo Water Reclamation Plant in the absence of the exemption.

The conferees expect the agency to promptly implement its partial response to a Citizen Petition filed September 11, 1992 regarding pesticide regulatory policies. Further, the conferees expect the agency promptly to complete its response to that Petition and another Citizen Petition filed July 10, 1995 in such a way as to minimize the unnecessary loss of pesticides that pose no more than a negligible risk to health or the environment.

Further, based on the possible risk to public health, EPA is strongly urged not to take action on the tolerance for ethylene oxide without first referring the results of the Ethylene Oxide Scientific Review Panel to the EPA Scientific Advisory Board. EPA shall then report to the Committees on the SAB's report and EPA's evaluation of that report.

Amendment No. 67: Deletes language proposed by the Senate making a technical change.

Amendment No. 68: Appropriates $28,500,000 for the Office of Inspector General instead of $28,542,000 as proposed by the House and $27,700,000 as proposed by the Senate. The conferees agree that the program level for the OIG will be $40,000,000, which includes transfers of $500,000 from the LUST trust fund and $11,000,000 from the hazardous substance superfund account.

Amendment No. 69: Appropriates $60,000,000 for buildings and facilities as proposed by the Senate instead of $28,820,000 as proposed by the House. Up to $33,000,000 of the amount made available is for completion of the Ft. Meade, Maryland/Region III lab facility. Remaining funds are for facility repair, maintenance and improvements, and for renovation of the new headquarters facility.

The conferees note that the lack of financial resources made it impossible to fund the first phase of new construction at Research Triangle Park. Nevertheless, the conferees acknowledge the demonstrated need for new or updated facilities consistent with the mission conducted at this important research facility. Prior to the submission of the fiscal year 1997 budget request, the agency is directed to provide a report to the Committees on Appropriations which includes realistic, cost-effective alternatives in addition to construction of a new facility.

HAZARDOUS SUBSTANCE SUPERFUND

Amendment No. 70: Deletes language proposed by the House and stricken by the Senate which provides that all appropriations for the hazardous substance superfund be derived from general revenues, and inserts language proposed by the Senate in lieu thereof which provides that a specific portion of the appropriation for the hazardous substance superfund be derived from the superfund trust fund as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986, as amended by P.L. 101–508, and the remainder be derived from general revenues as authorized by section 517(b) of the Superfund Amendments and Reauthorization Act of 1986, as amended by P.L. 101–508. For the hazardous substance superfund, $913,400,000 shall be derived from the trust fund, instead of $753,400,000 as proposed by the Senate, and $250,000,000 shall be derived from general revenues, as proposed by the Senate.

In addition, language is inserted providing a total of $1,163,400,000 for Superfund.

Amendment No. 71: Provides $11,000,000 for transfer to the Office of Inspector General

instead of $5,000,000 as proposed by the House and $11,700,000 as proposed by the Senate.

Amendment No. 72: Provides $59,000,000 for the Agency for Toxic Substances and Disease Registry instead of $62,000,000 as proposed by the House and $55,000,000 as proposed by the Senate.

Amendment No. 73: Deletes language proposed by the House and stricken by the Senate which makes no funds appropriated under this account available for expenditure after December 31, 1995 unless the Comprehensive Environmental Response, Compensation and Liability Act of 1980 is reauthorized.

Amendment No. 74: Inserts language proposed by the Senate, with a modification, which prohibits the expenditure of funds for the proposing for listing or the listing of sites on the National Priorities List (NPL) established by section 105 of CERCLA, as amended, unless the Administrator of the EPA receives a written request to place the site on the NPL from the governor of the state in which the site is located, unless CERCLA, as amended, is reauthorized. The conferees note that this provision is consistent with the reduction in spending for Superfund pending reauthorization. Also, it reflects Congressional efforts to turn more responsibility for Superfund over to the States.

Amendment No. 75: Deletes language proposed by the Senate directing the funding of the Brownfields Economic Redevelopment Initiative at a level sufficient to complete the award of 50 cumulative Brownfields Pilots by the end of fiscal year 1996 and to carry out other elements of the Brownfields Action Agenda. The conferees are in agreement as to the importance of the Brownfields programs and direct the agency to provide financial assistance to local communities to expedite the assessment of Brownfields sites in order to ensure early remediation of these properties in conjunction with local economic development goals. The Brownfields initiative is to be funded at no less than the current level.

For the hazardous substance superfund program, the conferees have provided $1,163,400,000, and direct that the agency prioritize resources, to the greatest extent possible, on NPL sites posing the greatest risk. The conferees note that, based on figures supplied by EPA, this appropriation is more than sufficient to continue all scheduled work (including the completion of one work phase and the movement to the next) on all sites currently on the NPL, as well as deal adequately and appropriately with all emergency response needs. While the authorizing committees proceed with the reauthorization and reform of the Superfund program, something that literally all stakeholders endorse, the conferees felt it was inappropriate to place new sites on the NPL. However, EPA is directed to move forward with real clean-up actions in an improved, aggressive manner while minimizing overhead, personnel and other administrative costs. Additionally, the agency is directed to submit a detailed report to the Committees on Appropriations, prior to their respective fiscal year 1997 budget hearings, on the demonstrated improvements, if any, on reducing such overhead, personnel and other administrative costs.

Included in the appropriated level are the following amounts:

$800,379,000 for hazardous substance superfund response actions.

$125,076,000 for management and support, including $11,000,000 transferred to the Office of Inspector General and $3,076,000 for the Office of Air and Radiation.

$127,000,000 for enforcement.

$140,945,000 for interagency activities including $59,000,000 for ATSDR; $48,500,000 for NIEHS, of which $32,000,000 is for research and $16,500,000 is for worker training; $25,000,000 for the Department of Justice; $4,350,000 for the U.S. Coast Guard; $2,000,000 for NOAA; $1,100,000 for FEMA; $680,000 for the Department of the Interior; and $315,000 for OSHA.

The conferees have also agreed to an undistributed reduction of $30,000,000 from administrative costs and to a limit on administrative expenses of $275,000,000, subject to normal reprogramming procedures.

The conferees fully support the continuation of the ATSDR minority health professions cooperative agreement at the $4,000,000 funding level, as well as the continuation of adequate funding for the ATSDR health effects study on the consumption of Great Lakes fish. Similarly, the conferees note continued support for the Mine Waste Technology Program from within available funds at an FY 1996 level of $3,000,000.

As noted earlier, the authorizing committees are currently undertaking the reauthorization and reform of the Superfund program. While the conferees acknowledge that honest disagreements exist as to the shape such reform should take, there nevertheless are many things the agency can and should be doing now within the context of reform that amount to nothing more than good government.

One such area of concern to the conferees is that of proper notification by the agency of persons of potential liability for facilities on the NPL. Potentially responsible parties (PRPs) have a reasonable expectation to be notified by the EPA in a timely manner and within a time frame that permits participation in remedy selection and execution. In particular, it is inequitable and unconscionable for the agency to identify a PRP without the means to effectively participate in remedy selections and execution and then, after the remedy has been substantially completed, to attempt to identify other parties to pay for the remedial activity. PRP's should be identified as soon as practicable to allow all potentially interested parties to bring their individual expertise and resources to bear on a commonly identified remedy and to fully participate in the remediation of an NPL site if they are expected to bear the expense of the activity. The conferees expect the agency to review all of its activities to determine the extent to which such situations have occurred and, in conjunction with the Department of Justice, make every effort to remedy such actions in a non-confrontational, non-litigious manner.

Amendment No. 76: Limits administrative expenses for the leaking underground storage tank trust fund to $7,000,000, instead of $5,285,000 as proposed by the House and $8,000,000 as proposed by the Senate.

Amendment No. 77: Provides $500,000 for transfer to the Office of Inspector General instead of $426,000 as proposed by the House and $600,000 as proposed by the Senate.

Amendment No. 78: Appropriates $15,000,000 for oil spill response as proposed by the Senate instead of $20,000,000 as proposed by the House.

Amendment No. 79: Limits administrative expenses for oil spill response to $8,000,000 as proposed by the Senate instead of $8,420,000 as proposed by the House.

STATE AND TRIBAL ASSISTANCE GRANTS

Amendment No. 80: Appropriates $2,323,000,000 for state and tribal assistance grants, instead of $2,340,000,000 as proposed under program and infrastructure assistance by the Senate, and instead of $1,500,175,000 as proposed under water infrastructure/state revolving funds by the House. The water infrastructure/state revolving fund account proposed by the House and stricken by the Senate and the program and infrastructure assistance account proposed by the Senate are deleted, and the new state and tribal assistance grant account is adopted in lieu thereof.

The conferees have agreed to the creation of this new account, within the structure proposed by the Senate, so as to enhance the Agency's ability to provide performance partnerships, or block grants, to the states and tribal governments. Language creating the performance partnership program and language permitting the Administrator to make multi-media environmental grants to recognized tribal governments, has been included. Language which clarifies that the funds for a grant to the City of Mt. Arlington, New Jersey, appropriated in P.L. 103–327 in accordance with House Report 103–715, were intended for water and sewer improvements, has also been included. Finally, the conferees have included language proposed by the Senate which would allow a portion of the funds appropriated for the construction grants program in fiscal year 1992 and thereafter, under the Clean Water Act for construction grants and special projects, to be used by States for the purposes of administering the completion or closeout of any remaining such projects. States will be required to reimburse the grant recipient from other State funds available to the State to support construction activities.

From within the appropriated level, the conferees agree to the following amounts:

$1,125,000,000 for wastewater capitalization grants.

$275,000,000 for safe drinking water capitalization grants, available only upon authorization and only if such authorization occurs by June 1, 1996. If no such legislation becomes law prior to June 1, 1996, appropriated funds immediately become available for wastewater capitalization grants to the states and tribal governments.

$225,000,000 for safe drinking water capitalization grants, made available from funds provided in P.L. 103–327 and P.L. 103–124, subject to authorization prior to June 1, 1996. If no such authorization for safe drinking water capitalization grants occurs prior to this date, such funds are to be available for wastewater capitalization grants.

$100,000,000 for architectural, engineering, design and construction related activities for high priority water and wastewater facilities near the United States-Mexico border.

$50,000,000 for cost shared grants to the State of Texas (Colonias).

$15,000,000 for grants to Alaska, subject to cost share requirements, for rural and Alaska Native Villages.

$658,000,000 for state and tribal categorical grants through traditional grants procedures as well as through the performance partnership program. The conferees note this is virtually identical to the fiscal year 1995 level. The conferees agree that such funds are available in unspecified amounts for the following specific programs:

Non-point source pollution grants under section 319 of the Federal Water Pollution Control Act (FWPCA), including appropriate activities under the Clean Lakes program; water quality cooperative agreements under section 104(b)(3) of FWPCA; public water system supervision grants under section 1443(a)

of the Public Health Service Act; air resource assistance to State, local and tribal governments under section 105 of the Clean Air Act; radon state grants; control agency resource supplementation under section 106 of FWPCA; wetlands program implementation; underground injection control; pesticide program implementation; lead grants; hazardous waste financial assistance; pesticides enforcement grants; pollution prevention; toxic substances enforcement grants; Indians general assistance grants; and, underground storage tanks. The conferees expect the agency to consult with the Committees on Appropriations and with the states prior to the determination and reporting of the amounts allocated for each of these areas.

The conferees agree that Performance Partnership Grants are an important step to reducing the burden and increasing the flexibility that state and tribal governments need to manage and implement their environmental protection programs. This is an opportunity to use limited resources in the most effective manner, yet at the same time, produce the results-oriented environmental performance necessary to address the most pressing concerns while still achieving a clean environment. As part of the implementation of this program, the conferees agree that no reprogramming requests associated with States and Tribes applying for Performance Partnership Grants need to be submitted to the Committees on Appropriations for approval should the reprogrammings exceed the normal reprogramming limitations.

From within the amount appropriated for wastewater capitalization grants, $50,000,000 is to be made available for wastewater grants to impoverished communities pursuant to section 102(d) of H.R. 961 as approved by the House of Representatives on May 16, 1995. The conferees expect the Agency to closely monitor state compliance with this provision to assure that funds are obligated appropriately and in a timely manner. Unused funds allocated for this purpose are to be made available for other wastewater capitalization grants.

$100,000,000 for the following special assistance grants in the following amounts:

$39,500,000 for special projects as requested in the budget submission, including $25,000,000 for Boston Harbor, $10,000,000 for the City of New Orleans, $3,000,000 for Fall River and $1,500,000 for New Bedford.

$5,000,000 for alternative water source projects in West Central Florida.

$1,750,000 for wastewater infrastructure improvements including $1,500,000 for Manns Choice, Bedford County, Pennsylvania, and $250,000 for Taylor Township, Blair County, Pennsylvania.

$11,625,000 for continuing clean water improvements at Onondaga Lake.

$11,625,000 for continuation of the Rouge River National Wet Weather project.

$22,000,000 for continuation of the Mojave Water Agency groundwater research project.

$2,500,000 for the refurbishment and construction of sanitary and storm sewer systems in Ogden, Utah.

$6,000,000 for wastewater facility improvements in the vicinities of Peter Creek ($3,000,000), East Bernstadt/Pittsburg ($2,500,000), and Vicco (500,000), Kentucky.

Amendment No. 81: Inserts a heading as proposed by the Senate and deletes language proposed by the Senate regarding the adoption or implementation of an inspection and maintenance program pursuant to section 182 of the Clean Air Act. The conferees note that this issue has recently been considered in a conference of authorization committees and therefore has become unnecessary to pursue in the context of this legislation.

Amendment No. 82: Deletes language proposed by the Senate regarding the limitation of funds available to impose or enforce trip reduction measures pursuant to the Clean Air Act. The conferees note that this issue recently has been considered in a conference of authorization committees and therefore has become unnecessary to pursue in the context of this legislation.

Amendment No. 83: Inserts language similar to that proposed by the Senate which prohibits the expenditure of funds for the signing or publishing for promulgation of a rule concerning new drinking water standards for radon only. The conferees note that this language is identical to that contained in this Act for each of the last two fiscal years.

Amendment No. 84: Inserts language proposed by the Senate which prohibits the expenditure of funds to sign, promulgate, implement, or enforce certain requirements regarding the regulation for a foreign refinery baseline for reformulated gasoline.

Amendment No. 85: Inserts language proposed by the Senate which prohibits the expenditure of funds to implement section 404(c) of the Federal Water Pollution Control Act, as amended, and which stipulates that no pending actions to implement section 404 (c) with respect to individual permits shall remain in effect after the date of enactment of this Act.

Amendment No. 86: Deletes language proposed by the Senate regarding an exemption of section 307(b) of the Federal Water Pollution Control Act, as amended, for the Kalamazoo Water Reclamation Plant. Similar language has been included under the environmental programs and management account in Amendment No. 66.

Amendment No. 87: Deletes language proposed by the Senate prohibiting the expenditure of funds to enforce section 211(m)(2) of the Clean Air Act in a nonattainment area in Alaska. Similar language is included in amendment number 88.

Amendment No. 88: Inserts language proposed by the Senate which prohibits the expenditure of funds to implement the requirements of section 186(b)(2), or sections 187(b) or 211(m) of the Clean Air Act for any moderate nonattainment area for which the average daily winter temperature is below 0 degrees Fahrenheit.

Amendment No. 89: Deletes language proposed by the Senate which directs EPA to give priority assistance to small business concerns under section 3(a) of the Small Business Act in its Energy Efficiency and Supply programs, study the feasibility of establishing fees to recover the costs of such assistance, and provide a certain level of funding to support participation in the Montreal Protocol and climate change action plan programs.

The conferees note that the budget for EPA's "green programs" has grown substantially over the past several years. Such growth cannot be sustained within the confines of an increasingly constrained budget. There is no disagreement that the green programs have enabled many companies to improve their profitability by installing energy efficient technologies. While it may be appropriate for the federal government to provide technical assistance to organizations which would not otherwise have the resources to make appropriate investment decisions on energy efficient technologies, such as small businesses, large corporations can and should make such investment decisions without federal assistance. The conferees agree that EPA is to undertake a study to determine the feasibility of establishing fees to recover all reasonable costs incurred by EPA for assistance rendered businesses in its Energy Efficiency and Energy Supply program, as described in the Senate amendment.

Amendment No. 90: Deletes language proposed by the Senate which would prohibit final regulatory action under the Toxic Substances Control Act restricting the manufacturing, processing, distributing or use of lead, zinc, or brass fishing sinkers or lures, unless the risk to waterfowl cannot be addressed through alternative means. The conferees are extremely concerned that EPA continues to ignore the importance of allocating its budget to those activities which provide for the greatest reduction in risk. EPA has pursued activities which may have exceeded the agency's legal authority in the regulation of lead by seeking to regulate lead uses that pose no significant risks to human health or the environment, such as EPA's proposal to ban the manufacture and distribution of lead fishing sinkers. The agency's proposal presented little credible evidence to suggest that lead fishing sinkers are threatening to human health or waterfowl populations. The conferees expect EPA to engage in activities which maximize the use of its resources to achieve public health and environmental benefits, and therefore believe EPA should not pursue this rulemaking.

Amendment No. 91: Deletes language proposed by the Senate which directs the investigation and report on the scientific basis for EPA's public recommendations with respect to indoor radon and other naturally occurring radioactive materials. The conferees direct EPA to enter into an arrangement with the National Academy of Sciences to investigate and report on the scientific basis for EPA's recommendations relative to indoor radon and other naturally occurring radioactive materials (NORM). The Academy is to examine EPA's guidelines in light of the recommendations of the National Council on Radiation Protection and Measurements and other peer-reviewed research by the National Cancer Institute, the Centers for Disease Control, and others. The Academy shall summarize the principal areas of agreement and disagreement among these bodies and shall evaluate the scientific and technical basis for any differences that exist. EPA is to submit this report to the appropriate committees of Congress within 18 months of the date of enactment of this Act, and state its views on the need to revise the guidelines for radon and NORM in light of the Academy's evaluation. The agency also shall explain the technical and policy basis for such views.

Amendment No. 92: Deletes language proposed by the Senate regarding implementation of the Science to Achieve Results (STAR) program and restricting the hire of new staff positions under the contractor conversion program. The STAR and contractor conversion issues have been addressed under amendment number 65.

Amendment No. 93: Inserts language which provides necessary expenses to continue the functions of the Council on Environmental Quality and Office of Environmental Quality as proposed by the Senate, instead of language proposed by the House and stricken by the Senate to carry out the orderly termination of the CEQ.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 94: Appropriates $222,000,000 for disaster relief instead of

$235,500,000 as proposed by the House and no funds as proposed by the Senate. The conferees note that the 1995 supplemental appropriation for disaster relief, totaling over $6,500,000,000 coupled with available unobligated appropriations, should be more than adequate to meet all current and expected disaster requirements. Should an FY 1996 supplemental be necessary, the conferees would expect to respond and make such appropriations available in a timely manner.

The conferees note that with the passing of the 1995 hurricane seasons, there is confusion surrounding FEMA's determination of whether beach erosion under different conditions is eligible for assistance under the Stafford Act. While the Code of Federal Regulations certainly provides clear understanding of the rules by which FEMA operates, there nevertheless exists questions as to the legal underpinnings of this regulation. To help clarify the issue and avoid future controversy, the agency is directed to report within 45 days of enactment of this Act on the legal basis for this regulation and on the possible alternatives that exist to maximize mitigation and assistance efforts within the constraints of available financial resources.

The conferees have been made aware of an unfortunate situation following the Northridge Earthquake whereby, based on assurances made by FEMA field agents, significant financial resources were spent or obligated to make appropriate repairs of buildings deemed eligible for assistance. Over a year following those assurances, a determination that such expenses were not eligible was received from FEMA headquarters, including a request for reimbursement of spent funds. As FEMA fully acknowledges that their erroneous assurance of assistance is the genesis of this problem, the conferees direct FEMA to make every effort to remedy this situation through appropriate administrative procedures.

Amendment No. 95: Appropriates $168,900,000 for salaries and expenses as proposed by the Senate instead of $162,000,000 as proposed by the House.

Amendment No. 96: Appropriates $4,673,000 for the Office of the Inspector General as proposed by the Senate instead of $4,400,000 as proposed by the House.

Amendment No. 97: Deletes reference to the Federal Civil Defense Act, as amended, with respect to activities under the emergency management planning and assistance account. This is a technical deletion as activities under this Act have been superseded by other Acts. The conferees have included language under amendment number 114 requested by FEMA in a budget amendment that would direct FEMA to sell its costly inventory of trailer/mobile homes which in the past have been used to meet temporary housing needs of some disaster victims. The costs of transporting these trailers to a disaster site, as well as the costs of necessary refurbishment upon return to inventory, far exceed the benefits provided by the trailers. More important, FEMA believes the important needs of emergency housing can be met in less expensive yet more appropriate ways. In making these sales, FEMA is directed to maximize receipts and minimize expenses to the greatest extent possible.

Within the overall appropriation, the conferees have included $950,000 for earthquake hazard research and mitigation activities at Metro and DOGAMI; $1,000,000 for a statewide and regional hurricane proof evacuation shelter directory for the states of Texas, Louisiana, Mississippi, Alabama, Florida, Arkansas, and Georgia; and $4,000,000 in additional funds for state emergency management assistance (EMA) grants. FEMA is expected to reduce its underground storage tank program to offset these additional EMA grants. The remaining funds necessary to meet these additional expenses should be proposed through normal reprogramming procedures.

The conferees note that FEMA has funded certain planning positions in State emergency management agencies at 100 percent during fiscal year 1995. The conferees direct the agency to continue funding these positions at this same level during 1996, but also expect the agency to make appropriate plans during the fiscal year, including notifying the States if necessary, to reduce the federal share to no more than 50 percent for fiscal year 1997 and beyond.

Amendment No. 98: Appropriates $100,000,000 for emergency food and shelter as proposed by the House instead of $114,173,000 as proposed by the Senate.

Amendment No. 99: Deletes language proposed by the House and stricken by the Senate which prohibits the expenditure of funds for any further work on effective Flood Insurance Rate Maps for certain areas in and around the City of Stockton and San Joaquin County, California. The conferees are aware that the City of Stockton and San Joaquin County, California are restoring existing levee systems that a FEMA flood hazard restudy has determined no longer meet FEMA's minimum flood protection standard. The conferees are also aware that the City and County have recently filed an appeal regarding the determination by that study and were thus satisfied that, just as with bill language, the duration of the appeal would provide the opportunity to fully and properly deal with this important matter. The conferees therefore direct FEMA to thoroughly analyze the appeal and develop alternatives that will lead to a resolution of this situation prior to the conclusion of the appeal process.

The Members of Congress, local officials, and private citizens who have addressed this issue all wish to achieve a result that will not hinder the economic development of the area while, at the same time, ensuring the safety and health of all residents. The conferees share this goal. The National Flood Insurance Program (NFIP), a community-participation program, has a history of cooperation with local governments that spans more than two decades. During this time, a great deal of development has taken place in mapped areas in thousands of communities across the country. Therefore, to assist the City and County in guiding new development, the conferees direct FEMA to first assist by approximating the study flood hazard areas identified on the preliminary Flood Insurance Rate Maps (FIRM's) based on FEMA's restudy. FEMA also is directed to consult with the City and County to ensure that the design and construction for the restored levees will satisfy the criteria for accrediting those structures on FIRMs that will become effective six months after all appeals are fully resolved. Further, the conferees direct FEMA to revise the FIRMs at the earliest date possible to reflect accredited improvements to the levee systems as they are completed.

The conferees note that no funds have been included to produce Flood Rate Insurance Directories (FRIDs) or to sell flood insurance directly to the public. While the conferees support FEMA's effort to increase the use of federal flood insurance, such sales should continue through normal private commercial activity. The conferees are also in agreement that FEMA should make no effort to suspend, revoke, or limit the participation of St. Charles County, Missouri in the National Flood Insurance program because of the permitting of levee improvements to publicly sponsored levee districts.

Finally, the conferees agree the FEMA should conduct a pilot project of a working capital fund during fiscal year 1996, and report on the outcome of the pilot periodically throughout the course of the fiscal year.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

Amendment No. 100: Provides for a change in the administrative expenses limitation to $2,602,000 as proposed by the Senate instead of $2,502,000 as proposed by the House.

The conferees agree to an increase in the administrative expenses limitation for the Consumer Information Center to reflect the increased responsibilities of the Center as it takes on efforts previously assigned to the Office of Consumer Affairs.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

Amendment No. 101: Appropriates no funding for the Office of Consumer Affairs, as proposed by the Senate instead of $1,811,000 as proposed by the House.

The conferees agree to the Senate position to delete all funding for the Office of Consumer Affairs. The conferees agree that the functions of producing the Consumer Resources Handbook and organizing the Constituent Resource Exposition are to be transferred to the Consumer Information Center. Language is included in the bill to facilitate the transfer of personnel and responsibilities associated with closure of this office.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

Amendment No. 102: Appropriates $5,456,600,000 for Human Space Flight, instead of $5,449,600,000 as proposed by the House and $5,337,600,000 as proposed by the Senate.

The conference agreement reflects the following change from the budget request:

A reduction of $53,000,000 to reflect savings which accrue from the closure of the Yellow Creek Facility at Iuka, Mississippi.

The conferees believe that savings are achievable in shuttle operations when the recommendations called for in the Kraft report on shuttle operations are implemented. The conferees are encouraged that NASA has begun to aggressively implement the recommendations and look forward to seeing the financial savings materialize while maintaining safe shuttle operations.

NASA INDUSTRIAL PLANT, DOWNEY

The conferees are aware of ongoing discussions between NASA, Rockwell International, and officials of the City of Downey, California, regarding possible disposition of NASA real property at the NASA Industrial Plant, Downey. The conferees understand that this planning effort could culminate in a proposal for disposition of NASA real property at the Downey site which may: consolidate Space Shuttle engineering activities, thereby reducing annual Government operations costs; possibly produce proceeds to the U.S. Treasury from transfer of portions of the NASA real property; and make available portions of the real property for commercial/industrial use. The conferees direct that NASA report to the Committees on Appropriations on progress in this disposition

planning effort, including any potential economic benefits to the Government, by February 1, 1996.

TERMINATION LIABILITY

The conferees fully support deployment of the space station but recognize the funds appropriated by this Act for the development of the space station may not be adequate to cover all potential contractual commitments should the program be terminated for the convenience of the Government. Accordingly, if the space station is terminated for the convenience of the Government, additional appropriated funds may be necessary to cover such contractual commitments. In the event of such termination, it would be the intent of the conferees to provide such additional appropriations as may be necessary to provide fully for termination payments in a manner which avoids impacting the conduct of other ongoing NASA programs.

Amendment No. 103: Deletes House language delaying the availability of $390,000,000 for Space Station until August 1, 1996.

SCIENCE, AERONAUTICS AND TECHNOLOGY

Amendment No. 104: Appropriates $5,845,900,000 for Science, Aeronautics and Technology, instead of $5,588,000,000 as proposed by the House and $5,960,700,000 as proposed by the Senate.

The conference agreement reflects the following changes from the budget request:

A general reduction of $33,000,000 to be distributed in accordance with normal reprogramming procedures.

A reduction of $13,700,000 from the budget request for the Stratospheric Observatory for Infrared Astronomy (SOFIA). The reduction will leave $35,000,000 in fiscal year 1996 to begin this program to replace the Kuiper Airborne Observatory.

An increase of $51,500,000 for the Gravity Probe-B program which was not included in the budget request.

A decrease of $5,000,000 for the Space Infrared Telescope Facility, leaving $10,000,000 to begin this effort. NASA is directed to provide no additional funding for this effort unless specifically approved by the House and Senate Committees on Appropriations.

The conferees agree to provide $20,000,000 for initiation of the Solar-Terrestrial Probes program. The funding includes $15,000,000 to begin the TIMED mission and $5,000,000 for design studies of the inner magnetospheric imager.

The conference agreement includes an additional $3,000,000 for the university explorer program to develop small, inexpensive spacecraft for astronomy and space physics missions.

A general reduction of $20,000,000 for Life and Microgravity Science. The reduction is not to be taken against any space station programs. NASA should develop a plan that accommodates the budget decrease while minimizing its impact on the early scientific return from space station operations. This plan should emphasize how NASA will ensure the quality of the science it will conduct and maximize the value of the results it obtains from the early utilization of space station.

An increase of $4,500,000 is provided for space radiation research in accordance with direction contained in House Report 104–201.

Within Mission to Planet Earth, the conference agreement contains a reduction of $6,000,000 for the Consortium for International Earth Sciences Information Network. The conferees agree that the Consortium and NASA are free to pursue programmatic options under existing contracts between CIESIN and NASA and the Consortium is not precluded from competing for future contracts with NASA. A further reduction of $75,000,000 is to be distributed in accordance with normal reprogramming guidelines. The conferees are in agreement on the following:

NASA should work with the Department of Agriculture to ensure that remote sensing data collected through this program will be better used for agriculture and resource management;

From within the funds for Mission to Planet Earth, NASA is urged to provide for continued development and refinement of visualization techniques and capabilities currently underway through the Jet Propulsion Laboratory to incorporate remotely sensed data and information into formal informational and educational programs;

From within the available funding, $5,000,000 should be used toward full development of a windsat mission;

Any restructuring of the Earth Observing System Data Information System which may result from the recently issued National Academy of Sciences report should be implemented in such a manner as to minimize counterproductive disruptions at the Marshall Space Flight Center.

A general reduction of $30,000,000 to the Aeronautical Research and Technology portion of the budget to be distributed in accordance with normal reprogramming guidelines. The conferees note that NASA and the FAA have recently established a mechanism to coordinate their efforts toward an advanced air traffic management system. While the House reduced the budget request by $20,000,000 because such an agreement had not yet been reached, the conferees believe some reduction in funding is still achievable and the program is not exempt from the general reduction. Likewise, the conferees do not intend that the entire reduction be applied against the High Performance Computing and Communications (HPCC) program, nor is the program exempt from reduction. The conferees recognize the national interest served by providing the public access to earth and space images and data through a national information infrastructure and strongly support funding to carry out such NASA educational and public outreach activities funded in the HPCC account.

Within the Space Access and Technology portion of the account, a reduction of $7,000,000 from the Clean Car program, a reduction of $21,300,000 for the Earth Applications systems to return the program to the fiscal year 1995 funding level, an increase of $3,000,000 for commercial space activities to be used only as provided for in authorizing legislation, an increase of $4,500,000 for a rural state technology transfer center as provided for in authorizing legislation. The conference agreement deletes without prejudice the increase of $20,000,000 proposed by the Senate for development of the reusable launch vehicle (X–33). Nonetheless, the conferees have significant concerns over the current funding profile for this ambitious developmental effort in that amounts proposed for the initial years may not be adequate to resolve technical design and engineering issues necessary to support scheduled investment decisions by private industry. The conferees are very supportive of this innovative public-private partnership in developing a more efficient and commercially viable launch system and direct NASA to conduct a re-examination of the current funding profile, including amounts recommended for the remainder of fiscal year 1996. The conferees expect NASA to submit its findings and recommendations in this regard in a report to accompany its justifications for the fiscal year 1997 budget, and to request a reprogramming, if necessary, to optimize initial developmental efforts during the balance of the current year.

A general reduction of $20,000,000 for the mission communications program, to be distributed in accordance with established reprogramming procedures.

A general reduction of $16,500,000 for Academic Programs, leaving funding at the fiscal year 1995 level. The conferees urge NASA to consider funding the Discovery Center project and the Rural Teacher Resource Center. These projects are aimed at significantly enhancing science, educational, and outreach services for an underserved region of the county. The Oregon State System for Higher Education is developing a network infrastructure for advanced technology research and education utilizing high speed and high capacity communications systems with a prior year grant of funds from NASA under its academic programs activity. The conferees understand that this project has received substantial industry contributions, however, some additional federal support may be necessary to facilitate the acquisition of equipment and for space modifications. NASA is urged to give priority consideration to assisting in the prompt completion of this important initiative.

MISSION SUPPORT

Amendment No. 105: Appropriates $2,502,200,000 for Mission Support, instead of $2,618,200,000 as proposed by the House and $2,484,200,000 as proposed by the Senate.

The conference agreement reflects the following changes from the budget request:

A decrease of $125,000,000 in salaries and related expenses resulting from the voluntary retirement of individuals during fiscal year 1995 which had not been anticipated when the fiscal year 1996 budget was submitted.

A general reduction of $25,000,000 from research and operations support, subject to reprogramming guidelines.

A reduction of $50,000,000 from space communications, to be applied at the agency's discretion to reprogramming guidelines.

A reduction of $24,000,000 from construction of facilities. The conferees agree that NASA may use excess fiscal year 1994 funding, particularly identified excess planning and design funds, to satisfy fiscal year 1996 requirements.

Amendment No. 106: Deletes House administrative provision regarding leasing of contractor funded facilities where such lease would amortize the contractor investment unless specifically approved in appropriations Act.

Amendment No. 107: Adds Senate language to the House administrative provision regarding transfer of facilities at Iuka, Mississippi. The new language will direct that any Federal entity having previous contact with the site will have responsibility for environmental remediation.

Amendment No. 108: Deletes House administrative provision directing a study of closing or re-structuring NASA flight operations and research centers. The conferees agree to the Senate report language requesting periodic progress reports on the implementation of recommendations contained in the NASA zero-based review.

Amendment No. 109: Deletes Senate administrative provision delaying the availability of $390,000,000 for Space Station until August 1, 1996. Adds an administrative provision providing up to $50,000,000 of transfer authority

for use at the discretion of the Administrator.

The conferees have agreed to include an administrative provision providing transfer authority to the National Aeronautics and Space Administration to deal with unforeseen emergencies. To ensure that there is no adverse effect on any NASA program, the conferees have included general transfer authority of up to $50,000,000 to be used at the discretion of the Administrator subject to the case-by-case approval by the House and Senate Appropriations Committees.

NATIONAL SCIENCE FOUNDATION

Amendment No. 110: Appropriates $2,274,000,000 for Research and Related Activities, instead of $2,254,000,000 as proposed by the House and $2,294,000,000 as proposed by the Senate.

The conferees agree that the reduction within the Research and Related Activities account should be allocated by the National Science Foundation in accordance with its internal procedures for resource allocation, subject to approval by the House and Senate Committees on Appropriations.

U.S. ANTARCTIC PROGRAM

The conferees agree with the Senate report language calling for a government-wide policy review of the U.S. presence in the Antarctic to be conducted by the National Science and Technology Council and reiterate that such a review must include all program participants, including the Department of Defense. The review should be completed and submitted to the Congress no later than March 31, 1996.

OPTICAL AND INFRARED ASTRONOMY

The conferees recognize the need for the National Science Foundation to support modernizing the research infrastructure in astronomy and other disciplines. The conferees are equally supportive of the flexible matching requirements employed by the Foundation in its Academic Research Infrastructure program and expect they will be continued in fiscal year 1996.

Amendment No. 111: Deletes language proposed by the Senate to fund fair housing activities under the Department of Justice. Language transferring such functions, with delayed implementation of April 1, 1997 is included under fair housing activities under title II of this Act.

Amendment No. 112: The Senate bill contained a provision moving the Office of Federal Housing Enterprise Oversight (OFHEO), which is the financial safety and soundness regulator of Fannie Mae and Freddie Mac (collectively, "GSEs"), from the Department of Housing and Urban Development of the Department of the Treasury. The conference agreement does not contain this provision. Nevertheless, the conferees want to emphasize the seriousness with which they view the underlying Senate provision.

In particular, the primary function of OFHEO is to issue risk-based capital standards to ensure the safety and soundness of the GSEs, and that these standards, as yet unissued, were to be finalized by November 28, 1994. The conferees urge OFHEO to refocus its emphasis from lower priority activities, such as participation in conferences and political forums, to financial examinations and the development of final risk-based capital standards.

TITLE V—GENERAL PROVISIONS

Amendment No. 113: Makes technical language change.

Amendment No. 114: Deletes language proposed by the House and stricken by the Senate regarding contractor conversions at the Environmental Protection Agency. Additional language relative to this matter is included in amendment numbered 65.

Inserts language directing FEMA to sell surplus mobile homes/trailers from its inventory. Additional information on this matter is discussed under amendment numbered 97.

Amendment No. 115: Inserts language proposed by the Senate which allows the use of other funds available to the Department of Health and Human Services to facilitate termination of the Office of Consumer Affairs. This matter is also mentioned in amendment numbered 101.

Amendment No. 116: Deletes language proposed by the Senate regarding energy savings at Federal facilities.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1996 recommended by the Committee of Conference, with comparisons to the fiscal year 1995 amount, the 1996 budget estimates, and the House and Senate bills for 1996 follow:

New budget (obligational) authority, fiscal year 1995	$89,920,161,061
Budget estimates of new (obligational) authority, fiscal year 1996	89,869,762,093
House bill, fiscal year 1996	79,697,360,000
Senate bill, fiscal year 1996	81,009,212,000
Conference agreement, fiscal year 1996	80,606,927,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1995	−9,313,234,061
Budget estimates of new (obligational) authority, fiscal year 1996	−9,262,835,093
House bill, fiscal year 1996	+909,567,000
Senate bill, fiscal year 1996	−402,285,000

JERRY LEWIS,
TOM DELAY,
BARBARA F. VUCANOVICH,
JAMES T. WALSH,
DAVE HOBSON,
JOE KNOLLENBERG,
RODNEY P. FRELINGHUYSEN,
MARK W. NEUMANN,
BOB LIVINGSTON,
Managers on the Part of the House.

CHRISTOPHER S. BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
ROBERT F. BENNETT,
BEN NIGHTHORSE CAMPBELL,
MARK O. HATFIELD,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
J. BENNETT JOHNSTON,
BOB KERREY,
ROBERT C. BYRD,
Managers on the Part of the Senate.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT ON H.R. 4, PERSONAL RESPONSIBILITY ACT OF 1995

Mr. MILLER of California. Mr. Speaker, pursuant to clause (c) of rule XXVIII, I rise to announce my intention to offer a motion to instruct House conferees on H.R. 4, the Personal Responsibility Act of 1995. The form of my motion is as follows:

Mr. MILLER of California moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendments to the bill H.R. 4 be instructed, that in resolving differences between the two Houses with respect to subtitle b of title III of the House bill (relating to family and school-based nutrition block grants) and title IV of the Senate amendment (relating to child nutrition programs), the managers should concur in the Senate amendment insofar as such amendment does not contain any block grants relating to the school lunch program under the National School Lunch Act and does not contain any block grants relating to any family nutrition program under the Child Nutrition Act of 1966 or the National School Lunch Act.

SEVEN-YEAR BALANCED BUDGET RECONCILIATION ACT OF 1995—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–141)

The SPEAKER pro tempore (Mr. ENSIGN) laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.R. 2491, the budget reconciliation bill adopted by the Republican majority, which seeks to make extreme cuts and other unacceptable changes in Medicare and Medicaid, and to raise taxes on millions of working Americans.

As I have repeatedly stressed, I want to find common ground with the Congress on a balanced budget plan that will best serve the American people. But, I have profound differences with the extreme approach that the Republican majority has adopted. It would hurt average Americans and help special interests.

My balanced budget plan reflects the values that Americans share—work and family, opportunity and responsibility. It would protect Medicare and retain Medicaid's guarantee of coverage; invest in education and training and other priorities; protect public health and the environment; and provide for a targeted tax cut to help middle-income Americans raise their children, save for the future, and pay for postsecondary education. To reach balance, my plan would eliminate wasteful spending, streamline programs, and end unneeded subsidies; take the first, serious steps toward health care reform; and reform welfare to reward work.

By contrast, H.R. 2491 would cut deeply into Medicare, Medicaid, student loans, and nutrition programs; hurt the environment; raise taxes on millions of working men and women and their families by slashing the Earned Income Tax Credit (EITC); and provide a huge tax cut whose benefits would flow disproportionately to those who are already the most well-off.

Moreover, this bill creates new fiscal pressures. Revenue losses from the tax cuts grow rapidly after 2002, with costs exploding for provisions that primarily benefit upper-income taxpayers. Taken together, the revenue losses for the 3 years after 2002 for the individual retirement account (IRA), capital gains, and estate tax provisions exceed the losses for the preceding 6 years.

Title VIII would cut Medicare by $270 billion over 7 years—by far the largest cut in Medicare's 30-year history. While we need to slow the rate of growth in Medicare spending, I believe Medicare must keep pace with anticipated increases in the costs of medical services and the growing number of elderly Americans. This bill would fall woefully short and would hurt beneficiaries, over half of whom are women. In addition, the bill introduces untested, and highly questionable, Medicare "choices" that could increase risks and costs for the most vulnerable beneficiaries.

Title VII would cut Federal Medicaid payments to States by $163 billion over 7 years and convert the program into a block grant, eliminating guaranteed coverage to millions of Americans and putting States at risk during economic downturns. States would face untenable choices: cutting benefits, dropping coverage for millions of beneficiaries, or reducing provider payments to a level that would undermine quality service to children, people with disabilities, the elderly, pregnant women, and others who depend on Medicaid. I am also concerned that the bill has inadequate quality and income protections for nursing home residents, the developmentally disabled, and their families; and that it would eliminate a program that guarantees immunizations to many children.

Title IV would virtually eliminate the Direct Student Loan Program, reversing its significant progress and ending the participation of over 1,300 schools and hundreds of thousands of students. These actions would hurt middle- and low-income families, make student loan programs less efficient, perpetuate unnecessary red tape, and deny students and schools the free-market choice of guaranteed or direct loans.

Title V would open the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling, threatening a unique, pristine ecosystem, in hopes of generating $1.3 billion in Federal revenues—a revenue estimate based on wishful thinking and outdated analysis. I want to protect this biologically rich wilderness permanently. I am also concerned that the Congress has chosen to use the reconciliation bill as a catch-all for various objectionable natural resource and environmental policies. One would retain the notorious patenting provision whereby the government transfers billions of dollars of publicly owned minerals at little or no charge to private interests; another would transfer Federal land for a low-level radioactive waste site in California without public safeguards.

While making such devastating cuts in Medicare, Medicaid, and other vital programs, this bill would provide huge tax cuts for those who are already the most well-off. Over 47 percent of the tax benefits would go to families with incomes over $100,000—the top 12 percent. The bill would provide unwarranted benefits to corporations and new tax breaks for special interests. At the same time, it would raise taxes, on average, for the poorest one-fifth of all families.

The bill would make capital gains cuts retroactive to January 1, 1995, providing a windfall of $13 billion in about the first 9 months of 1995 alone to taxpayers who already have sold their assets. While my Administration supports limited reform of the alternative minimum tax (AMT), this bill's cuts in the corporate AMT would not adequately ensure that profitable corporations pay at least some Federal tax. The bill also would encourage businesses to avoid taxes by stockpiling foreign earnings in tax havens. And the bill does not include my proposal to close a loophole that allows wealthy Americans to avoid taxes on the gains they accrue by giving up their U.S. citizenship. Instead, it substitutes a provision that would prove ineffective.

While cutting taxes for the well-off, this bill would cut the EITC for almost 13 million working families. It would repeal part of the scheduled 1996 increase for taxpayers with two or more children, and end the credit for workers who do not live with qualifying children. Even after accounting for other tax cuts in this bill, about eight million families would face a net tax increase.

The bill would threaten the retirement benefit of workers and increase the exposure of the Pension Benefit Guaranty Corporation by making it easy for companies to withdraw tax-favored pension assets for nonpension purposes. It also would raise Federal employee retirement contributions, unduly burdening Federal workers. Moreover, the bill would eliminate the low-income housing tax credit and the community development corporation tax credit, which address critical housing needs and help rebuild communities. Finally, the bill would repeal the tax credit that encourages economic activity in Puerto Rico. We must not ignore the real needs of our citizens in Puerto Rico, and any legislation must contain effective mechanisms to promote job creation in the islands.

Title XII includes many welfare provisions. I strongly support real welfare reform that strengthens families and encourages work and responsibility. But the provisions in this bill, when added to the EITC cuts, would cut low-income programs too deeply. For welfare reform to succeed, savings should result from moving people from welfare to work, not from cutting people off and shifting costs to the States. The cost of excessive program cuts in human terms—to working families, single mothers with small children, abused and neglected children, low-income legal immigrants, and disabled children—would be grave. In addition, this bill threatens the national nutritional safety net by making unwarranted changes in child nutrition programs and the national food stamp program.

The agriculture provisions would eliminate the safety net that farm programs provide for U.S. agriculture. Title I would provide windfall payments to producers when prices are high, but not protect family farm income when prices are low. In addition, it would slash spending for agricultural export assistance and reduce the environmental benefits of the Conservation Reserve Program.

For all of these reasons, and for others detailed in the attachment, this bill is unacceptable.

Nevertheless, while I have major differences with the Congress, I want to work with Members to find a common path to balance the budget in a way that will honor our commitment to senior citizens, help working families, provide a better life for our children, and improve the standard of living of all Americans.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *December 6, 1995.*

□ 1845

The SPEAKER pro tempore (Mr. ENSIGN). The objections of the President will be spread at large upon the Journal, and the message and the bill will be printed as a House document.

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that the message of the President and the bill be referred to the Committee on the Budget.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST FURTHER CONFERENCE REPORT ON H.R. 2099, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1996

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104-385) on the resolution (H. Res. 291) waiving points of order against the further conference report to accompany the bill (H.R. 2099) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ISSUANCE OF EXECUTIVE ORDER REVISING EXISTING PROCEDURES FOR PROCESSING EXPORT LICENSE APPLICATIONS SUBMITTED TO DEPARTMENT OF COMMERCE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104-142)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

In order to take additional steps with respect to the national emergency described and declared in Executive Order No. 12924 of August 19, 1994, and continued on August 15, 1995, necessitated by the expiration of the Export Administration Act of August 20, 1994, I hereby report to the Congress that pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b) ("the Act"), I have today exercised the authority granted by the Act to issue an Executive order (a copy of which is attached) to revise the existing procedures for processing export license applications submitted to the Department of Commerce.

The Executive order establishes two basic principles for processing export license applications submitted to the Department of Commerce under the Act and the Regulations, or under any renewal of, or successor to, the Export Administration Act and the Regulations. First, all such license applications must be resolved or referred to me for resolution no later than 90 calendar days after they are submitted to the Department of Commerce. Second, the Departments of State, Defense, and Energy, and the Arms Control and Disarmament Agency will have the authority to review any such license application. In addition, the Executive order sets forth specific procedures including intermediate timeframes, for review and resolution of such license applications.

The Executive order is designed to make the licensing process more efficient and transparent for exporters while ensuring that our national security, foreign policy, and nonproliferation interests remain fully protected.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *December 5, 1995.*

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

MEMBERS SHOULD CONSIDER LEGISLATION TO PROTECT DISTRICT OF COLUMBIA GOVERNMENT DURING FEDERAL GOVERNMENT SHUTDOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, this is day 10 of my countdown since the last shutdown of the Federal Government and, astonishingly, of the District of Columbia, not a Federal agency, you may have noticed.

We face the possibility on December 15 of another closedown, or perhaps a short-term CR. For the District that would not be much better than a shutdown, because it is almost impossible to run a city on a 30-day basis without the flexibility to obligate your funds.

Mr. Speaker, I want to thank the gentleman from Virginia, Mr. TOM DAVIS, a strong supporter and cosponsor of the D.C. Fiscal Protection Act to allow the District to spend its own funds and to continue to operate in the event of a shutdown or a failure of the President to sign an appropriation in time. The gentleman from Virginia had a hearing on this bill today, and I would like to note for the RECORD some of the remarks of the witnesses, because they reflect a very broad support from every sector in the District on a bipartisan basis for this legislation.

The Comptroller of the United States testified for the administration that the administration believes that legislation is necessary. Dr. Brimmer, the Chair, the distinguished Chair of the Control Board, testified, "the city's' critical fiscal condition would be aggravated by any more such actions." He went on to say, "nearly 15,000 employees were furloughed, resulting in a $7.3 million loss in productivity." May I add, Mr. Speaker, that this is a city in the throes of fiscal insolvency. The notion that the Congress would participate in aggravating that condition is simply unacceptable, and I think unintended by this body.

Dr. Brimmer goes on: "District headquarters and agency budget analysts were nearly all deemed nonessential. This delayed critical work on the development of the District's 1996 and 1997 financial plan and budget needed to provide the city's fiscal recovery. We agree that the District should be allowed to obligate or expend an amount equal to all locally generated revenues such as local taxes and local fees." One might ask: What is the District's own local money doing in the Congress of the United States in the first place, Mr. Speaker?

The Board of Trade testified today, and I am quoting: "One week of delay in licensing and permitting inspections and other business-related regulatory process increases costs. These were services that are largely paid for by locally generated revenues."

Mr. Tidings of the Board of Trade concluded: "I understand that some Members of Congress are concerned that should the District be exempted from the larger Federal budget debate, there no longer would be a distinction between which other Federal agencies deserved the exemption and which do not. No matter how individual Members of Congress may view their constitutional oversight responsibilities for the District of Columbia, it is a unique Federal entity and one that cannot and should not be compared to any other Federal department or agency. The Greater Washington Board of Trade fully supports this subcommittee's efforts to allow the District of Columbia Government to remain open during a Federal shutdown under the spending parameters outlined in Ms. NORTON's proposal.

Two unions also testified, Mr. David Shrine and Mr. Hicks, Mr. Shrine of the AFGE, and Mr. Hicks of AFSCME.

Every sector and bipartisan membership on the subcommittee all agree that this is the Nation's Capital for which we all must take responsibility. The notion of pushing it into greater insolvency because we allow it to shut down, or tether it to a short-term CR, making it impossible to run the city in a rational way, is not what this body should stand for. It is hard to defend adding to the waste and inefficiency for which the District has been criticized, at a time when the city is close to fiscal insolvency, it is hard to defend holding hostage the District of Columbia's own money by tethering it to a short-term CR, allowing it to operate by fits and starts, and compounding its fiscal problems. It is hard to defend putting a leash on the District, making it operate in a straitjacket that promotes terrible waste and compounds the inefficiency for which Member after Member has criticized the District of Columbia.

Mr. Speaker, I ask this body to consider the bill. I ask the majority to bring forward the bill that has bipartisan support in the committee.

URGING THE PRESIDENT TO JOIN REPUBLICANS IN BALANCING THE BUDGET NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DELAY] is recognized for 5 minutes.

Mr. DELAY. Mr. Speaker, I appreciate the Members' indulgence to allow me to go ahead of the line.

Mr. Speaker, today the American people have some good news and some bad news when it comes to balancing the budget. The good news is that President Clinton has finally decided to come to the negotiating table with a 7-year budget. The bad news is that he has vetoed the only real balanced budget that gives tax relief to families, moves power out of Washington, saves Medicare for the next generation, and reduces Washington's spending.

The President's decision to offer a plan that balances in 7 years is a positive first step. He seemingly realizes that the American people want a balanced budget now, not a balanced budget sometime after the next election.

Of course, we are waiting to see if his budget actually balances according to the accounting experts, but it is a shame that the President has waited until the last possible moment to start serious negotiations, and it is a shame that he has chosen to veto the first significant balanced budget the Congress has produced in decades. We in Congress have been working for a full year, we have been working diligently to deliver the American people a real Christmas present. We have shopped around our ideas, we have balanced the costs and the benefits, and we have delivered a product that all America can take pride in.

Our budget reflects the principles so important to the American people. Our budget saves Medicare, it reforms welfare, it reduces Washington, spending so people can spend more of their own money at home. It returns power to the States from the Federal Government, and it balances the budget now.

President Bill Clinton is the proverbial Christmas Eve shopper, spending little time thinking about his balanced budget, and now rushing to beat the Christmas deadline. We hope his budget meets the test of being real, of being balanced, and of being fair to all Americans.

Mr. Speaker, I urge the President to join Republicans in doing the will of the American people: Balance the budget now.

APPOINTMENT OF JAVIER SOLANA AS NATO SECRETARY GENERAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DIAZ-BALART] is recognized for 5 minutes.

Mr. DIAZ-BALART. Mr. Speaker, in the post-cold-war era, security considerations that used to be commonly-debated are almost never part of our political or civic discourse.

The threat of the Soviet Union, with its thousands of nuclear warheads pointed at American cities and military installations, with its dozens of army divisions poised to strike Europe, with its surrogate incursions into Africa, Asia, the Middle East and Latin America, and its financial support for terrorist groups throughout much of the world—the Soviet Union provided us all with a common enemy that kept our attention focused on the most serious security concerns of our time.

But the world has not become a safe place simply because the Soviet Union collapsed. The Soviet Union collapsed above all else because Mikhail Gorbachev failed to understand that ultimate ruthlessness and the obvious willingness to utilize terror in a consistent and systematic manner, are necessary for the retention of power by Marxist-Leninist regimes. Gorbachev believed that he could be a civilized communist, at least somewhat respectful of the rights of his citizens, and so the Soviet Union rapidly collapsed as people throughout Eastern Europe and the former Soviet Union realized that they could attempt to be free without the guarantee of fierce and merciless, forceful retaliation by their totalitarian states.

Many of the threats to the security of the United States that existed before the Soviet collapse have not gone away, however; what more shocking example of this can exist than the story of the spy for the KGB, Aldridge Ames, whose activities were directly responsible for the deaths of numerous American agents in various places throughout the world? Ames continued to spy for Russia even after the collapse of the Soviet Union and until the very moment that he was apprehended by U.S. counterintelligence personnel.

So the attitude that I believe can often be perceived from the actions of the Clinton Administration, that all is well with regard to people who would have been clearly objectionable for delicate positions in our security structure during the existence of the Soviet Union—that attitude that the past acts of former Marxists or anti-American agitators should be excused or understood as "youthful indiscretions"—that attitude that I clearly perceive as too-often characteristic of the Clinton Administration, is risky at best.

We need to look at the latest example of that Clinton Administration attitude: the appointment of Javier Solana as Secretary General of NATO, the North Atlantic Treaty Organization.

NATO, of course, is the military wing of the Western Alliance. It was greatly responsible for maintaining the security of Europe throughout the cold war, and today we are poised to intervene militarily in an armed conflict in Europe for the first time since World War II, in the Balkans, under the military shield and utilizing the military structure of NATO. Thus, though NATO was always important, it perhaps is even more so today.

So, who is the man who was named yesterday in Brussels as the new Secretary General—the Chief—of NATO? Javier Solana is the Foreign Minister of the Spanish Socialist Workers Party government. Mr. Solana opposed NATO with vehemence throughout the 1970's and 1980's. As late as 1986, when the Socialist-sponsored referendum was held in Spain to determine whether it would remain in NATO, Mr. Solana, then Culture Minister, was one of the most outspoken opponents of Spain remaining in NATO. Solana also opposed the presence of U.S. military bases on Spanish soil. As late as 1985, he contemptuously stated while discussing the issue of U.S. bases, "if need be, we'll send a copy of the Spanish Constitution to Washington so they'll know what a sovereign country is."

Until September 29, 1979, Mr. Solana was formally a Marxist. That is the date that his party, the Socialist Workers Party, erased the word "Marxist" from its political program so as to help it win the next Spanish general election.

Despite the opposition of much of Western Europe, the Clinton administration insisted upon Mr. Solana to be the new NATO Secretary General. Much of the military and intelligence community of the NATO countries simply could not understand why the Clinton administration would insist on Solana as the new NATO head with other available candidates in contention, such as Mr. Ruud Lubbers, the former Dutch Prime Minister, who was endorsed by France, Germany and Great Britain. Mr. Lubbers is a lifelong and dedicated supporter of NATO with exemplary security credentials.

The Clinton administration insisted on imposing the Spanish Socialist Solana as we prepare to use NATO to intervene militarily in Europe for the first time since World War II, despite the fact that the Spanish government is being wracked by scandals that involve massive governmental corruption that includes even the assassination of opponents by government-created death squads, and despite, perhaps most importantly, that Spain since the Socialist-proposed referendum in Spain on the issue of NATO in 1986, that country is officially not part of NATO's military structure. That Foreign Minister, of that country that is not part of NATO's military structure, was the Clinton administration's imposed choice for NATO Secretary General.

□ 1900

CONTINUED NUCLEAR BOMBING IN SOUTH PACIFIC

The SPEAKER pro tempore (Mr. ENSIGN). Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, this may sound like a broken record, but it is not, when it involves the lives of millions of men, women, and children who live in the Pacific region. The crisis may even impact the lives of millions of Americans who live in the State of Hawaii and the Pacific Coast States like Washington, Oregon, and California.

Mr. Speaker, some of my colleagues are not aware of the fact that after our Government, that is, the United States Government conducted approximately 106 nuclear bomb explosions in the Marshall Islands in the Pacific region—yes, this was a period when we were at the height of cold war era between our country and the former Soviet Union—yes, our Government proceeded to conduct one of the most comprehensive nuclear testing programs ever recorded in history, and our national security as well as the security of the free nations of the world was at risk—so, we conducted these nuclear bomb explosions so that our nuclear capability would never be undermined by the former Soviet Union. We exploded nuclear bombs in the atmosphere, on the Earth's surface, beneath the Earth's surface, and yes, even on and under the Atoll Islands of the Marshall Islands—we did such a good job we even arranged to destroy one of the islands whereby it just simply disappeared from the face of the Earth—gone, no more in existence. Some of these islands, 60 to 28, Mr. Speaker, to this day are not fit for human resettlement because of the high degree of nuclear contamination still in existence.

Now just remember, Mr. Speaker, the former Soviet Union was also aggressively pursuing a nuclear testing program—and the Soviets were also exploding nuclear bombs in the atmosphere and on, and below the Earth's surface.

Well, something happened Mr. Speaker. Not only protects foreign countries around the world, but the fact was that in some of the nuclear explosions that were conducted in the atmosphere—the winds and cloud formations shifted and carried nuclear contamination to various regions of the world—and in doing so, scientists discovered the presence of strontium 90 in milk and related products—yes, also consumed by Americans.

So at the height of the cold war, the two major superpowers of the world decided to agree not to conduct any more nuclear tests in the atmosphere because of the dangers of nuclear contamination of the food cycle to Americans, Russians—and incidently, to other human beings who live in various regions of the world.

Incidently, Mr. Speaker, I do not know if my colleagues are aware of the fact that despite our earnest efforts to advise President de Gaulle of France of the dangers of conducting nuclear explosions in the atmosphere—the French went right ahead and exploded 12 nuclear bombs in the atmosphere in the South Pacific.

And is it any wonder, Mr. Speaker, that the thousands of Polynesian Tahitians who were exposed to nuclear contamination in the sixties and throughout the seventies—many are coming forward with stories of retarded and deformed children coming from the same parents, who historically have never experienced such traumatic problems in their lives.

Is it any wonder, Mr. Speaker, that the French Government either simply threw such records away or just doesn't care about the health of its own citizens—some 200,000 French citizens who live 14,000 miles from Paris and the first to be exposed to nuclear contamination when this atoll breaks open, that is, the Moruroa Atoll in French Polynesia.

Mr. Speaker, I'm not much of an artist, but I want to share with my colleagues the potential horrors of Moruroa Atoll. When this atoll leaks radioactive materials, I fear very much that the health and safety of the peoples of the Pacific will be seriously at risk.

Mr. Speaker, again I say to the French Government—shame on you for bringing the horrors of nuclear contamination to the peoples of the Pacific.

SPREAD OF MISINFORMATION DISSERVICE TO AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GOODLING] is recognized for 5 minutes.

Mr. GOODLING. Mr. Speaker, I am sure if we could get the 1996 election behind us, the misinformation that is being spread constantly would cease. What a disservice to this institution and to the other body, and to the administration and to the American people to continue this kind of misinformation day after day after day.

Recently some of my colleagues have taken to the House floor to portray their view of the Republican efforts to balance the budget in 7 years. Watching them, I found myself back in school reading Homer and Plato, Socrates, and all of those wonderful Greek myths that we all enjoyed as children. It is an appropriate reference to these works of fiction, as my colleagues would have the American people and certainly our friends in the press, swoon over the myths they portray. I would like to look at a couple of those myths tonight that I am very closely connected to.

Myth No. 1, Republicans are cutting student loans. Even the President today in his message used that misinformation. Now, the fact is that student loans will increase by nearly 50 percent, nearly 50 percent over the next 7 years from $25 billion to $36 billion in the year 2002. This chart shows that. Each year during that time an increase, an increase, an increase, the whole way up the line throughout the entire period. Yet, you would be led to believe that the opposite would happen.

More loans will be made available next year than ever before, rising from 6.6 million loans in 1995 to 7.1 million in 1996.

For all students, the Federal interest subsidies on student loans remain intact, and there are 75 percent of the American people that have some problems with that, but nevertheless, that is the way it will remain, including during the 6-month grace period following graduation. For all parents, the interest rate on student loans remains the same.

The Balanced Budget Act of 1995 does not include higher education cuts. There are no changes affecting student eligibility for Federal student loans; there are no changes affecting the amount of funds available for student loans; there are no changes affecting the interest rates, interest subsidies, or fees charged to the students or the parents. There are no special fees imposed on any schools.

The next myth, students will pay more for their loans under the Republican plan to balance the budget. The fact is that the Republican balanced budget will result in significantly lowered loan payments, because Alan Greenspan and others tell us that if we get to that point, interest rates will drop at least 2 percent. Now, that is at least an $8 savings for every student out there with an average loan when they consider repayment.

The next myth: Republicans are making extreme cuts in student loans while the President wants to save these programs. The fact is that the President's own budget director, Alice Rivlin, issued a memo recommending the elimination of the in-school interest subsidy for student loans as a method to balance the budget. We did not follow her advice. We found ways to do this without affecting students.

By capping the President's direct loan program at 10 percent, the Congressional Budget Office has found that we will save $1 billion over 7 years, again without harming students.

Myth: Republicans will force hard choices on parents and families. Listen to what one of my colleagues said on the floor of this House.

□ 1915

They will, "in some cases have to make the very difficult choice of which

child will be favored with a college education and which will be told, well, you have to fend for yourself in the job market without that education."

Mr. Speaker, I find these scare tactics to be very irresponsible. Simply put, these are scare tactics based on incorrect information. It might be better that those parents would tell their children that there are hundreds of thousands of college graduates out there today either with no job or in a job way beyond their education, and at the same time there are hundreds of thousands of technical jobs out there begging for somebody to be trained in order to take those jobs, not a 4-year college education.

I want to repeat the facts. Republicans are increasing student loan volumes and balancing the budget. There are no cuts. Zero cuts. No eligible student will be turned away from the student loan program. Anyone who claims otherwise is simply misrepresenting the facts. No student or parent will pay more for their loan under this Balanced Budget Act of 1995.

Again, I hope we can get correct information out to the public, and not play politics and use scare tactics while doing that.

IN HONOR OF GEN. MAX THURMAN

The SPEAKER pro tempore (Mr. ENSIGN). Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I rise today to pay tribute to a friend and one of this country's great patriots, Gen. Maxwell R. Thurman. He died December 1 at Walter Reed Army Medical Center in Washington after a long battle with leukemia.

He was called a visionary and an innovator for the work he did to help save the All-Volunteer Army after the Vietnam war. In the early 1980's, we were not getting qualified young people into our Armed Forces. More than 50 percent of recruits at that time were reading on the eighth grade level. General Thurman saw the problem and went to work to solve it. He created the recruiting slogan still used by the U.S. Army: "Be all you can be," as well as a program that stressed how recruits could learn a skill and realize their fullest potential. It succeeded in bringing more motivated and higher educated young men and women into the military.

General Thurman was one of the earliest supporters of the Montgomery GI bill when many at the Pentagon and the White House opposed it. He saw immediately that it would help in recruiting and retaining topnotch young people, and history has proved us right on the value of the program.

He was also very proud of the fact that he commanded the U.S. invasion of Panama that ousted Gen. Manuel Noriega in 1989. It was the first major combat operation performed at night by American forces, a move which reduced U.S. casualties and helped set an example for future night-fighting tactics used in the Persian Gulf war.

I knew Max Thurman, and worked with him, for more than 20 years. I know firsthand how committed he was to the military life and to the country he loved so much. He was truly one of our best and brightest. We will miss our old friend.

TEENAGE PREGNANCY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, our parents and grandparents have taught us that prevention is better than cure.

Unintended teenage pregnancies illustrate this dilemma.

Contrary to popular thinking, more than 9 out of 10 teenage pregnancies—96 percent—are unintended.

Every year, more than 1 million American teenage girls become pregnant—and, the vast majority of them do not intend this result.

If we had in place a more effective and comprehensive prevention program, in both the private and public sectors, greater than 90 percent of the teenage girls who have babies may not get pregnant in the first place.

If those girls did not get pregnant, we could save millions, perhaps billions, of Medicaid and other Federal dollars. This is an important observation during our budget legislation.

The delivery of a baby and postnatal care to a pregnant teenager—who cannot afford the pregnency—costs the Government now about $8,400 each time.

Over the years, teenage pregnancies cost continues to rise, through other entitlement programs and other costs associated with these pregnancies that were not intended and were not prepared for properly. A range of prevention activities would cost far, far less than that amount.

The savings that could be experienced through a more effective prevention program could help avoid some of the cuts we are now postured to make. More important, effective prevention would save the teenagers productive life until that person is ready to become a parent. Mr. Speaker, I am sure you have heard that popular commercial that states, "Pay me now or pay me later."

On teenage pregnancies, it is better to pay now than to pay later.

There are effective programs, with proven track records, that reach about half of the girls who need help. With more effort, we can reach most or all of these girls. The proportion of sexually active adolescent women over age 15 increased substantially from the seventies to almost 50 percent in the early eighties.

Although data for the first half of the 1980's suggested a leveling off to 44 percent, the data for 1988 was more than 50 percent and indicates a resumption of the increase rate.

Available data for adolescent men over age 17 also shows a substantial increase in the proportion sexually active—up from 66 percent in the late seventies to almost 80 percent in the late eighties.

And, by 1992, the adolescent birth rate was more than 60 births per 1,000 adolescents over age 15. Out-of-wedlock childbearing has increased steadily and markedly among adolescents.

The birth rate for unmarried adolescents over age 15 increased from more than 22 births per 1,000 in 1970 to almost 45 births per 1,000 in 1992.

Moreover, in 1970, 30 percent of births to adolescents over age 15 were out of wedlock as compared to 70 percent in 1991.

The United States has one of the highest teenage pregnancy rates of any western industrialized nation.

These are unintended and preventable pregnancies—so why are we standing idly by?

I issue a challenge to all my colleagues. We must do more than legislate, legislate, legislate. We must reach out with a caring hand to our youth and their families. We must try to stop these unintended pregnancies. Prevention is the key. An ounce of prevention is worth a pound of cure.

REPUBLICANS ROLL BACK ENVIRONMENTAL GAINS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. LOWEY] is recognized for 5 minutes.

Mrs. LOWEY. Mr. Speaker, I rise this evening in very strong opposition to Speaker GINGRICH's and the congressional majority's attack on clean water, clean air, and our national parks.

No one who has followed the legislative activities of this Chamber over the last several months can deny that there has been—and continues to be—a concerted effort underway to roll back a host of laws that protect our natural resources and the environmental health and safety of the American people.

Already this body has voted to gut the Clean Water Act, to cut hundreds of millions of dollars from grants to local communities that help keep drinking water safe and beaches swimmable, to allow oil and gas drilling in the pristine wilderness of the Arctic National Wildlife Refuge—America's last frontier, to cut the Environmental Protection Agency's budget by 33 percent, including a 50 percent cut in enforcement activities and a 19 peercent cut in the program that cleans up hazardous waste sites, to slash funding for land acquisition for national parks and wildlife refuges by 40 percent, to cut major wetlands habitat conservation programs by 24 percent, and terminate altogether the EPA's role in protecting

wetlands, to accelerate timber sales and logging road construction in our national forests, including the Tongass, a vast temperate rain forest in southeastern Alaska, to cut by one-third the recovery program for the grey wolf in Yellowstone National Park, to repeal a key component of the California Desert Protection Act, to cut climate and global change research by 41 percent, and to terminate recovery research programs on whales and other marine mammals.

Thankfully, an attempt to sell off our national parks was defeated. But the list goes on and on.

This summer, the Republican majority voted in favor of 17 special interest loopholes that would restrict the EPA from enforcing programs important to public health, such as controls on airborne emissions of benzene, dioxin, and other cancer-causing pollutants from oil refineries, cement kilns, and paper plants.

When the American people found out about these outrageous provisions, it did not take long for some Members to do an about-face. Most of those special interest riders have been removed. However, we are still faced with a bill that imposes deep cuts in the EPA.

Mr. Speaker, the American people want to know what is next on the Republicans' environmental chopping block. Well, the Endangered Species Act, for one, is on life support in critical condition. Apparently some feel that because the bald eagle is no longer in imminent danger, we do not need to worry about endangered species any more.

Another area in jeopardy concerns global warming. Despite the clear consensus of the international scientific community, some politicians are disputing the role that chemicals such as cholorofluorocarbons have in the depletion of the ozone layer. Unbelievably, we have leaders on the Republican side of the aisle who claim they know more about the threat to the Earth's ozone layer than Nobel prize-winning scientists and who are working to repeal bans on these harmful chemicals. Is this how public policy is supposed to be made? Certainly not.

What seems to underlie all these environmental attacks is the false assumption that a strong economy and a clean environment are natural enemies. Because the vast majority of Americans do not support their attack and the facts do not back their arguments up, the proponents of these rollbacks have to resort to polarizing the debate into a choice between jobs and environmental stewardship.

Well, my colleagues, do not be fooled. A strong environment and a strong economy go hand in hand.

I come from an area in New York that borders Long Island Sound. The people I am privileged to represent in New York know firsthand that pollution-based prosperity is shortsighted and ends up costing more than it gives back. That is why business leaders, labor groups, and environmental organizations in New York and Connecticut have come together and are working in unison to restore the ecological health of the sound. With the help of the EPA and the Federal rules it enforces, Long Island Sound is slowly coming back to life. Now is not the time to turn back the clock.

Many in this Chamber like to talk about the importance of learning from history, lest we repeat the mistakes of the past. Well, history around the world has clearly shown that there is a high price to be paid for abandoning environmental stewardship.

Mr. Speaker, what it all comes down to is a choice between the philosophy of Teddy Roosevelt—a Republican, I remind you—and James Watt. One saw the wisdom of preserving nature's beauty for future generations, the other sought to sell off national parks to the highest bidder.

The American people know who is right. It is high time that Speaker GINGRICH and the Republican leadership wake up and recognize this too.

REPUBLICAN CUTS HURT THE ENVIRONMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, I rise this evening to express my dismay at the devastating cuts to the environment and environmental programs that my Republican colleagues are really shoving through this Congress. Without question, these cuts will spoil our Nation's water, air, and land.

I am delighted to join my colleague the gentlewoman from New York [Mrs. LOWEY], in listening to her comments, and I applaud my colleague the gentleman from New Jersey [Mr. PALLONE], who is organizing people tonight to speak on this issue. I commend him for his leadership on environmental policy.

I am pleased to join my colleague the gentlewoman from New York [Mrs. LOWEY] also in sponsoring legislation for the cleanup of Long Island Sound.

□ 1930

This is one of our real concerns about what is happening with regard to the environment, and without question, the cuts, as I said, will spoil our Nation's water, air, and our land.

Americans can take great pride in the progress that we have made over the years in cleaning up our Nation's environment.

But Republicans, the Republican majority, are really turning back the clock. They are wiping out decades of improvement to the environment and giving polluters a license to pollute. They are not achieving this through open debate where we could have a back and forth on these issues, but they are doing it through funding cuts that are hidden in massive spending bills that the Congress is taking up.

I also want to commend my colleagues on the Republican side of the aisle who, in fact, have stood up to the pressure and turned back legislation that is harmful to the environment. Time and again, this year and over the decade, Democrats and Republicans have come together in a spirit of bipartisanship to protect the environment. That has been true over and over again in our Nation's history, and unfortunately that kind of bipartisanship is being rent and pulled apart. Despite the bipartisan efforts, the Republican majority is taking a wrecking ball to environmental protections in this country.

More than $1.5 billion will be slashed from the Environmental Protection Agency's budget next year. Slashing EPA's budget by more than 20 percent will cripple the agency's ability to ensure that our water is safe to drink and our air is safe to breathe. The Federal Superfund Program, which cleans up our Nation's worst hazardous waste dumps, will be cut by nearly $300 million in 1996. This is another 20 percent cut from current spending levels. In my own congressional district, the Superfund has been responsible for clearing up the Raymark Superfund site. From 1919 to 1984, Raymark Industries spewed asbestos, lead, dioxins, and PCB's throughout Stratford, CT. The homes of neighborhood families and local businesses, as well as the parks where children play and the schools they all attend, were all severely contaminated by this toxic waste, and now, due to Superfund, this site may soon become clean enough to develop as a retail shopping center. As a matter of fact, there is a developer who is ready to put in a $50 million project in this area.

EPA's work at Raymark is a wonderful success story in the making, and working with State and local officials, the EPA has been effective, efficient, and responsive, and I might add the State has been effective, efficient, and responsive, as well as the local community and the local government. Their tireless efforts have made Raymark the Nation's model for accomplishing the cleanup work that Superfund was designed to do.

Do my Republican colleagues really believe that Americans would rather balance the budget than clean up toxic waste in American communities? Look at any child, look them in the face and explain this to them. The question is, as the President has done this evening in vetoing the budget, which, I might add, 60 percent of the American public wanted him to veto the budget because

of what was being done in Medicare, Medicaid, the environment, turning the clock back on environmental legislation, and in tax fairness to working Americans; the public does not want to see the budget balanced under any set of circumstances and giving up our principles and giving up the movement forward we have made in these areas.

Let us have individual votes on environmental cuts. Then Americans will truly understand what this new majority in the Congress stands for. I urge my colleagues to vote against spending bills that contain environmental cuts.

EXPRESSING CONCERN ABOUT DEPLOYMENT OF TROOPS TO BOSNIA

The SPEAKER pro tempore (Mr. ENSIGN). Under a previous order of the House, the gentleman from New Jersey [Mr. MARTINI] is recognized for 5 minutes.

Mr. MARTINI. Mr. Speaker, I rise this evening to express my concerns with respect to policies on the deployment of troops in Bosnia.

This past year this Congress has experienced many highs in the legislative process. However, at this moment, I have a great sense of frustration with the current policies of deploying ground troops in Bosnia. We have spoken out on several occasions, and I would like to reiterate here what has occurred here on the floor of the House of Representatives over the past several weeks.

Several weeks ago we had a resolution before the House at the time, which passed this House, which said to the President that he should not be committing our troops to Bosnia or that the peace process should not be based on the assumption that we would promise to send ground troops to Bosnia. That passed this House by a significant majority.

Shortly thereafter, several days or a week later, we had a second resolution expressing our concern that we should not deploy troops to Bosnia without the President coming before the Congress and making that appropriate request. Neither of these resolutions have been adhered to by our President.

As we stand here this evening, we know that troops have already been deployed, and, in my opinion, we have put the cart before the horse. We have sent troops to Bosnia, ground troops, without having established the compelling interests and the necessary reasons why we should be deploying troops to that area of conflict of the world.

My great concerns primarily rest with the fact that it seems to me that the real reason why we have troops in that area of the world at this moment is because of a relatively casual offhand promise made by our President over a year ago which, in fact, committed that if a peace accord were subsequently to be reached, that he, in fact, would enforce that peace accord with the use of American troops, risking putting our troops in harm's way. The problem with such a policy on such a serious issue is that the promise was made before a peace accord was reached. The promise was made without the benefits of knowing the full extent of that peace accord, without knowing the serious risks involved with deploying troops in that area, because the peace accord had not yet been formulated and without knowing how sincere the parties were to actually going forth with these peace missions.

The problem with such a policy is obvious to me and certainly obvious, I believe, to the American people, as it should be. Never should we risk or commit our troops by way of a promise by our President or any President to anyplace in the world before, in fact, we know the full extent of the peace accord reached or any other accord on which we are basing the deployment of troops. It is foolhardy, in my opinion.

Such foreign policy must be avoided in the future, and we must, therefore, today, stress our strong stand in opposition to the deployment of ground troops to Bosnia. It is not enough, in my opinion, to say there is a compelling American interest. That does not make a compelling American interest so. We have not heard, in my opinion, at least, the real reasons why there is a need to deploy troops to that very dangerous area.

I would like to just relate to what has occurred by way of some 40 or so years of history in the region of the world. I have little doubt, and I certainly am hopeful that with the deployment of troops in that area, there will come some stability amongst the fighting factions in that area. We can certainly look at the recent history to see that that will probably be the case.

In recent years, under Communist rule, we have not had the civil discord and the fighting and warring factions that have occurred in the last 3½ years. That is not by way of coincidence. It took the presence of force, military force, and a forceful hand to maintain stability in that area. Similarly, I think the introduction of American troops into that area for this limited time may very well create an atmosphere of some civility for the time the troops are there.

The policy is already that these troops will be removed in a year. We are hearing now the President even saying, perhaps these troops can be removed and brought home in 7 months. It suggests to me the real reason that these troops were deployed there, was simply to do face-saving based upon a political promise or a promise that was made we would use our troops. I do not believe our President had any alternative once that promise was made, and it is unfortunate, because I think our troops are really being deployed there as a face-saving technique to the world to justify the promise that was made over a year ago, and that to me is the weakest of reasons why we should have troops in harm's way.

Let me also say that the arguments advanced by the White House a week ago sounded very similar to arguments advanced in the early stages of the Vietnam war. The arguments advanced in the early stages of the Vietnam war were that we had a commitment to try to preserve civility in the area of Vietnam, that we had a commitment at that time to protect that area. This argument certainly falls short even today.

In closing, let me just say, finally, there is no national interest, and I would support our troops enough, Mr. Speaker, that we do everything possible to bring them home as soon as we can.

CONFRONTING OUR NATIONAL DEBT

Mr. SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine [Mr. LONGLEY] is recognized for 5 minutes.

Mr. LONGLEY. Mr. Speaker, I come before the House this evening to inform the House that as of this afternoon at 3 o'clock, the bureau of public debt has reported our national debt is now $4,988,766,009,862.29. Interestingly enough, it is actually a decrease from yesterday to today of about $125,665,000.

But I point this out again to call attention to the fact that the preeminent issue now confronting this Congress is that for the first time in 60 years we are seriously questioning our need to address the elimination of the deficits which have led to the debt, which is now approaching $5 trillion. One of the reasons that I am appearing on the House floor this evening, and I intend to continue to try to appear each day until we can come to some consensus on a 7-year balanced budget, is because I think we have lost sight of the problem we are seeking to solve, and I want to call on the combined efforts of all of us, Republicans and Democrats, to find a way to bridge the gap between us on the issue of how we once and for all balance the Federal budget.

It is interesting to me that, and again Members of Congress are known for sending out news releases, and certainly I am no exception, but, Mr. Speaker, it is interesting that I have a policy in my office where I really try not to send a release out to the news media unless we actually have something concrete to say. When we began several days ago obtaining the national debt figure every afternoon, I began a program, using the fax machine, to inform the media in my district. It is interesting, and I think it says a lot

about the difficult challenge that we face in dealing with the public, that there is an opinion column today in one of the newspapers in my district that actually questions my informing the public about the national debt, in fact, suggests it is a waste of Government money and a waste of my time.

I want to read from the opinion piece. He said, "I got a new twist on," in his words, "the tax waste watch this week when Congressman Longley sent us a single-page fax proclaiming the daily debt watch." He says, "Golly, I hope he watches more than that each day."

I would suggest to the news media that this is probably the single most important thing we need to watch every day is that we have got to finally, once and for all, put an end to the national deficits that have built up almost to a $5 trillion debt.

Again, to put this debt into perspective, with Federal spending under any of the plans being debated in this Congress, ranging between $12 trillion and $13 trillion over the next 7 years, $5 trillion are existing debt, money which has already been spent for programs, is almost 40 percent of the total amount of money that the Federal Government will spend in the next 7 years.

Furthermore, when you look at our annual interest payments alone, of almost $250 billion, that amount of money dwarfs the difference in spending priorities between the Republicans and the Democrats in the House. Or, if you will, if you say there is about a $15 or $20 billion difference in what we propose for spending in fiscal year 1996, $250 billion in interest payments, minus the $20 billion difference means that we could preserve every nickel that we are currently spending on every program in Washington and have a $230 billion surplus on top of that. This ought to bring to the attention of the public, particularly the news media that questions the need for me to call attention to this deficit and the debt, the fact that we would be far healthier fiscally if we had dealt with this problem before today.

Ladies and gentlemen, Mr. Speaker, I have to comment on this afternoon's veto by the President of the budget. I can respect the fact that the President may disagree very strongly, very deeply with our priorities versus what his priorities would be for spending. But I would submit that it is a disservice to the electorate and to the Congress and to the Government of the United States for the President not to tell us how he would balance the budget. We have given him a budget. We have tried to tell him how we would do it. Frankly, as a Member of Congress, I would welcome the opportunity to see his version of how he would balance the budget in 7 years.

I think that if he would present us his alternatives, if he would stand on principle and tell us what does he really believe in the terms of his spending priorities over the next 7 years, then I think, for starters, we could start to have a healthy debate in this body over exactly what we need to do to balance the budget in the next 7 years.

□ 1945

OUR ENVIRONMENTAL BUDGET

The SPEAKER pro tempore (Mr. ENSIGN). Under a previous order of the House, the gentleman from New York [Mr. HINCHEY] is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, there are a number of people here this evening who are concerned about the environment, and I will speak out in a special order concerning environmental issues. I want to address my remarks to the Clean Water Act.

Mr. Speaker, the Clean Water Act was one of the great victories of the past 25 years—a bipartisan success. It is often said it was enacted after the Cuyahoga River in Cleveland caught fire and the country saw how far the quality of our waterways had fallen. But smell also played a part. Waterfront property was no longer considered a plus in many cities: Rivers were open sewers. Parks were abandoned and beaches were closed. Lakes and rivers—like Lake Erie—were declared dead: pollution killed nearly all the fish.

The Safe Drinking Water Act was another bipartisan victory. The idea was simple: that everyone would be able to trust the quality of municipal water, and would not have to fear that their health would be threatened if they moved to a different community. No public health law was more important than protecting water safety. People recognized that Safe Drinking Water Act and Clean Water Act were also some of the best property rights protection laws around. No one wants the value of their property to decline because of someone else's unhealthy or unattractive pollution.

This year, both laws are under attack. We're told the Clean Water Act is too strict, that it makes our lakes and rivers too clean. We are told that the Safe Drinking Water Act makes our water too healthy. Can we not all live with weaker standards, dirtier water?

The advocates of weaker laws are confident their rights will still be protected. They can afford better quality waterfront property. They can afford to vacation in the best places. They can afford bottled water for their children. And they do not want to pay to protect the common good, to protect the drinking water and the waterways that ordinary people, ordinary families will use.

We saw the Clean Water Act under attack in the amendments that the House approved in May that would weaken the law. Of course, the Senate has not acted on that bill, and we know that if it ever reached the President, it would face a veto. We saw the Safe Drinking Water Act under attack in the riders on the VA-HUD appropriations bill. The rider that would have prohibited EPA from tightening standards in lead in drinking water—so important to children's health—was the most egregious example. But that attempt was thwarted too.

Does that mean everything will be fine? No. Money is at the heart of this debate, and the strategy now to attack clean water and safe drinking water is to cut off their money supply. If the EPA does not have the money to enforce the Clean Water Act, it will start to die a slow death. It will bring back the open sewers and flammable streams of long ago.

Let us get down to specifics. The VA-HUD appropriations bill makes sharp cuts in funding for the EPA. It would cut funding for enforcement of public health standards—including clean water and safe drinking water—by 17 percent.

We hear these days about the importance of letting States do the job. Fine—but this bill would cut funding for State loans to improve drinking water quality by 45 percent.

Do you like to see sludge in your rivers and on your beaches? Then you will love to see these cuts. The bill would cut 30 percent from the request for funding for waste treatment plants. Once again, this is money that would go to the States. The bill will make it more difficult for them to help themselves and to help their people.

We have still got some of those notorious riders in here too. It is nice to know the bill no longer prohibits EPA from reducing lead levels in water. But it does prohibit EPA from setting a standard for radon in water—even though radon is linked to lung cancer. It does prohibit EPA from vetoing use of fill containing toxic waste in rivers and lakes.

The VA-HUD appropriations bill covers only 1 year. So it is easy to say these cuts merely delay action a little bit. But put these cuts in the context of the 7-year budget plans that are dominating the news these days. Would enforcement funding increase during the course of those 7 years? Would States get more money to address their water problems later in the course of those 7 years? No. The budget envisions 7 lean years for environmental cleanup and enforcement.

They say Marie Antoinette said of the ordinary people of her time "Let them eat cake" if they cannot buy bread. The cuts in the EPA budget effectively say if they want clean water, let them drink Perrier.

Should we be willing to pay the relatively small amount extra to buy our constituents—all of our constituents,

not just the Perrier drinkers—the safest water available? We should. Should we be willing to spend the small amount extra to keep making progress on cleaner rivers, lakes, and beaches? We should. I think the average family wants to know that the children will have safe, healthy water to drink, and clean beaches to play on. I think they expect their government to give them that assurance. I do not think they want to see these laws allowed to wither away for lack of funding. I do not think they want to make that sacrifice so that some people will have a little more money to spend on designer water or on airfare to a clean beach.

SENIOR CITIZENS RIGHT TO WORK ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, a very historic act was passed this week with the bipartisan assistance of Members of both sides of the aisle, the Senior Citizens Right To Work Act, H.R. 2684. This legislation will address the problem that current tax laws impose harsh penalties on senior citizens, especially those who continue to work beyond the age of 65. After years of hard work and valuable contributions to our Nation, Mr. Speaker, working senior citizens should not be penalized. We should be encouraging, not discouraging, seniors to make a better life for themselves. That is what our great country is founded upon, pursuing the American dream. As Federal legislators we must be committed to helping seniors maintain their independence and quality of life. That is why I was proud to speak to help support with my colleagues, Republicans and Democrats alike, H.R. 2684.

What this will allow, Mr. Speaker, is current law says that those seniors under 70 that are currently making funds up to $11,280, there are no deductions from their Social Security, but if they make a dollar over, there is going to be a deduction. Under this new legislation a modern approach was taken. What will happen is seniors, over the next 7 years, will be able to earn up to $30,000 a year without deductions from Social Security.

There is another initiative by the U.S. House of Representatives to in fact make it easier for seniors to be independent, to live on their own and to earn more funds. I also feel that the eldercare tax credit, which will help families, is a very important and positive initiative of this 104th Congress.

In addition the House has passed the rollback of the unfair 1993 tax increase on Social Security.

But the final initiative, Mr. Speaker, I think which is also important, is the opportunity to save Medicare, to make Medicare more viable, to make sure it is preserved and will in fact provide benefits for seniors in this generation and the next generation. What we will do in the proposal that is before the Congress is to reduce paperwork costs. Right now, Mr. Speaker, 12 percent of Federal dollars from Medicare go to paperwork. That is ridiculous. Businesses would not stand for it. We need to reduce that cost through electronic billing, et cetera.

We also have $30 billion a year in fraud, waste, and abuse in the current Medicare System. That must be eliminated, and the savings go back to make sure we have the health care dollars for our senior citizens.

We also have the initiative to make sure we sustain medical training dollars for interns and residents, the indirect costs for medical education, but as a separate line item, and to make sure those funds that were used in prior Medicare budgets be used for Medicare for our seniors.

But the final option which I think really makes Medicare more modern, more accessible, and certainly more beneficial to seniors; while we are gong to maintain fee for service for Medicare subscribers, we are also offering managed care as an option which may include pharmaceuticals and eyeglasses for no extra costs and also Medicare Plus, which is the medisave account which will have seniors who want to have a system where the dollars they get will be used for their health care, but whatever money is saved goes back in their pocket or, in fact, is rolled over to the next year.

So I am looking forward to working with the other side of the aisle, making sure that we save Medicare, working with the President, and while there may have been a veto of the current legislation, I am hopeful that working together with the White House we can make a Medicare plan that is going to be good for our seniors, will make sure we restore fiscal responsibility to our budgets, but making sure our health care is there for those who are in need.

NO VITAL AMERICAN INTERESTS AT RISK IN BOSNIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, we are now 8 days away from signing the Bosnia accord in Paris. This will seal the deployment of up to 40,000 troops into the Bosnian theater. That is right. The 20,000 troops that have been talked about include only the Army ground personnel in Bosnia. It does not include additional U.S. forces in German, the Adriatic, the Balkans, or in Italy.

Mr. Speaker, the President has yet to specify the vital United States interests at risk in Bosnia or the detailed and specific plans that he promised, the plans to achieve the objective that we have in Bosnia or the exit strategy, that he promised to bring our men and women safely home. The interests outlined by the President were broad universal ideals that would apply anywhere in the world. He made no case for a specific deployment in Bosnia. Sad experience has taught us that it is easy to send troops in but very difficult for them to accomplish the objective after they are there and even more difficult to get out in a timely and honorable way.

Besides all this, it will all be done on borrowed money. We do not have the money for it. It is all borrowed money.

I want to call everyone's attention to an article in today's Baltimore Sun. The headline is "Croats Seen Burning Town That They Must Give Back To The Serbs." It states that the U.N. condemned the scorched earth policy being carried out by the Croatian forces. These forces were working in organized burning teams. Mr. Speaker, this defies the peace agreement and shows that many in that tragic area will not honor it. When rival armies burn each other's towns, I find it hard to believe the President's statement that U.S. troops will not be entering a combat zone.

Another article we are mentioning was written by former Secretary of Defense Weinberger in this week's edition of the Forbes magazine. He asks:

> Is it isolationism or is it failure to accept the burdens of leadership that leads me to conclude that we should not send troops to this ill-stated enterprise? I think neither. The U.S. has always been, and should always be, willing to accept the burdens of keeping peace and maintaining freedom for ourselves and our allies. But when—after two years of fatal, bumbling inaction—we cobble together a paper agreement solving none of the conflicts that started this war, it is simply common sense that opposes deploying any soldiers, U.S. or NATO, to a mission inviting disaster.

That is the end of the quote. Mr. Speaker, I could not agree more, and I submit the entire article for the RECORD.

[From Forbes, Dec. 18, 1995]

GETTING OUR TROOPS INTO THE TRENCHES BY CHRISTMAS

(By Caspar W. Weinberger)

President Clinton's personal pledge to send 20,000 U.S. troops to join 40,000 NATO troops in the Bosnian cauldron invites another foreign policy disaster.

The Serbs, Croats and Bosnian Muslims have agreed, sort of, that Bosnia will give up 49% of itself to the Bosnian Serbs, who promptly said that that was not enough. The key question that must be answered before we send in our troops is whether there is a peace agreement here that is likely to be kept by all the warring parties. If there is not, any "peacekeeping" mission will be futile. Despite chief negotiator Richard Holbroke's hype and President Clinton's speech to the nation, the sad fact is that we have no such agreement.

PIPE DREAMS

The agreement is supposed to create a stable, new "multiethnic Bosnian country,"

with Sarajevo as its multiethnic capital. The agreement provides for a partitioned Bosnia governed by a federal parliament with control over foreign policy and some economic policy, but having two separate armies, two police forces and separate parliaments—all overseen by a rotating collective Bosnian presidency. Even Rube Goldberg couldn't have dreamed up a more complex design than this.

This agreement accepts the principle of two Bosnias, which is what the Serbs have wanted all along. But within hours of the highly dramatic initialing in Dayton, Bosnian Serb president, Radovan Karadzic, typically wavered back and forth between denouncing the agreement, half-heartedly accepting it, saying that Bosnia's 100,000 Serbs would fight against it, with Sarajevo becoming another "Beirut," and then later saying that maybe he would accept the agreement. Some of Karadzic's behavior may well be explained by the fact that before taking up brutal atrocities and mass murder, Karadzic was a practicing psychiatrist with a record of what is politely called "instability." Physician, heal thyself.

It is quite true that Serbia's President Slobodan Milosevic—no slouch at committing atrocities himself, but hoping to avoid indictment as a war criminal—has agreed to this arrangement. The very instability the agreement creates will offer Milosevic another opportunity to realize his goal of a Greater Serbia, backed by his Russian allies. We have allowed the Russians to become a part of the "intervention force," but to satisfy their sensibilities they will be allowed to report to U.S. Division Commander, Major General William L. Nash instead of being placed under direct NATO command.

The 20,000 U.S. soldiers will be deployed along a narrow, 2.5-mile-wide strip separating Bosnia's Muslim and Serb armies. If our forces are attacked, they will fight back, even though they are heavily outnumbered. Communications, exit strategies, command and control? Be patient. But if our troops are engaged, Mr. Clinton's prediction of "some casualties" will seem modest.

We have insisted that neither Dr. Karadzic nor that least lovable character, Bosnian Serb general Ratko Mladic, be permitted to have any role in the future because of their indictments as war criminals. But neither Karadzic nor Mladic has agreed to this. General Mladic is renowned for defying all attempts at civilian control of his army, regardless of any agreement. After all, he made and violated 34 cease-fire agreements.

Is it isolationism or is it failure to accept the burdens of leadership that leads me to conclude that we should not send troops to this ill-starred enterprise? I think neither. The U.S. has always been, and should always be, willing to accept the burdens of keeping peace and maintaining freedom for ourselves and our allies. But when—after two years of fatal, bumbling inaction—we cobble together a paper agreement solving none of the conflicts that started this war, it is simply common sense that opposes deploying any soldiers, U.S. or NATO, to a mission inviting disaster.

TWO ENDS AGAINST THE MIDDLE

Mr. Holbrooke can shout at every camera he finds that Bosnia is not another Vietnam, Lebanon or Somalia. But the parallel with Lebanon is deadly and exact. We dispatched troops to Lebanon to act as a buffer between two states, and innumerable militias that had not agreed to peace or a peacekeeping force. In Bosnia we have a paper agreement that Mr. Milosevic, anxious to save his skin, purported to sign for his former ally, Dr. Karadzic, whose wild and wavering statements after the agreement have made clear that the Bosnian Serbs will most likely fight any intervention force. And since the world has already been told that the U.S. force will be pulled out before next year's U.S. presidential election, Milosevic, Karadzic and Mladic can wait until November 1996 to try again.

Mr. Speaker, even though I oppose the deployment, I want to state very clearly that I am in full support of the troops, the individual people that are going there, doing their duty as they have been instructed. These men and women are members of the finest military in the world. To put these top combat troops in harm's way doing occupation duty is beyond belief, and I call upon the President to stop this movement into Bosnia while we can still do so.

Finally I will encourage everyone to show their support of our troops by donating to the individual services relief societies. This is the best way to support the children who will be left without a parent at this holiday season. In the gulf war there were so many letters to our troops that families could not communicate with their mothers and fathers. Giving a donation to the relief societies helps the services take care of the children separated from their parents because of the deployment of American forces abroad.

□ 2000

IMPACT OF THE BUDGET AND APPROPRIATION BILL ON THE ENVIRONMENT

The SPEAKER pro tempore (Mr. ENSIGN). Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I do not plan to use the entire time. What I wanted to do tonight and what I will do is to explain the budget and appropriation bills that have been proposed or passed by the Republican majority in this House and how they have a negative impact on the environment.

As you know, Mr. Speaker, we had some previous speakers who gave 5-minute special orders previously: The gentlewoman from New York [Mrs. LOWEY], the gentlewoman from Connecticut [Ms. DELAURO], and also the gentleman from New York [Mr. HINCHEY], that outlined some of the concerns that myself and Democrats in general have about the impact on the environment of the budget bill that has been passed by the Congress and which the President today fortunately vetoed, and also the appropriations bill that funds the Environmental Protection Agency, the VA-HUD and independent agencies, an appropriations bill which has already been sent back to Congress twice but which will come back up again, probably as early as tomorrow.

Throughout this Congress, we have watched the Republican leadership step by step as they work to completely undermine 25 years of environmental progress in order to make it easier for special interests to pollute the environment at the expense of Americans' health and environmental heritage.

Despite what the Republicans may think, the election last year was not a mandate to roll back our most successful environmental laws. In fact, a recent Harris poll found that 76 percent of Americans think that air and water laws as they now stand are not strict enough; not that they should be downgraded, but they are not strict enough.

Despite this, undercover efforts by the new Republican majority to attack environmental protection through budget and appropriation bills is the paramount example of what lengths the leadership will go to fulfill their promises to special interests, despite the potential impacts to Americans' health, environmental heritage, and economic well-being.

Mr. Speaker, I was very pleased tonight, as we were waiting to address the House during the special orders, that we actually received from the President his veto message on the budget bill. One of the things that he stressed, and I would like to just read some sections from his veto message, is that this budget bill impacts the environment in a very negative way and takes away too much money from environmental protection.

If I could just read some excerpts from his veto message to the House of Representatives, he says: "As I have repeatedly stressed, I want to find common ground with the Congress on a balanced budget plan that will best serve the American people, but I have profound differences with the extreme approach that the Republican majority has adopted. It would hurt average Americans and help special interests. My balanced budget plan reflects the values that Americans share"; and among those values that the President mentioned was to protect public health and the environment.

He stressed in his veto message that "the budget proposed by the Republicans would cut too deeply into a number of programs, and specifically hurt the environment." He went on to explain how various programs in title V of the program of the budget bill were specifically geared toward downgrading environmental protection.

What I wanted to do tonight, Mr. Speaker, was to talk about, if I could, some examples of how in fact the budget bill, as well as the appropriation bill that we are likely to consider tomorrow, will turn back the clock on environmental protection. In fact, one of the previous speakers tonight, I believe

it was the gentlewoman from Connecticut [Ms. DELAURO], specifically said that what the Republicans are doing in these spending and budget bills is turning back the clock on environmental protection. My friend, the gentleman from New York [Mr. HINCHEY], who spoke previously, talked about how, specifically with the Clean Water Act, we have made so much progress in the last 10 or 15 years.

When I was first elected to the Congress back in 1988, the main reason why I believe that I was elected was because in the summer of 1988, we experienced in my district along the shore in New Jersey, a summer where all kinds of material washed up on the beaches: medical waste, sludge material, plastics. You name it, was on the beach. Most of our beaches were closed for the summer, and we lost billions of dollars to our local economy because of the tourists that did not come.

After 1988, in the Congress, and it was on a bipartisan basis, laws were passed that prohibited ocean dumping, that tried to protect against the disposal of medical wastes into the waters of the New York and New Jersey harbors. And, lo and behold, after two or three years, the beaches started to come back, the water quality improved, we did not have the washups that we had during the summer of 1988. So this year, this summer, in 1995, we had probably one of our best beach seasons ever, and people constantly remarked about the improvement in water quality.

But the gentleman from New York [Mr. HINCHEY] pointed out that if you look at these appropriation bills and if you look at the budget, you are seeing significant cutbacks in the amount of money that is available under the Clean Water Act. Loans that the Federal Government provides to municipalities and counties throughout the country to upgrade their sewage treatment plants are severely cut, so that makes it more difficult for the communities to actually get sufficient funds to upgrade their sewage treatment plants. Specifically in New Jersey, in the part of New Jersey that I represent, we are very concerned about what we call combined sewer overflow. In many of the municipalities in north Jersey, as well as New York City and outlying areas of New York City, in the metropolitan area, there are sewage systems which are combined with stormwater systems, which means that essentially when it rains, the sewage and the stormwater get combined and there is an overflow, and raw sewage goes out into the New York harbor, and of course, makes its way down to the Jersey shore.

What we need are Federal dollars which have now been available and continue to be available over the last few years to try to either separate those sewer and stormwater systems, or at least prevent the overflow that occurs during the storm. If we do not provide funding on the Federal level for loans or grants to upgrade sewage treatment plants or to separate combined sewer systems, sewer overflow problems, then what we are going to have is an increase, once again, in the sewage and the pollution that goes into our harbor areas and ultimately down to the Atlantic Ocean. That is what the gentleman from New York was talking about.

Mr. Speaker, the amazing thing about clean water and the efforts for clean water, and this was something that my predecessor, Congressman Howard often remarked to me before I was elected to Congress, was that this was one of the few environmental areas where money makes a difference. You could take a small amount of money in the overall terms of the Federal budget and use it to actually upgrade your sewage treatment and improve your water quality. The technology exists, with a relatively small amount of money, to do that. So why cut the funding that is coming from the Federal Government in order to clean and upgrade our water? It makes no sense from a health point of view, it makes no sense from any kind of environmental point of view, whether it is to upgrade sewage treatment plants or to provide for some of the other things that improve our water quality.

The gentlewoman from Connecticut [Ms. DELAURO] talked about the Superfund program. The Superfund program, she stressed, works. A lot of my colleagues on the other side of the aisle act like the Superfund program does not work. It may be that all the Superfund sites have not been cleaned up, but a lot of them have. She specifically mentioned the Raymark site in Stratford, CT as a model for the Superfund program.

What is happening with the Republican budget and with the Republican appropriations bill with regard to the Superfund program? We find that the Superfund program in the VA–HUD appropriations bill, the EPA appropriations bill, is cut by 19 percent. There is a rider in it that says that no new Superfund sites can in fact be designated. The bottom line is that that means that the Superfund program will be downgraded, that a lot of sites that need to be put on the national priority list will not be, and that sites like Raymark in Stratford, CT, which serve as models for the Superfund program, will not get additional funds necessary, or other sites will not get additional funds necessary to continue the cleanup of hazardous waste sites.

That is not what the American people want. Over and over again they indicate, through polling or through contact with us, that clean water and the cleanup of hazardous waste sites are very important to them. Let us not turn our back on the Superfund program the way that is being proposed with this budget and also with the appropriations bill that deals with the EPA.

The President specifically mentioned in his budget message tonight a number of provisions that were actually placed in the budget bill. This is the example of the undercover efforts that I mentioned by the new majority, that if they cannot get a bill passed through the normal course of things, they put language into the appropriations or into the budget bill to try to get environmental programs, or to try to despoil the environment.

One of the things that the President mentioned in his veto message tonight is he specifically says, and I quote: "Title V of the budget would open the Arctic National Wildlife Refuge," ANWAR, as it is called, "to oil and gas drilling, threatening a unique pristine ecosystem in hopes of generating $1.3 billion in Federal revenues, a revenue estimate based on wishful thinking and outdated analysis."

This is one of the major points that was raised by the President in vetoing the budget, and rightly so. We know that the Arctic National Wildlife Refuge is a very pristine area, a very delicate ecosystem where oil and gas drilling could effectively destroy the whole nature of the refuge area. Yet, in the budget bill we have language that not only says that we are going to drill for oil and natural gas, but that we have to start within the next year, and specifically eliminates any environmental safeguards or any environmental impact statements that have to be done before that drilling were to take place.

Again, why? Special interests. Obviously, the oil companies want to be able to drill. They suggest that somehow there is a significant amount of revenue that is going to be made available. Yet those involved in Alaska oil know that the reality is very different. It is seriously questionable whether the Federal Government will ever get any of the revenue from the drilling.

In addition to that, Mr. Speaker, no effort really has been made by this majority in this Congress to try to deal with our energy dependence. Some of the advocates for drilling in the Arctic National Wildlife Refuge say, "This is good. We can drill for more oil domestically. We will not have to depend so much on foreign oil." But they do not do anything or they do not do anything significantly to increase mass transit, they do not look into alternative fuel vehicles, they do not look into what I call renewable resources, as opposed to nonrenewable resources, that will make us less energy-dependent. Instead, they just want to go ahead and drill.

I suggest that the President was right. I commend him not only for vetoing the budget bill, but for specifically mentioning the ANWAR or the

Arctic National Wildlife Refuge as one of the reasons why he decided to veto the bill.

Mr. Speaker, let me give a few more examples of how this whole process of legislating through the appropriations bills is taking place. Traditionally in this Congress and in this House, if you want to legislate as opposed to appropriate or spend money, you go to the authorizing committees. For example, with the Arctic National Wildlife, you go to the Committee on Resources, you would have a hearing, you would vote out a bill that allows drilling for oil and natural gas, for example. It would come to the floor, it would be passed here after open debate. The same thing would happen in the Senate. It would go to conference before it went to the President.

All that is being bypassed with these appropriation and budget bills. These provisions are being put into the spending bills, if you will, without all those initial processes taking place. That is not the way to proceed, and we are seeing it happen over and over again. It happened today. I was on the floor today and it happened today with regard to what we call deep ocean disposal, a form of ocean dumping.

Those of my constituents at the Jersey shore know that ever since 1988 we have had the Ocean Dumping Act passed, which specifically prohibits offshore dumping of sewage sludge as well as a number of other things that were contaminating our coastal environment. Just yesterday I was informed that an ocean dumping provision was sneaked into the appropriation conference report for Commerce, Justice, State, and the Judiciary, which we voted on today, just a few hours ago. This provision, which was not in either the House or Senate version of the appropriations bill, authorizes NOAA, the National Oceanic and Atmospheric Administration, to study deep ocean waste and isolation technologies, and basically to start a research program that has unlimited possibilities to dump sewage sludge and other kinds of contaminated material in the deep ocean off the coast of New Jersey or wherever; again, an effort to sneak in this kind of anti-environment legislation into the appropriations bill.

In fact, Mr. Speaker, the VA-HUD and Independent Agencies appropriations bill, the one that covers the EPA, which we will probably take up as early as tomorrow, had 17 riders like this when it originally came to the floor of the House of Representatives, 17 anti-environmental provisions that were simply thrown into the bill that had absolutely nothing really to do with spending money or with the appropriations process.

Twice on the floor of this House we had to vote by majority vote, bipartisan, we had to vote to take those riders out. Even though we voted twice to take the riders out, the conference report came back just last week and still had some of the riders in it. It had riders in it that bar the EPA's role in wetlands permitting, in the wetlands permit process.

Right now the EPA basically has the ability to veto development in wetlands if they think it has a terribly damaging impact on the environment. That is taken out in a legislative rider that is still in the bill, even though the House voted twice to take it out. It also has the provision which I mentioned before, which says the EPA cannot add new Superfund sites to the national priority list without some additional approval. So again, that is in the bill, even though we voted twice to take it out.

In fact, if you look at the VA-HUD appropriations conference report, which will come again to the floor tomorrow, it actually cuts the EPA by 21 percent. It cuts funding for the Environmental Protection Agency by 21 percent and it cuts enforcement of our environmental laws by the Environmental Protection Agency by 25 percent.

□ 2015

So not only are they cutting the overall agency's budget, but they are also cutting enforcement even more severely. Why? Because essentially, in many cases, they want the laws to not be enforced. They would rather that the polluters get away with not having to pay the fine, not getting caught.

The EPA and environmental protection are cut more than other agency in this whole Federal budget, in this whole appropriations process, more than any other agency in the Government, and that shows again the Republican leadership and the bias against environmental protection in an effort to try to undercut all efforts, or most major efforts, to protect the environment.

Mr. Speaker, I wanted to give a few more examples, if I could, of how efforts were made in this budget process to put antienvironmental provisions in. One example, again, that we voted on, on the House floor, was H.R. 260, the National Park System Reform Act, which after being defeated on the floor of this House under suspension of the rules, mysteriously appeared in the budget reconciliation bill.

This is a bill that would set up a Commission, and as one of its purposes, choose national parks and recreation areas that would possibly be closed. I took it to heart because within my own district at Sandy Hook, Sandy Hook is a unit of Gateway National Recreation Area, the sponsor of the legislation actually mentioned Sandy Hook as one of the national park units that he thought possibly should be closed or suggested should be closed by this Commission.

However, even though we worked hard to defeat that bill on the floor of the House so that this Commission to close the parks would not be set up, all of a sudden it came up in the budget reconciliation bill that was about to come to the floor of this House. We managed again, through a coalition of Democrats and some Republicans who were concerned about the environment, to make sure that that provision was ultimately not in the conference report; and it fortunately was not in the conference report, but there were a lot of other things that were.

Another item that the President mentioned in his veto message was the transfer of Federal land for a low-level radioactive waste site in California without public safeguards. This is an interesting provision that was put into the conference bill. In fact, what happened is that in the State of California, there was an effort to set up a low-level radioactive waste site to take waste not only from California, but from a number of other States.

The Secretary of the Interior said about a year ago that he would agree to this transfer subject to certain conditions being met to protect the environment. In other words, Secretary Babbitt wanted to go through a process whereby there were hearings, there was an opportunity for the public to be heard, and certain limitations would be put on the types of radioactive waste or the amount of radioactive waste that could be put into this site before the land transfer would be approved. This is Federal land in California, not very far from Los Angeles, that essentially now is under the jurisdiction of the Bureau of Land Management.

This budget bill would transfer the land for the purpose of setting up a low-level radioactive waste site for the State of California and other States without any safeguards. In other words, the conditions that Secretary Babbitt had articulated were simply eliminated and not mentioned in the budget bill. Instead, the budget bill said that it was not necessary to meet environmental safeguards; it was not necessary to do the public process with the hearings, and we would just transfer the land, and the State of California and the other States could do whatever they want and use it for a low-level radioactive waste site.

Again, a bill was introduced by a California Member to do this; it was put into my subcommittee, the Subcommittee on Energy and Power which had jurisdiction over it. We never had a hearing, the bill never came up, we never reviewed the bill. All of a sudden it is in the budget bill. But thankfully, now the President has indicated that this is another one of the antienvironmental measures, if you will, that is in the budget bill that he is not going to accept, and that he is going to insist be taken out in whatever negotiations are going to occur.

Mr. Speaker, I mention these items not because I think that there are not a lot of areas where we need to improve environmental protection, not because I think that we need to spend money endlessly on environmental protection, but because I believe very strongly that the normal process is being evaded and that the American public is really not being made aware of what is happening with regard to this budget, this Republican budget, and the appropriations process and environmental protection.

I want to stress before I conclude this evening that we, myself and the other Democrats who feel strongly about environmental protection, will not allow the Republican leadership to try to pull the wool over the eyes of the American people with regard to cuts in environmental protection so that the essential interests can get away with environmental delinquency. The budget and appropriations bills are not to be used as a vehicle for environmental destruction. The President has promised to veto several of these bills, as he did this evening, based on the hateful environmental provisions that are contained therein. I and my colleagues on the Democratic side, along with some Republicans, fully support him and commend him for his strong environmental stance.

As this budget negotiation continues over the next few weeks, and we hopefully come to an agreement on the budget bill that balances the budget and at the same time protects the environment, I think we need to be very vigilant to make sure that whatever is finally negotiated does not give away the store, if you will, to the polluters and strengthens environmental laws and strengthens enforcement, rather than weakening it and turning the clock back over the last 10 or 20 years on what this House and what the Senate have done to try to protect the environment in this country.

BALANCING THE BUDGET AND TROOPS IN BOSNIA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, I want to first yield to the gentleman from the great State of Pennsylvania, the Keystone State [Mr. FOX]. We want to talk a little bit tonight about the budget, and then perhaps about the other big issue that I think Americans are concerned with, the issue of Bosnia.

So I welcome Representative FOX, and maybe we can talk a little bit about how we got to where we are now and a little bit about the Balanced Budget Act.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the leadership the gentleman has taken here in the 104th Congress in focusing our attention on balancing the budget. Mr. Speaker, this is probably the most important issue we have before us, to make sure that we can reduce the cost of government, eliminate the waste, the fraud, and the abuse, and get down to the services that the Federal Government should be taking care of.

The fact that we have not balanced the budget since 1969 has given us approximately a $5 trillion debt, and we are paying for that every day, every man, woman, and child in the United States. It has been told to us by no less than Alan Greenspan, Congressman GUTKNECHT, that if we in fact come to a balanced budget within 7 years, we will not only increase the number of jobs in the United States by about 200,000 or 300,000, but we will as well reduce the cost of home mortgage payments, we will reduce car payments and, as well, reduce the cost of college loans. I think that is a pretty significant way to helping everyone in America, whether it be seniors, working families and children, making sure they can realize the American dream.

I yield back.

Mr. GUTKNECHT. I think we should talk a little bit about how we got to where we are. You and I were both elected last November as members of this freshman class, and I think it is important sometimes to reflect back on what the American people were saying a little over 12 months ago. I think what they were really saying is that they understand that the Federal Government has grown too big, it spends too much, it wastes too much of their tax dollars, and they want the Federal Government to be put on a diet.

I think they fundamentally believe, and that is what my constituents still are telling me, that it is time to make the Federal Government do what every family has to do, what every business has had to do. In fact, if you look at every major corporation, every minor corporation, every small corporation, every small business, every single day they have to figure out ways to be more efficient. But that is not true of the Federal Government.

Mr. Speaker, the first chart I want to show, and I am sure you are familiar with it as well, Representative FOX, is what the President originally proposed in terms of his, quote, "balanced budget plan." Now, this is what the 10-year balanced budget plan would have produced in terms of deficits for as far as the eye could see.

This is scored by the Congressional Budget Office, and I think that is the source that the President recommended a few years ago that we use, and the reason is, the CBO has historically been more accurate, more conservative, than any of the other sources which score some of our budget proposals.

As you can see, in the year 1996, his proposal would have produced a $196 billion deficit; in 1997, $212 billion; in 1998, $199 billion; in the year 1999, $213 billion; 2000, $220 billion; 2001, $211 billion; 2002, $210 billion, and on out to the year 2005, over $209 billion, over $200 billion deficits literally for as far as the eye could see.

That is not what I think the American people wanted when they asked us to balance the budget. I do not think they meant a 10-year plan which creates almost an additional $2 trillion worth of debt. Perhaps you want to talk a little bit about what the American people have said and what this plan said.

Mr. FOX of Pennsylvania. I think the American public made it very clear, Republicans, Democrats, and Independents alike, that in fact what they want is a balanced budget. They have to balance their budget, the schools do, the States do, as you said earlier.

Congressman GUTKNECHT, I know when you were in Minnesota, you had to balance the budget in the State government when you served there in the State legislature.

The fact is, on Monday, November 20, Congressman GUTKNECHT, the President finally agreed to balance the budget in 7 years with honest numbers from the Congressional Budget Office. The President said at that time that he agreed with the Congress to do as follows: The President and the Congress shall enact legislation in the first session of the 104th Congress to achieve a balanced budget not later than the year 2002, as estimated by CBO, and the President and the Congress agreed that the balanced budget must protect future generations, ensure Medicare solvency, reform welfare, and provide adequate funding for Medicaid, education, agriculture, national defense, veterans, and the environment.

Further, the balanced budget shall adopt tax policies to help working families and to stimulate future economic growth.

Yet despite all of that on November 20, today, just 2 weeks later, or less than 2 weeks, the President vetoed a balanced budget bill.

Mr. GUTKNECHT. Now, Representative FOX, it seemed to me like you were reading something there. Was that an actual agreement that was signed?

Mr. FOX of Pennsylvania. Yes, it was.

Mr. GUTKNECHT. More importantly, I think, as I understand that, that was actually signed into law. So that is not a campaign promise, that is actually a Federal law. Am I correct in that?

Mr. FOX of Pennsylvania. Yes, you are correct in that, Congressman GUTKNECHT. What he said, his commitment was detailed in a continuing resolution to fund the Federal Government to December 15.

Mr. GUTKNECHT. So now we have a law, a Federal law, which is a commitment by the President and this Congress to work together to produce a 7-year balanced budget plan, scored by CBO. What were some of the other things that you mentioned, some language that provides adequate funding for what?

Mr. FOX of Pennsylvania. For Medicare and for welfare, for adequate funding for Medicaid, for education, agriculture, veterans programs, and the environment.

Mr. GUTKNECHT. Well, we all support that, and I think we can do that with the budget we proposed that the President vetoed today that calls for spending almost $12.1 trillion over the next 7 years.

Let me point out something else, Representative FOX, and I think you are probably aware of this. But right at the bottom of this chart it also points out that the President's plan was offered for a vote in the Senate, and it got zero votes. As a matter of fact, it was defeated 96 to zero.

To their credit, some of our colleagues here in the House offered their own budget alternative, and I do give them credit for that. They went to an awful lot of work to put together a budget alternative to ours. Unfortunately, it only got 73 votes. As you and I both know, one of the critical ingredients in terms of actually structuring a budget and putting it together is, you have to get at least 218 votes in the House and 51 votes in the Senate; otherwise, you are really just sort of whistling in the wind. It really does not make any difference. Unfortunately, our colleagues in the coalition in the House only got 73 votes for theirs.

What we have put together, and I think it is important that we understand this, is not only have we put together a balanced budget plan which meets the CBO test, which actually balances the budget in 7 years or less, but we were able to get 218 votes in the House and 51 votes in the Senate. So we passed the two most important hurdles.

Mr. FOX of Pennsylvania. Mr. Speaker, the fact is that you have been working and struggling and hoping that we can get this bipartisan support, and I think we will eventually, because I think the American people are now saying, they want a balanced budget. They want the Federal services that the Government can provide where the States cannot take care of them better. What is surprising under that Republican plan that was sent to the President, Medicare spending would total $1.6 trillion, $724 billion more than was spent during the previous 7 years, a 63-percent increase.

□ 2030

When it comes to welfare, the Republican plan would have welfare spending total $878 billion during the next 7 years, $386 billion more than was spent during the last 7 years, a 78 percent increase.

Under Medicaid, the Republican plan gives States $791 billion in grant assistance over the next 7 years. That is $358 billion more than was spent during the previous 7 years, a 79 percent increase.

On education, under our plan the amount of money available for student loans increases nearly 50 percent during the next 7 years, rising from $24 billion in 1995 to $36 billion in 2002, and the number of student loans will increase from 6.6 million in 1995 to 7.1 million in 1996, the most ever made available.

Mr. GUTKNECHT. I want the gentleman from Pennsylvania [Mr. FOX] and I to come back to those numbers, but before we do, I want to go back to this basic point, the commitment to a 7-year balanced budget plan.

I want to read this quote again for the Members who are watching in their offices and perhaps Americans who are watching at home: "The President and the Congress shall." It does not say "ought to," or "it would be a good idea" or "may." It says, "The President and the Congress shall enact legislation in the first session," that means before we start next year, "of the 104th Congress to achieve a balanced budget not later than the fiscal year 2002 as estimated by the Congressional Budget Office."

That is a direct quote. That is what the agreement was. That is what the President signed and, most important, that is currently Federal law. I guess it is good news and bad news.

The bad news is the President vetoed our attempt today at that plan. We had a plan that we felt very good about, that we felt we could defend. It met the CBO test and it met the vote test and we were able to get the votes to pass it here in the House. That is the bad news, that he vetoed our plan today.

The good news, though, is I think the President now is serious. I think the reason he is serious, as the late Senator from Illinois used to say, the late Everett Dirksen, "The more I feel the heat, the more I see the light." I think the President is beginning to feel the heat and I think the administration understands that the American people want us to balance the budget in 7 years.

There is another important point that I think the American people want. The more I hear from the American people, the more I hear them saying they also want that tax relief, because they understand very, very well what it could mean to them and their families if the $500-per-child tax credit passes.

To many families, the average family with almost three children, let us say the average family with three kids in my district or your district, that is an extra $1,500 in their pockets every year, cash that they can spend to do some home improvements, to buy a new automobile, to take the kids on a vacation, a fishing vacation of some kind, or just to invest and save for the future for the kids' education. So that $500 per child tax credit, people understand very, very clearly.

Mr. FOX of Pennsylvania. Let me add to that, I agree with the gentleman from Minnesota [Mr. GUTKNECHT]. Beyond that, the tax reform that we have adopted in the House, and hopefully will be adopted by the President as well and signed into law, a joint bill from the Senate and the House, will in fact also give us some other items that are important.

It will give us the opportunity for the first time to have a new IRA for $2,000 for individuals, $4,000 for couples, an elder care tax credit, a capital gains tax reduction for individuals of 19 percent, for businesses 28 percent, which will give the infusion of more savings, new jobs, expansion of businesses.

It will help our seniors by rolling back the 1993 tax increase on Social Security benefits, together with the opportunity for seniors to earn more. Right now seniors under 70 are capped at $11,280, that they will have deductions from Social Security. But with the new law we just adopted here in the House, seniors will be able to earn up to $30,000 a year without those deductions from their Social Security.

Mr. GUTKNECHT. I think seniors can understand that. In fact, I met with one the other day working at a Wal-Mart store in Mankato. Her name is Muriel.

If you stop and think about it, in effect Muriel is paying among the highest tax rates of anybody in the United States. As a matter of fact, there is a very good chance that Muriel is paying a higher tax rate than Ross Perot and some of the wealthiest Americans.

The American people are not completely confident that we are going to be able to follow through on our promise to balance this budget in 7 years. They hope we do, they think we should, but the one thing they can understand is if next year they actually get this $500 per child tax credit.

Let us talk a little bit, and perhaps the gentleman from Pennsylvania [Mr. FOX] wants to talk about this chart as well, where the benefits really go, because some of our colleagues on the other side have attempted to sort of distort this issue and to explain that, well, this is a tax cut for the rich. I wonder if we could talk a little bit about this chart and where the benefits really go. Perhaps you want to share some of those ideas.

Mr. FOX of Pennsylvania. The fact is there are so many families who will benefit if this does get adopted. I wish you would explain to our colleagues on

the floor tonight and those in their offices just what the percentages are, because the poster is closer to you.

Mr. GUTKNECHT. Let me just explain what this chart says. This is according to the Heritage Foundation, and they got the information from us.

The truth of the matter is that 89 percent of the benefit will go to families earning less than $75,000 a year. Let me repeat that. Eighty-nine percent of the benefit, of the $500-per-child tax credit, will go to families with incomes of less than $75,000 a year. If you look at it, only 4 percent will go to families earning more than $100,000 a year, and only 7 percent will to families earning between $75,000 and $100,000.

The truth of the matter is when you talk about this per-child family tax credit of $500, the overwhelming bulk of the benefit goes to average middle-class families, and that is the people we believe deserve the relief. As a matter of fact, you may have heard us talk about it before, that in 1950 the average family was sending about 3 percent of their gross income to the Federal Government. Today that number is up to 24.5 percent of their gross revenues are going to the Federal Government.

Families are the ones who need the tax relief the most. So what we are proposing is saying we believe, and I think the American people understand this better than the people here in Washington do, but we happen to believe that families can spend that money much more efficiently than the Federal Government. Let us allow them to keep more of their revenue, let them keep more of their income and spend it themselves, because they are the ones who know how to spend it the most efficiently.

As this chart underscores, even more important than anything I have seen is that the overwhelming amount of the benefit is going to go to middle and lower middle income families. We believe that is a good thing and, more importantly, the American people can understand this chart even better than the experts here in Washington.

I would like to welcome the gentleman from Las Vegas, NV [Mr. ENSIGN], the former Speaker of the House, to join us in this debate.

Mr. ENSIGN. I thank the gentleman from Minnesota for yielding.

I serve on the Committee on Ways and Means. We had a lot of debate this year about tax cuts. I am sure, as many of my colleagues in the freshman class, when we were out on the campaign trail last year there were a lot of us that were told by the American people that they feel this weight and this tremendous burden of the Federal Government, and this debt that they feel on them. They feel that more and more the working middle class is bearing this tremendous debt load, that career politicians that have been unable and unwilling to say no to the special interest groups have continued to put on them.

If we think back to the 1950's, and especially seniors remember this, the average family of four back in the 1950's paid about $1 out of $50 to the Federal Government. Today the average, just the average income family of four, pays about $1 out of $4 to the Federal Government.

The reason is, it has to do with what is happening with your chart, and that is that the personal exemption did not keep pace with inflation. If you look at virtually everything across the board, whether you are talking about a carton of milk or a loaf of bread or cars or houses, if you adjust for inflation, they all cost pretty much the same. Their earning dollars pretty much buy them the same thing they bought back in the 1950's.

The difference between the 1950's and today is the tax burden. That is the reason in a two-parent family that when one of the parents, especially when the children are young—and I just had a little girl that was born on Saturday.

Mr. GUTKNECHT. Have you named her yet?

Mr. ENSIGN. Yes, her name is Sienna.

Mr. GUTKNECHT. Sienna. Did you tell her about the debt she inherited when she was born?

Mr. ENSIGN. It is $187,000 this year. I try not to politicize my daughter's birth this year.

Fortunately, I am in an income category where my wife has chosen to stay home with the kids for the first 4 or 5 years of their life. We are fortunate to be in an income category to be able to afford that.

It used to be in the 1950's that the average income family could afford, in a two-parent family, if either the husband or the wife wanted to stay home and stay with the kids and nurture those kids, especially during those formative years, they could afford to do that. But today they cannot afford to do it, and it is not that they do not earn enough money. It is that the tax burden is too high, and that is one of the things that this $500 per child tax credit will do.

Mr. GUTKNECHT. That is basically what has happened in the last 30 or 40 years, is the Federal Government has grown in its influence over our daily lives and the family has actually diminished. What we are trying to do is reinforce families, because we know that the cornerstone of the western civilization is strong families.

So this is something that I feel—and you hate to always speak for the freshman class, I know you are a member of the class and the gentleman from Pennsylvania [Mr. FOX] is a member of the freshman class—but I think this is something we feel very, very strongly about. We are willing to negotiate in good faith with the President and the administration.

But in terms of ever giving up on the $500-per-child tax credit, I think it is one thing that I hope that our class and members of this side of the aisle will fight to the bitter end, because I think this is something the American people can understand. It is going to mean cash in their pockets. It is going to mean money that they get to spend rather than sending it to Washington, and I think that is really what the American people want.

I think they want us to downsize the Federal Government. They know it is inefficient, and frankly they are correct. The more I have been here, the more I have realized just how incredibly inefficient this Federal Government is, and the most efficient spender of resources in this country is the American family. Why should we not allow them to keep more of their money and spend it themselves?

Mr. ENSIGN. If the gentleman will yield, one of the things, this $245 billion number has been just demagogued to death because they talk about this huge tax cut.

Over the next 7 years, under the Republican proposal, we are going to spend about $12.2 trillion. If you think about $1 trillion, to get to $1 trillion, if you had a business that lost $1 million a day, 7 days a week, 365 days a year, you would have to have that business start at the time of Christ, till now, plus another almost 700 years to get to $1 trillion.

Mr. GUTKNECHT. So if you spent $1 million a day 365 days a year from the time of Christ until now.

Mr. ENSIGN. Plus 700 years. To get to $1 trillion.

In the last 7 years, the Federal Government spent a little over $9 trillion. Under the Republican proposal that you hear about all these cuts, we are going to spend a little over $12 trillion. President Clinton wants to spend almost $13 trillion. So the difference is not in whether we are cutting anything. The difference is whether we are going to increase Federal spending by $3 trillion or $4 trillion.

The reason I bring up those numbers, because they are so staggering and they are so hard to think about, is the dollars. These are tax, that is all that is, that is money raised from taxes. The $245 billion is less than 2 percent of the $12.2 trillion. That is what we are talking about. We are only talking about cutting taxes by 2 percent.

Mr. GUTKNECHT. So all of these tax cuts that we are hearing demagogued every day on the House floor represents only 2 percent of all the Federal spending over the next 7 years?

Mr. ENSIGN. Staggering numbers. That is why if we could just be honest with the American people, and I am sure you heard during your campaign,

why can they not be honest with what they are telling us from Washington. Forget about this political spin, just be honest. If we can go to Medicare and tell people, and when you do this, the light bulb just goes off, they say, "Why are they saying that?"

In Medicare, the total spending in Medicare over the last 7 years was a little over $900 billion, almost $1 trillion. The next 7 years under the Republican proposal, we will spend a little over $1.6 trillion. It is over $700 billion more. Not less. More. I know the educational system is not what it once was, but still, when you spend $700 billion more we still call that addition, and I still think they call that addition today. This is what certain people in this Congress are calling a cut, is $700 billion more spending.

I think the chart you have up there talks about some of the premiums, the part B premiums. That is the part that does to doctors. Part A trust fund is the part that goes to hospitals. Part B premiums and part B of the Medicare part is the part that goes to doctors. Why do you not explain a little bit about the differences between the Republican proposal and the Clinton proposal.

□ 2045

Mr. GUTKNECHT. I think it is important and instructive, and one of my favorite quotes is from John Adams, one of the Founders of this great country, and he said that facts are stubborn things, and that sort of is what we have been talking about is let us get the facts out there.

Interestingly enough, we just got back a rather in-depth poll. I do not think you should make public policy based upon polls. I think it does confirm instinctively what all of us believe; that is, if the American people are given facts, they overwhelmingly support what we are doing. As a matter of fact, the interesting thing is there was a separate poll we did a couple of weeks ago when they asked the American people essentially some of the questions that are being posed by some of the other national polling media outlets; for example, do you think the Republicans are cutting Medicare too much? Not surprising, a majority of Americans said "yes." But when we explain to them in our poll what the numbers really were and that we were actually increasing total Medicare spending from something like $189 billion a year to $278 billion a year over only 7 years per year and——

Mr. ENSIGN. And per person.

Mr. GUTKNECHT. On a per capita basis, per recipient spending actually increases from $4,800 a year this year to $7,000 a year.

The interesting thing is when you tell the American people that, in one poll we did a few weeks ago, 63 percent, after they learned that information, after they heard the facts, they said you are increasing spending too much on Medicare.

So I think once we get our side of the story told, what this chart basically demonstrates is, while the administration has been demagoging to a certain degree, our Medicare part B premiums plan, the truth of the matter is, if you extend it out to the seventh year, we are really only talking about a difference between our plan and the President's plan of $4.80 a year. Now, that is almost nothing.

Mr. ENSIGN. The difference between the President's plan and our plan, how many years does that save Medicare? We save Medicare to what year versus what?

Mr. GUTKNECHT. With this chart, we are only talking about part B. When you are talking about the part A trust funds, when you start talking about the trust funds, we are talking about saving the Medicare system from imminent bankruptcy, which the trustees of the Medicare trust fund came out earlier in April and told us that there is a drastic——

Mr. ENSIGN. The Medicare trustees, who are they appointed by?

Mr. GUTKNECHT. Appointed by the President; I think three members of his own Cabinet.

Mr. ENSIGN. He appoints every single member of the trustees, as I recall?

Mr. GUTKNECHT. I believe that is correct. The point is they have no interest in telling us anything than the truth. What they said was, unless the Congress gets serious about reforming the Medicare system, it is going to go bankrupt in 7 years. It will not be able to make the payments.

I think everyone now acknowledges there is a serious problem. Again, we have advanced a plan which uses market-based reforms, which I think the American people can understand.

Essentially, one of the reasons they did not like the Clinton health care reform plans that came out a year and a half ago was they did not really believe the Federal Government could do a much more efficient job of running the health delivery system than the private sector. What we did was sort of change the whole notion. Let us see if we can use the things working so well in the private sector to help control costs in Medicare. I am absolutely confident our reform plans are going to work.

More important than that, I am convinced seniors who decide to participate in some of these new Medicare-plus programs that we are putting together and allowing to operate, I think, in the end of just a few years, many of them are going to say, "Yes, I like this plan much better than what we had before," because they are going to have options, they are going to have choices, they are going to be treated like human beings, just like everybody else out there.

Mr. ENSIGN. You received just recently, like I did, like virtually every other Member of Congress and every Federal employee did during this enrollment period now, where we decide by January which plan we are going to have; I am holding up a card here and this card is a Blue Cross/Blue Shield card. You have the same card. Over 90 percent of the Members of the House of Representatives have this card. The Speaker of the House has this very same card.

What we are talking about here is something called a PPO. Seniors in the United States today do not have the same option to choose the health insurance that you and I have to choose, the same as the Speaker of the House has to choose. What we are doing, and, by the way, a PPO is managed care. The vast majority of Americans do not understand that a PPO is actually managed care. It is a very good managed care.

We are going to give the seniors options to be able to choose a PPO, just like you and I have the option each year to choose a PPO, and HMO, fee-for-service, medical savings accounts or these new things called provider sponsor organizations. Can you imagine, imagine this scenario, let us say we had all of those options currently in Medicare, can you imagine what would happen, what AARP would say to Members of Congress if we took a whole list of options that seniors had and now tried to reverse it and say, "No, no, no, we have got a better system for you; instead of having all of those options and all of those things, you can choose from each year, we are going to give you fee-for-service; in a couple of areas of the country we will give you HMOs. That is all you get". Can you imagine the uproar?

Mr. GUTKNECHT. They would not stand for it.

Mr. ENSIGN. We would have 34 million seniors marching on Washington tomorrow. That is exactly, I mean, if people think about it in that context, we are giving them more choices, more freedoms.

The chart you hold up is only people that stay in fee-for-service, and the people that choose PPO's, many of them will actually have less out-of-pocket expenses because they will not have, or these companies will be able to pay their Medicare part B premiums. They may get prescription drug coverage.

I have three grandmothers on Medicare. It is absolutely heartbreaking. Luckily, I am able to help some of my grandmothers, with different members of our family help, and sometimes if it was not for that, they would have to choose between what they ate that month and getting prescription drugs. Many seniors are in this same boat.

What we want to do is be able to offer seniors in all parts of the country so

many choices they will have that option so they do not have to make the choice between what they eat that month and between getting prescription drugs.

So I think we just have to put the politics aside. Who cares whether it is Democrats, whether it is Republicans? We have to put the politics aside and do what is right for this country.

Mr. GUTKNECHT. The American people, I think, understand this. In fact, when you talk about health care reform, if you look at what has happened in the private sector over the last number of years, we have literally seen the reforms with the various kinds of managed care and much more sophisticated kinds of managed care which are doing an incredibly good job of controlling the growth in health care costs. As a matter of fact, in the State of Minnesota, where we have probably more managed care than virtually any other State in the Union, we have seen health care costs over the last 18 months increasing at only about 1.1 percent.

If you look at the private or at the public sector side, if you look at Medicare or Medicaid, we have had health care inflation at a rate of 10.5 percent. So the truth of the matter is we absolutely know that managed care will work. It will help control costs.

But more important than that, in the State of Minnesota, we had a study that was done where they interviewed over 17,000 recipients of health care and asked them about how satisfied they were with their health care, and the interesting thing was among seniors who were already in some kind of managed care, their satisfaction with the plan that they have is 3 times greater than those who were in the standard Medicare fee-for-service plan.

So it is not just about saving costs. It is not just about squeezing out some of the waste and mismanagement which we know is there.

I think the gentleman from Pennsylvania [Mr. FOX] has done more to study the whole issue of waste, fraud and abuse in the health care system than anybody. I think if you create these managed care systems and create competition out there, we are going to attack that waste, fraud and abuse so we have more health care for fewer dollars.

Mr. FOX of Pennsylvania. I appreciate your leadership as well as the gentleman from Nevada [Mr. ENSIGN], as well as the gentleman from California [Mr. CUNNINGHAM].

We can achieve savings we want by making sure we attack for the first time that health care fraud. Medicare fraud is $30 billion a year. By getting that savings, by offering choice, reducing paperwork costs and making sure we have an efficient system, health care will be preserved for our seniors under Medicare, and we can balance the budget, and I know that the gentleman from California [Mr. CUNNINGHAM] from his own experience can tell us about parts of the balanced budget amendment and the Balanced Budget Act that relates to his district, if he could join us in this discussion for that purpose.

Mr. GUTKNECHT. He is not a freshman, but we will allow him in on this debate, the gentleman from San Diego, CA [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. If you remember, it was our freshman class when I went aboard 5 years ago that had the gang of 7 that closed down the House bank, that found out they were selling cocaine downstairs here, and brought the check scandal to fruition. I think it was the first radical group to come in to make change, and the sophomore class followed, and the 75 young Turks that came in after that have done a bang-up job.

I thank you for yielding, and one of the things I would like to talk to is that, you know, some of the more radical Members on the other side of the aisle say that, well, we are cutting education, we are cutting the environment, we are cutting, hurting senior citizens.

Unfortunately, this place is about power. It is about the power to be re-elected. The power to be re-elected over the last 40 years means the power to disburse money from the Federal Government down to the lower ranks so they are going to vote for you so you can get re-elected so that you have got the power, and to support that you need the big bureaucracy to support the flow of the money so you can get re-elected so you have got the power.

What we are doing, and I think the American people would have a legitimate complaint if this Congress and the Republicans were trying to shift that power to the Republican Party, but the whole agenda and a balanced budget amendment and the agenda that we are trying to do is take that power, not to Republicans but to the American people, to the States, where it can be more effectively used. We believe that government works closest to the people and it works best there.

You will hear over and over and over again by more liberal Members from Congress here that this is the only place that those decisions can be made. The States cannot make those decisions because in the past they have failed and that they are the only ones that can tell the American people how to do their business. That is a good issue.

Mr. GUTKNECHT. That is so important because I think there is sort of this argument that if we do not do the spending, if we do not do the regulating, if we do not do not the controlling, it will not get done. This is not a debate about how much money is going to be spent on education, how much money is going to be spent on nutrition or how much is going to be spent on health care. This is really a fundamental debate about who's going to do the spending and who can do it more efficiently.

What we are really talking about, as you say, you said it so well, is returning more of that decision making back to the States and, more importantly, wherever possible and with the $500 per child tax credit, giving it back to the families because families are much more efficient than local governments, and local governments are much more efficient than State governments, and State governments are far more efficient than Federal Governments. That is why we are talking about welfare reform. We need to talk a little more about that because, again, I think the American people are so far out in front of us it is not even funny. I think they know the welfare system that has been created, controlled, directed, and regulated by the Federal Government has been an abysmal failure. They do not have to go very far in any direction, particularly if they come to this city, to see the results of 30 years of the social welfare state.

As a matter of fact, here in Washington, DC, if we go 10 blocks literally in any direction from this Capitol, you will see the results of 30 years of the social welfare state, and the results are devastating and not just in terms of the total costs. We all know we have spent over $5 trillion over the last 30 years, but the real cost is in the human cost because we have replaced self-reliance and families with debt, dependency and despair, and that is what the American people want changed. They know the real way is to send it back to the States through block grants to allow local communities and local individuals to help those who need the help.

Mr. CUNNINGHAM. Let me be very specific. I would like, Mr. Speaker, for you to listen to these figures because they are accurate and they are important in this debate. The Federal Government only supports 7 percent of education funding, 7 percent. 93 percent of all education is paid for out of State tax dollars.

Now, of that 7 percent that we send to States, it occupies over 50 percent of the rules and regulations and burden on the State itself. It represents 75 percent of the paperwork that the State and the schools have to go through that tie up portions of the 93 cents that comes out of the State tax dollars.

Mr. GUTKNECHT. Say that again. I think that needs to be repeated. That it is a powerful set of statistics.

Mr. CUNNINGHAM. It is. It is very accurate. It is accurate for any State you go into. We happen to have one in eight Americans lives in the State of California. It is the same for any one of the States. The Federal Government

only provides 7 percent of the funding for education. 93 percent, or 93 cents out of every dollar, comes out of the State. But yet of that 7 cents, 50 percent of the rules and regulations that tie up the State comes out of that 7 percent of funding from the Federal Government, 75 percent of the paperwork, and by getting back, and for example, my colleague says, well, you look, you cut out Goals 2000, you cut out all the funds for Goals 2000, what a great program. Well, if I send the money directly to the State and the State likes Goal 2000, the Governors have told us they can do a Goals 2000 program much more efficiently. They do not have the Federal rules and regulations, and they will argue, well, it is all voluntary. In the Goals 2000 bill there are 48 instances that say "States will," and requires reporting, requires paperwork, and guess what, on the other end it takes Federal bureaucrats to take in that information, to record it and so on.

My wife is a principal. She has to write grants for Goals 2000, and they receive some of the dollars. Many of the schools set up and hire people to write grants. They do not get the dollars, in most cases. Even in the cases they do, quite often, if it is not a larger school, the amount of dollars they get is not as much as it costs to pay the grant writer and to perform the rules and the regulations and the paperwork that comes back to Washington, DC.

□ 2100

So when they say we are cutting, we are actually providing more dollars and more efficiency to the States. And those savings; guess what? Those savings go to balance the budget, and in the case of the education bill, Mr. Speaker, some of those savings went up to NIH for medical research on AIDS, and heart disease, and some of the things that I believe most people in America believe are of national interest and that the Federal Government is the one that can host. So I get kind of upset when they say that we are cutting education, and they say I think the gentleman covered the student finances and the student loans. We are providing more money for student loans than ever in the history. But guess where the savings come from? The President's bill on direct lending, and I would like to give you, Mr. Speaker, some accurate figures as well, if I can find them here, that what the costs of the President's direct lending costs us.

The President asks, or the President's costs, cost $1 billion over the next 7 years more than private student loans, $1 billion for the direct loan period, and guess what? CBO and OMB have not even calculated what it costs to collect those loans. That is just the distribution of it. So when we say——

Mr. GUTKNECHT. That is just the overhead.

Mr. CUNNINGHAM. Just the overhead, $1 billion more than sending it to the private enterprises, but yet our colleagues say, well, that is only for the rich, that is for your loan guys, and that is for your banks. Well, I can do something cheaper and better and provide more loans to the students that really need them, and the Pell grants which have been increased higher than any other level in the time of history, then I think that is better, instead again of having the Federal Government up here being able to dole out the money, and guess what? That direct student loan program, the President wanted billions more dollars to increase it by fourscore, and that would make the Department of Education the biggest lending entity in the world, I mean other than the World Bank, and that is what they want. They want that power of the Federal dollars to come down so that they can say, well, look at the grant that I gave you here.

But they forget one thing, Mr. Speaker. They forget where the money came from in the first place. It is not their money. They take if from the very people, send it up here, and let me give you another accurate figure, Mr. Speaker, and this is one for my colleague to remember also. Only 23 cents out of every dollar that comes to Washington gets back into the classroom, 23 cents on every dollar.

Mr. GUTKNECHT. That is a pretty poor return on the investment.

Mr. CUNNINGHAM. Only 30 cents in welfare gets down to the recipients that really need the welfare check because of all the bureaucracy.

Now my colleagues on the other side of the aisle or this side of the aisle, or the American public, you cannot run a business like that, and what the Governors have come to us and said is let us have the dollars, you do not want children to go hungry, you want the needy to be taken care of, you want the help. But you have got 144-some welfare programs, you have got 250 education programs. Let us set our own State standards, give us the money, do away with the Federal requirements and the bureaucracy, and we can make it more efficient. And guess what? We can apply those savings to the deficit and reduce, and what you have been talking about, what Alan Greenspan said, is that interest rates have already come down 2 percent.

Why? Because the lending institutions for the first time in over 40 years believe that Congress is serious about balancing the budget, and if that expectation goes away, those interest rates would not only go back to where they were, they will spiral upward and upward, and then look what it costs for a student loan in the increased interest. Look what it costs for a home with increased interest.

I do not know about you, but most Americans, when interest rates came down, they refinanced their home, and I would encourage you, Mr. Speaker, if you have not done it already, take a serious look because it is going to be cheaper on your payments, and what does that mean? It means more dollars in the pockets of the American people.

And these are some of the things on education, and I have a special order later tonight that I want to go through in depth some of these same issues on education and go through grant by grant, loan by loan, education bill and education program by education program and show what we have really done. If you say cut at a Federal level, yes, I will zero out any program I can at a Federal level and pass it on down to the State because I think and believe from the bottom of my heart it is much more efficient, it is closer to the people, and they can decide better where those dollars will be used, and I think that is what we are trying to do here.

Mr. GUTKNECHT. The examples you have given, Congressman CUNNINGHAM, are so good, and frankly I think the American people instinctively understand just what you have talked about tonight. They understand that what we really need to do is localize, and privatize, and downsize this Federal Government, and that is what we are trying to do, and when they talk about cuts in education, we are talking about moving more of that educational decisionmaking back to the States, local units, and to families where they can make their own decisions about what they are going to do with their kids and the schools that they have, and frankly I think every American family understands this. They care much more about their kids' education than some bureaucrat in Washington.

You know we can all talk about caring, and everybody talks about compassion, but real caring and real compassion happens around the kitchen table. It is families that care most about their kids' education, and that is what we want to get back to, and the waste and mismanagement here in this city, as I say, is just awesome, and I know you are going to talk a little bit about Bosnia, and I want to hear a little more, and I see Congressman DORNAN is here tonight as well to talk a little bit about military affairs, and I believe in a strong defense, but just look at the Defense Department and the amount of waste, and duplication, and mismanagement that we see, and I know that your other colleague from San Diego once told me, Congressman HUNTER, about how many buyers they have at the Pentagon.

Mr. CUNNINGHAM. Congressman who?

Mr. GUTKNECHT. HUNTER.

Mr. CUNNINGHAM. Congressman who?

Mr. GUTKNECHT. Congressman DUNCAN HUNTER.

Mr. CUNNINGHAM. Congressman who?

Mr. GUTKNECHT. DUNCAN HUNTER.

Mr. CUNNINGHAM. He told me to mention his name three times.

Mr. GUTKNECHT. Why? The duck comes down and you win 50 bucks?

But he talked about how may buyers, and it is like 106,000 buyers in the Department of Defense. We have 1,646 buyers for every F-16 we buy, and we buy 1 or 2 a week, something like that, and it is replete throughout the Federal Government. We all know that, the people that we serve know that, and the interesting thing, and we talked a little bit earlier about the megapoll that we did; it just confirms, I think, the common sense we all have, and that is once the American people understand what we are doing, once they see how much we are actually going to be spending, if anything the criticism is that we are still spending too much. Our budget calls for almost $12.1 trillion worth of spending over the next 7 years, and if you divide that up, it works out to over $46,500 in Federal spending for every man, woman, and child in the United States.

Let me say that again. Over the next 7 years, Mr. Speaker, our budget plan, which the President vetoed today as cutting too much, will spend $46,500 for every man, woman, and child in the United States.

Now what we are saying, I think in very simple language, we believe the $12.2 trillion is more than enough to fund the legitimate needs of this Federal Government and to take care of those people who depend on the Federal Government for various services; $12.1 trillion is more than enough. $13 trillion will bust the bank, and it will bust the taxpayers. In fact I think, if we can get the American people to look more at the facts of our budget, I think they will come to the same conclusion that we have come to, and that is that our budget is fair, it is reasonable, it is responsible, and it is long overdue.

And so I think the budget that we are talking about is one that is good for the American people. As you said, long term it is going to bring interest rates down even more so Americans will have more of their own money to spend. They will not have to spend so much in interest. It will make student loans more available and more affordable. In fact the average family, according to Alan Greenspan, if we can stay on this balanced-budget plan over the next 7 years, the average family with a $100,000 mortgage—in fact the average mortgage in the State of Minnesota is $93,600—they will save almost $3,000 a year in interest as opposed to what they would have spent or will spend if we do not really get serious about——

Mr. CUNNINGHAM. They can use it for their child's education, for medical bills, first-time home buyers, or they can even put it away for an IRA to save for when they become chronologically gifted folks.

Mr. GUTKNECHT. It is about the difference between government responsibility and Federal responsibility and getting back more personal responsibility. Let the people make their own decisions, let them spend their own money, because we think they can spend it more efficiently than this Federal Government.

As I say, I think the American people, once they know the facts, will again conclude that our budget spends more than enough to meet the legitimate needs of this Federal Government and that the target numbers we are working with, they are fair, they are reasonable, they are responsible, and, as I say, they are long overdue.

I want to yield some time to you and talk about the other major issue that is confronting this Congress, and this Government, this country, and this world, and that is about Bosnia, and it has been particularly frustrating for me as a freshman Member because things happen pretty fast around here, but I would suspect that most of America, I know all of our colleagues know, that you were one of the most decorated Navy pilots in the Vietnam war, and I think when you talk about military issues and particularly about brushfire wars, and political wars, of civil wars around the world, you speak with a special degree of expertise, and so I want to yield some time to you, and so I welcome one of the other world experts on foreign policy and military affairs.

Mr. CUNNINGHAM. Do we have to give time to that Air Force guy?

Mr. GUTKNECHT. The gentleman from the Air Force, flew F-100's at one time and perhaps maybe he still does, but I would yield first to Congressman CUNNINGHAM.

Mr. CUNNINGHAM. I thank the gentleman for yielding, and like I said, I have got an hour special order after this, and I will take up afterward. But what I would like to go through, Mr. Speaker, is what I found is many of the Members on the other side of the aisle, as well as Members on this side of the aisle, are concerned about the other issues that we have talked about, budget debate and across the board. They do not serve on National Security. They are not directly involved with the Bosnia issue, but it is of great concern to them, and they do not have the time to really go out and find out the information.

What I would like to do first is kind of set the stage, if my friend, the gentleman from California [Mr. DORNAN] would allow me, to just kind of go through and name the players. Later on in the evening I would like to go through the history of the portions of the world that we are talking about going into in Bosnia, from over 600 years ago on the Field of Flowers and the time of Hugo through the revolution where Nazis invaded Yugoslavia, the former Yugoslavia, back in the 1940's. First of all I would like to go through the players, Mr. Speaker, because, as I said, many people do not associate names, places, religions, with individual groups.

For example, Alija Izetbegovic; he is a Bosnian Muslim, but when someone talks about talking about Sarajevo or Bosnia and Herzegovina, they do not necessarily tie the two together. So Izetbegovic is a Bosnian Muslim that is primarily responsible in the Bosnia and Herzegovina area, and primarily Sarajevo, which is where there are headquarters. Now Izetbegovic, like Tudjman, who is a Croatian, is of Roman Catholic descent, and you talk about Zagreb when you talk about that particular portion of their Croatian nationalism. They also during World War II, if you take a look at the two groups, their Croatians fought alongside with Nazi Germany, and they were called the Ustase. They formed the only Nazi concentration camp outside of Germany where they executed and ethnically cleansed over a million and a half Serbs, Jews, and gypsies at one time, and if you take a look also at Franjo Tudjman, Croatian, Roman Catholic, Zagreb, the World War II association was with the Ustase in Nazi Germany. If you look at Slobodan Milosevic, we talk about he is the head of Serbia, not Bosnian Serb, but Serbia, greater Serbia itself. That is a group of Orthodox Catholics. The difference between the two groups; one is Orthodox Catholic, the other is Roman Catholic in the religious affiliations, and of course Milosevic is in Belgrade, and if you look at that portion of the world during World War II, there were three basic groups: the Chetniks which fought under Mihailovic, the Ustase, which were associated with the Nazi Germans, and then you had a well-known man named Tito. He was with the partisans, which was a group of people that fought with the greater Russian Communists. Mihailovic fought for greater Yugoslavia, Tito fought for communism and a greater Russia, so that there is a big conflict, not a conflict but a misunderstanding, of the players and where they really came from.

□ 2115

Let me go into also the number of troops under this agreement that will be placed into Bosnia. Great Britain has come up with 13,000 troops, France 7,500 troops, Spain 4,000, Italy 2,000, Germany 4,000, other NATO countries 2,500, Russia 2,000 troops; and the United States, where they say 20,000 troops, the actual number of troops there, and that will be deployed, will be 32,000 troops, not 20,300 troops.

Let me go through, and then I would yield back over to my friend, if he

likes, let me go over some of the history perspectives of the area, Mr. Speaker. As I said, many people that are not historians, that have not looked at the issues, have not read the books, they have not gone through the list of that portion of the world.

As early as 1389, and let me repeat that so there is no confusion, 1389 on the Field of Blackbirds, some call it the Field of Flowers, saw the Serbian Empire defeated by the Turks. By the end of June, the time of Yugo, former Yugoslavia was dominated by the Turkish Moslems. June 28 today is celebrated much like our Fourth of July in Bosnia, as Independence Day, because it was 600 years of domination of the Ottoman Turks. That is how the same basic ethnic group changed from Serbian to Croatian to Moslem, and the Moslem came from the Turkish Moslem, the Suni Moslem.

Mr. DORNAN. If the gentleman will yield for a 1-minute elaboration, DUKE, I found out that no matter how good I am or you are, some of our supporters out there have said sometimes a dialog is good. It gets the juices going. We cannot tell the colonel in the chair there, our good Marine Speaker pro tem, to get a cup of coffee or tea, but I am telling people if they want to continue to listen to you, they are going to learn something from you and from me tonight, as they just learned a lot from the gentleman from Minnesota [Mr. GUTKNECHT].

I want to flesh this out. This is not a movie, they must listen to us. Let me flesh out why Serbians treat as though it were 2 years ago the battle in the Field of Blackbirds at Kosovo Poije. Here is what happened. Prince Lazar, a tall, handsome Serbian knight, sets up to do battle with the Sultan of the Ottoman Empire. He had 400 concubines in Topkapi; interesting place when people go to Istanbul to visit the blue mosque, hundreds of years old, and Hagia Sofia, built by, oh, my gosh, Justinian up here in the corner in 532.

The Sultan had reigned for 29 years. Roosevelt got a fourth term, and about 82 days into a 13th year. Thirty-nine years, Sultan Murad, sounds like something for the eyes, Murad I ruled for 29 years. The Serbs were winning, and a Serbian noble, Miloc, that is why so many children are named Milo or Milan or Miloc, Miloc Kobolic pretends to be a deserter—what you guys in Vietnam called the chu hoi program, come over to our side—in all his knightly armor and garb, a swashbuckling figure, for the mind to conjure this up and know that it is better than anything they do in Hollywood with their fake violence and untrue stories, just a will to fiction.

He works his way into the tent of a 29-year ruling Sultan and stabs him to death with a poison dagger. He dies a violent death of torture, and for a while it was pandemonium. It looked like the Serbs had won the day, yet again to save Christendom from the Islamic forces that had gone all the way across North Africa, across the Strait of Gibraltar and conquered most of Spain, driving out, if they would not convert, and killing the Christians and ending the Christendom of St. Augustine in all of North Africa. His son, Sultan Murad's son Bayezid, rallies his forces and inflicts a crushing defeat on the Serbs. They capture and torture to death the leader, Prince Lazar.

The Serbs are then forced to pay tribute for decades, turn over many of their women, and promise to do military service in now young Sultan Bayezid's forces for decades.

Then the second Battle of Kosovo is fought 59 years later, and the Serbs again almost win. The old date is 15 June, like Waterloo, but you are right, 28 June. And where have we heard that date on this floor before? 28 June 1914 caused George M. Cohen to write "Over There," "And we won't be back till it's over over there," and my dad gets three Purple Hearts, then wound chevrons, poison gas, 11 million of the flower of European youth killed.

That started not too far from Kosovo, to the west a little bit, in the city of Sarajevo where a 19-year-old knowing that if he was going to be hit man, he had to move fast, because if he turned 20 he would have gotten capital punishment. And Gavrilo Princip at 19, in Sarajevo, on a street much narrower than the distance between the gentleman and me, he shoots to death the Archduke Ferdinand of the Austral-Hungarian Empire, the heir-apparent, his beautiful wife Sofia, nicks the driver of this big car. And the killing is on, and it has not stopped for this whole bloody era.

That is why, when you speak for the Serbs, and you jumped on me a little bit yesterday because in the abbreviated time I'm trying to be fair to Serbs, Croatians, and Moslems here, but the Serbs saved Christendom, as did the Hungarians, as did the Austrians, as did a whole area of southern Europe, held the line, saved Vienna, saved Malta, won the Battle of Leponto in 1571, that is almost two centuries later. This went on for half of this millenium we are ending in 4 years. Just wanted to know, fact is better than fiction.

Mr. GUTKNECHT. Mr. Speaker, if I could reclaim my time, my hour is going to expire quickly and then you guys are going to have at it for another hour. But I just want to say that I think this is important.

I said earlier that facts are stubborn things. And I think it was Patrick Henry who said that the price of liberty is eternal vigilance. The American people need to get plugged into this discussion, whether we are talking about Bosnia or the budget, because I think the American people in many respects are going to be the final arbiters of this debate. I thank you so much for sharing with us the history, because the more you learn about that region, the more you learn about this agreement, the more you learn about what is going on over there, the more troubling this whole story becomes.

The real trouble is they are going to be our kids, and they are just kids for the most part. You see them out here exercising with the various honor guards and color guards and so forth, and you cannot help but feel proud of them. But many of those kids are going to get hurt, they are going to get killed, they are going to get wounded. The American people need to tune into this debate because facts are stubborn things, and the price of liberty is eternal vigilance. The American people, I hope, will be tuned into your discussion as you go on for the next hour.

HISTORY OF THE FORMER YUGOSLAVIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. CUNNINGHAM] is recognized for 60 minutes.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman from California [Mr. DORNAN]. I do not think there is anybody on the floor who knows history, accurately, as my friend from California.

Mr. Speaker, why is it so important, the time of the Field of Blackbirds, the time the Turks took over the Serbian Empire? What significance does that have for us, today, Mr. Speaker? From 1389, June 28 to June 28 in 1989, kind of the start of the problems we have in Bosnia-Herzegovina, in former Yugoslavia, because on June 28, 1989, Slobodan Milosevic, remember he is the Serbian out of Belgrade, spoke to national Yugoslavia and spoke about a former and a greater Yugoslavia.

At the same time and even prior to this, in 1980, prior to the 600th anniversary of the time of Yugo and the Field of Blackbirds, the Croatians, Franjo Tudjman spoke of the same Croatian national goals for Yugoslavia, which included the eviction of Serbs occupying the greater Croatia. The problem with that, we do not believe that either Milosevic or Tudman wanted an all-out war. It would cost too much and too much bloodshed. What they did want is as much of the Croatian and Serbian Empire for themselves under a greater Yugoslavia than they had. The problem was that at the same time, it kind of got out of hand. The Bosnian Moslems that we associate, again, primarily with Sarajevo, were kind of caught in the middle of this thing. They were the minority. They were forced, I believe, into a shotgun wedding with the Croatians, but quite often, the Moslems, the Bosnian Moslems, found themselves at odds with both the Croatians

and with the Serbians, and both groups were killing the other.

At a time when the Moslems thought that they had no one to turn to, the United States did not support them, the Croatians were beating up on them, the Serbians were beating up on them, they accepted with open arms the Middle East Mujaheddin groups, and there are over 4,000 of them there today.

This is one of the groups we are very concerned about. This is not the Bosnian Moslems, the more moderate. This is the Islamic terrorists and fundamentalists that come out of Iran, Iraq, Afghanistan, Egypt, and some of the other Middle East countries. They are sworn to a national Jihad.

Germany sees its economic future in the hands of the Balkans. Greece is also concerned about further expansionism into Greece by the Turks and the Turkish Moslems, so it is a problem. The Germans, Croats, and Slavs are Roman Catholic. The Turks, the Bosnians, the Macedonians and Montenegrans are primarily Moslems. The Russians and Serbs are Orthodox Catholics.

Now let me back up just a little bit in time, Mr. Speaker, from going from 1389 to 1989 in the history when this was significant to both the Croatians and the Serbians, when Serbia was taken over by the Ottoman Turks. During World War II, and this is prior to Pearl Harbor in 1941, Germans attacked and invaded Yugoslavia itself. the Serbians united with Russia and the United States. Let me repeat that. The Serbians united with Russia and the United States.

There were two primary groups that fought with the United States and with Russia. They were the Chetniks, led by Micholevic, that were interested in a greater Yugoslavia; and then there was Tito, who was a Russian Communist, who was there to promote primarily Russian communism; two factions, but all fighting against the Nazis.

The Croatians and most of the Moslems fought with the Ustase in support of Nazi Germany. Germany built a concentration camp at Janocevic and killed 1.5 million Serbs, Jews, and Gypsies. During the 1980's Croatian nationalism movement under Tudjman, and the Croatians adopted, and this is now back at 1980, you can imagine the concern of most of the Serbians and some of the Moslems when the Croatians donned the old uniforms of Nazi Germany in the nationalistic movement which Tudjman was pushing on the other side of the Serb nationalistic movement, and the fears cam to fruition.

I recently attended, last year, a banquet in which over 400 allied U.S. pilots were giving homage to the Serbs. Why? I remember the old Humphrey Bogart movies when the underground got our allied pilots and French pilots and the British pilots and United States pilots, most of them were with the Army Air Corps at that time, but they got out through the underground, our allied pilots. In 1990, France and Great Britian allied themselves with Croatia against their cold war enemy, because after the war, Russia in the cold war also became the warring enemy with the United States.

As early as 1991 Tudjman, again, Tudjman with the Croatians, and Milosevic with the Serbians, hoping to actually avoid a war in 1991, sat down and sought out a reconciliation at Kraziavo. They split Bosnia-Herzegovina between Serbia and Croatia, much like the Ohio agreement had done over the last month. The West insisted, however, on a Bosnia-Herzegovina Moslem state, which suited the goals of Izetbegovic, again, the head of the Bosnian Moslems. It also suited the radical Islamic movement.

The Dayton agreement also splits the area, but guess who is in disconcert with that agreement the most? Izetbegovic, because again, it splits up Bosnia-Herzegovina, primarily between the Serbs and the Croatians, and gives the Moslems not the Moslem state that they originally wanted.

□ 2130

General Lewis MacKenzie, former head and commander of the United Nations, and I quote, "Izetbegovic wants the entire country back." Now, this is General Lewis MacKenzie, the Canadian and head of the U.N. forces. In testimony before the Committee on National Security, when asked if he would commit United States troops in Bosnia, he added, "I would not touch it with a 10-foot pole." At the same time the media reports from Bosnia and Sarajevo supported President Clinton against the Serbs.

In 1994 and 1995, Bosnian Muslims established the Mujahideen Third Corps. Today there are over 4,000 radical Islamic fighters in organizations in Bosnia, and many of those, Mr. Speaker, have integrated into the regular forces. So when they talk about, in the agreement, they are going to eliminate those forces, those are the forces that are sworn to fight against the United States.

Brigadier General Bastimas, commander of the U.N. military observes in Bosnia, and General MacKenzie have said that it was a Muslim who provoked the Serbian attack on Garazde. Brigadier General Bastimas criticized the United States media campaign and President Clinton's failings to recognize the Muslim trap set in Sarajevo.

Another thing that bothers me, Mr. Speaker, is that the press jumps out, and we say we are going to treat all sides equal, but yet we have the biggest dog in town. If there is an incident and the press jumps on it and the President reacts, let me give you a couple of examples.

The press reported that the 40 Muslims killed in Sarajevo was through a Serbian Shell, mortar. The French, the Russian and the British bomb experts have stated, and I can publish and show you the articles and submit them for the RECORD, that it was a Muslim preplanted bomb, that they just so happened to have photographers there, that they just so happened to have the cameras there, so that they knew that they were going to lose Bosnia-Herzegovina; and these are not the Bosnian Muslims, these are the radicals, that set a bomb to go off so that the United States again would go after the Serbs and they would get a bigger piece of the pie.

Remember, Mr. Speaker, when the press said that Captain O'Grady, who was shot down in his F-16 during the helicopter rescue that the Serbs fired at him. General Shalikashvili in testimony before the Committee on National Security testified that Captain O'Grady was not shot at by the Serbs, he was not shot at until after he got over Croatia.

These are the kinds of things that immediate reaction, when we are going to go and hit somebody and follow the media and take a look at that, it concerns me. Because I think that General MacKenzie also testified before the Committee on National Security, and my friend Mr. DORNAN was there. He said that what will happen is that these fundamentalist groups will fire a shell from the Serbian side and blame it on the Serbians just so that they can get more bargaining power.

Izetbegovic is the biggest loser in Ohio. Let me read here a direct quote. I quote from Commander Abu Al-Ma'ali; he is the commander of the Mujahideen in Bosnia. "To all of you Muslims of the world, we send you our appeal, which we have reported and are still repeating, to rise up in support of your brothers and remove the obstacles from around you.

Those attempts are led by the United States in the Crusade West. We know that we will have a day in which to fight, and I quote, "The Jews and the Almighty grant us victory." And we also know the best soldiers will fight the Christians. We disbelieve in the United States and its allies; we disbelieve in the transgressors and their religion, and we will have relied only on Al-Ma'ali.

I would like to make it very clear, Mr. Speaker, we are not talking about Muslims. There are as many radicals within the Christian faith as there are, when we look at Israel that recently had the tragedy there, when we look in our own country, when we look at the Muslims across in the Middle East, there are as many fine Muslims as there are Christians, but these are radical groups we are going to have to contend with, Mr. Speaker, and it scares me.

I would yield to my friend; I have gone on for a little bit with the history of this. I have more in my hour, but I would be happy to yield to the gentleman, and then I will continue with some of this education.

Mr. DORNAN. Excellent. Mr. CUNNINGHAM, I think, because you and I are substantially in agreement on this and have emphasized different aspects in the name of freedom, of trying to educate our colleagues, whoever is sitting in the Speaker's chair, and this gentleman and I, Mr. LONGLEY, as a marine lieutenant colonel active reservist in uniform, on summer drill, was in the NATO headquarters when we were both briefed, he on active duty, me as a visiting double Chairman of the Committee on Intelligence and Military Personnel of the Committee on National Security, and we both heard everybody in agreement from all NATO nations in attendance; there were about 7 or 8 represented out of the 16.

When I asked about the provocations from all sides and would one side do something to make another side look bad, they all nodded in agreement that it was a very gnarly situation.

Now, a few days after we were briefed, I went with Congressman GREG LAUGHLIN of Texas to meet with Akashi, who has now been, I guess "fired" is the nondecorous word, he has now been sent back to New York, probably with a big raise. They have another U.N. representative sitting there in the U.N. headquarters in Zagreb, Croatia.

While we were with him on Friday, August 25, I guess I saw the Speaker pro tempore on the 24th, we warned him, Mr. LAUGHLIN and myself, I was the leader of the CODEL, so I went first, that he was not qualified. Mr. Yasushi Akashi picked targets. I was sitting there thinking about LBJ picking targets for you as a naval combat pilot or the attack pilots below you that you were mid-capping, and I said, you are not qualified. He all but said, well, how did you like the targets I picked, the ammunition dumps last April?

I said, wait a minute. You mean the outhouses with some small arms ammo that blew up around Pale? I said, those are not targets, we are talking about Brcko, and blowing up huge massive concentrations of ammunition. We are talking about hitting communication sites and everything.

That next Monday on the 28th, the mortars hit Tuzla. Some people think the mortars were fired provocatively by Muslims. I do not know if they are agents provocateur, as Jane Fonda used to like to say, they were Croatian Bosnians, or whether the Serbian Bosnians did it with or without checking with Belgrade. But people were blown all over the marketplace. Dozens wounded, several dozens died on the spot before they could get medical aid.

That was the 28th, and by the 30th, as we were about to leave the country for Milan, the bombing started. I said to my CODEL three escort officers, Greg and myself, look, let's get the embassy van and head back to Aviano. It is just a 3-hour drive across northern Italy. Let us be there when the pilots come home from those strikes. While we were there in the operations center, the French plane got shot down.

Now, that is a fighter pilot, and I am a peacetime fighter pilot. You know there is a brotherhood in the air for allies, and years and years after the war, even between former enemies. Those are our brothers up there, those two Frenchmen. That Mirage could have been a 2-seat F-15E; it could have been a 4-man EA-6B Intruder or Prowler, it could have been a Navy bird.

The first airplane I greeted back was a Navy bird with a reservist, a Marine Captain, an active duty Navy, and an active duty Navy reservist and, I mean a reservist on reserve duty from the States, a mixed 4-man crew that had just flown a 6½ hour mission controlling that very French plane that went down.

Now I am told at the Pentagon this morning, early morning briefing, that our Pentagon at least suspects the two French pilots have been murdered.

Now, the Serbs did have them, the Bosnian Serbs, because they released photographs that he had taken of the two Frenchmen. I showed them to you the other day and their legs looked like they had mild sprained ankles or something, or maybe they shot them in the legs so they would not escape, but they looked in pretty good shape.

One of them reminded me of you, Captain Frederique Chiffot, two Fs. He is looking at the camera with a grimace like, I am resisting, I will hang on; looked like a typical tough Frenchman in the Foreign Legion or the gendarmerie. This guy was great.

So they may be murdered. Why? Why could they not be turned over? Where was Milosevic's role?

Here is what I want to present. We are right now in healthy disagreement on this, on what we do tomorrow. First of all, I am getting jockied to run by the conference. Let's assume the whole audience of 1.7 million and our great Speaker pro tempore stayed with me through the night. I got 20 calls tonight, is DORNAN going to speak again?

Here is what I told them last night. I turned in the letter of 50 plus, 64, I demanded a conference, I was told we could not have it today, we would get it tomorrow morning and we would discuss this for an hour or two hours, closed doors, no staff except NEWT's and the majority leader ARMEY staff; and now I am told that we have my conference and it is going to be at 5 o'clock, but something is wrong with that, because we are going to adjourn with legislative business at 4, there are no votes on Friday, there are no votes on Monday.

BOB DOLE's deal where all the liberal journalists are saying, what a courageous guy, finally is through pandering to the Christian Right, way out on a limb, what an act of courage, what a great guy. What a great guy, MCCAIN, again, he got Hanoi all normalized and wrapped up, now he is way out on a limb with DOLE, and here he is GRAMM's national chairman. GRAMM, taking a role of leadership against this; it blew up in DOLE's face today.

Did my friend from San Diego or did my friend from the great State of Maine, as Maine goes, so goes the Nation, did you know that BOB DOLE and MCCAIN got so far out in front of their troops that no other Republicans joined them, except DICK LUGAR, none, that they had a revolution that PAUL COVERDELL said, I am not going to be a coconspirator in this nightmare.

So do not you smile, Mr. ABERCROMBIE. We have problems over here, too, so do you. We do not want any more of you guys just yet, I know it is breaking your heart.

So let me tell you more about our problems. You think you have got problems in the Democratic Caucus, let me tell you about the Republican Conference. So my pal BOB DOLE, who earned the right to do anything he wants in this country, he served all of his life, he is way out in front trying to support Clinton and here is the question I want to ask America tonight. DUKE, you came here in 1988, right?

Mr. CUNNINGHAM. 1990.

Mr. DORNAN. You were——

Mr. CUNNINGHAM. I retired from the Navy in 1987.

Mr. DORNAN. You did not waste any time coming to continue your Federal service, you BOB DOLE, you.

Now look, here is the problem. When I came back, made a great comeback, I was a term-limit guy, 6 years, said good-bye, entered a Senate race a year late and a $1 million short, Pete Wilson beat me, and a Navy Cross winner McCloskey, short; and I come here in 1985. Reagan won a second term. It is kind of rare, second terms in American history. Roosevelt, Wilson on their side.

Mr. CUNNINGHAM. Can we stay on Bosnia, BOB?

Mr. DORNAN. I am coming back to that. And now I come back in 1984-85 and we start the battle of El Salvador.

Here is my question for the night, DUKE. The Democratic majority under Tip O'Neill and the majority leader Foley, without the U.S. Senate, it was still in Senate hands and had been so for 4 years, in the fifth year of Ronald Reagan delivering the Senate in January of 1981 to the Republican Party without the Senate, Tip O'Neill held commander in chief Ronald Reagan, beloved by military men and women around the world, a beloved figure with

his ratings high, held him in the struggle for freedom in El Salvador for 55, not 5,500 or 550, less than five dozen people. Fifty-five advisors in a country north of the Panama Canal, and Reagan could not break Tip O'Neill and Foley and GEPHARDT; he was held to 55.

Now I am being told by a guy I admire, leader BOB DOLE, by our best, one of our best fighters here, NEWT GINGRICH, and most of the leadership that we are neutered, impotent, that there is nothing we can do to stop Clinton, who avoided service three times and sent high school kids in his place; that he is going to put 55,000 people into what Churchill called the tinder box of the Balkans, disregarding two overwhelming House votes and a big Senate vote against it. He is going to get that done, and we are told we cannot do a thing about it; and Reagan could not get a 56th soldier or Green Beret into El Salvador.

Here is what I am going to do later. See this book, Presidential War Power, by a Democrat scholar named Louis Fisher. Pretty nonpartisan actually, although he is a registered Democrat, and here is his article that I am going to put in the RECORD, because MCCAIN has been misstating this.

MCCAIN said during Haiti that Thomas Jefferson sent naval forces to get the Barbary pirates along the Algerian coast without congressional approval; he said it over Haiti, and he said it again on Brinkley this Sunday.

That is just not so. JOHN had better come up with his history. He did not learn that at Annapolis. The Barbary wars are no legal precedent for Haiti.

Do you know what? Ten public laws were passed by the Congress, 10 went into law, demanding that Jefferson, the first one was passed the day before he was sworn in on March 3d, 1801; they demanded he go do something about the Barbary pirates. The President, Jefferson himself, actually that is who Buchanan was quoting, eternal vigilance is the price you pay for liberty, and then I will turn it back.

Do you know what Jefferson said? I can do nothing as commander in chief except defend this country. If I am going to do anything offensive, particularly overseas, I must have the permission of Congress, just as every NATO nation has to get permission from their Knesset, their Parliament, the Bundestag; and we are not being listened to by Clinton.

□ 2145

Mr. CUNNINGHAM. Let me comment and give you my opinion of a couple of the events. My friend knows the warm affection I feel for him.

Mr. DORNAN. It is a manly affection.

Mr. CUNNINGHAM. In a manly way. He has not only stuck up for me physically recently but in campaigns and everything else, and I consider him a very close friend.

I am not running for President and I am looking at the presidential side of it. But I would not presuppose, and I would tell my friend from California, that the Frenchmen had been shot in the legs. I would hope that is not true.

Mr. DORNAN. I am not accepting it, either. I thank the gentleman.

Mr. CUNNINGHAM. And I would not suppose that they have been murdered. I hope that is not the case also.

Mr. DORNAN. They better not be.

Mr. CUNNINGHAM. And I would not condone that. I would condemn it.

I would also say that Senator DOLE, when we came to Congress, stated that he, like most of us, would try and work with the President to find the best solutions.

The biggest upset that I had in Vietnam, and I would tell my friend from California, I was shot down on the 10th of May, 1972. I can remember sitting on my knees and weeping on board the U.S.S. *Constellation* when I saw the Jane Fondas and the Tom Haydens, when I saw the rules and the regulations that were set forth in this Congress back during the 1970s. I can remember saying, who are those guys back in Washington, what country do they come from?

We did not want to be there, I would say to my friend. But what we wanted was the support of the American people. We wanted the support of Congress. We wanted the best equipment. We wanted to be able to go through and fight with the best tactics, with the best machinery that we could, so that we could come back not in body bags but to our family.

I talked to Senator DOLE and that is his opinion. He knows that percentagewise the President is going to take our troops, regardless of what we do. Part of my pitch is the difference between George Bush and Bill Clinton and President Johnson, and also a friend of the gentleman from California [Mr. DORNAN], Mr. McNamara.

But in that decision the President made, knowing that we are going to go, he wants to give our troops the most support that we can. He will still fight for us not to go there in the first place. But yes, and you have seen the resistance that we have had even among both sides of the aisle here. We have already had two votes on not going to Bosnia.

But after the peace accord was signed in Ohio, the inability for us to bring it up on the House floor, and I laud my friend from California, I supported and I signed your paper to bring it up even in our Republican Caucus. But I would say that the Senator is trying to work with the President as much as he can. He is against the position, but at the same time he wants to give maximum support to our troops.

I would go into the same thing, and some of the weaknesses that I also see in this Ohio agreement.

I look at a time when I was fighting in Vietnam, and I look at President Johnson, and he had McNamara. I think McNamara was not a bad Secretary of Defense, but I do not think he was placed in as Secretary of Defense at the proper time and in a wartime. I think during peacetime, as far as his politics, as far as his bean counting and his number crunching and what we actually needed machinery-wise was correct, and I think he served a pretty good position. But I do not think he was there as a tactician or could give the President the best information that he could have in the tactics and the policy in Vietnam. I think that is where the problem lies.

Second is that President Johnson managed, micromanaged the war from the White House. Did not let the Secretary of Defense get into the real problems. Did not trust his generals to run the war, and in my opinion we got 58,000 people killed unnecessarily, not just from those two individuals but through a whole lot of blunders.

Now I look at President Clinton. I think Shalikashvili is a pretty good general. I think he tries to do the job. I think if he was allowed to run this just like Colin Powell was under George Bush, I do not think he would do a bad job. But I also look at the President. When he says he will review the plan that comes out of NATO, I do not have much confidence in that from just the President's history.

I also look at his advisers, and I said Secretary Perry, in my opinion very good when he was an assistant secretary. When he is now Secretary of Defense in peacetime, I think he is a good Secretary of Defense. I do not have the faith in Secretary Perry in a wartime situation from a lack of experience.

At the same time I look at the President's Cabinet. Not historically a promilitary organization or group of individuals. When the President said he is going to make the decision, I take a look at the advisers that he has underneath him to give him good counsel and I am afraid of that.

Another thing that I have real concern with, Mr. Speaker, is that the President and this Congress is going to be in a campaign mode over the next year. In our testimony it was said that, well, the President must be not looking at the polls because he is out there fighting this when the American people are against it.

Republicans and Democrats across the board and in our Committee on National Security, Democrat after Democrat, and the gentleman from Hawaii [Mr. ABERCROMBIE] I believe was there during the time, said their polls and their people are telling them, Mr. President, do not send our troops to Bosnia. And I think that is pretty well across the board in most States and in

most districts, Republican and Democrat. Maybe it is not, but the information that I have is overwhelming.

The difference between George Bush and the President, one, George Bush said he would abide by what Congress said. President Clinton, on the other hand, we have had two votes on not sending the troops and he is bypassing Congress and sending them anyway. That is why Senator DOLE has come on board and said, they are going, I need to get behind so that there are not any glitches, so that we do not get any Americans killed over there.

I am still dead set against it, as my friend from California and I believe my friend from Hawaii, I do not think he is in support of this, I will not speak out of turn, but he can comment on it later if he likes. But I think if we look at the whole problem that we go over there, let me ask you some real basic questions.

It has been identified that it would cost about $2.2 billion, Mr. Speaker. Testimony before the Committee on National Security said no, we are not sending 20,000, we are sending 32,000 people to Bosnia. Some are already there, some are already budgeted for. But the overall operation is going to cost this country, its share of NATO, $3 billion to $6 billion. Where is the President going to find the money to pay for it?

After we leave in one year, NATO is going to take over, and a long-term commitment. And we are trying to balance a budget in 7 years, we are trying to protect Medicare, we are trying to do some of the things that Members on the other side of the aisle are trying to do. NATO is billions of dollars broke. Who is going to pay for that extension in Bosnia-Herzegovina and in Bosnia? I think it is a fair question to ask the President.

The President in his speech also, I would say, said that the principal funding for nation-building of roads and bridges and elections is going to come from Europe. But that leaves an awful lot of room for the United States to also pick up the tab there.

There is something else that bothers me. The President and many of my colleagues on the other side of the aisle, not many on this side, wanted to go into Haiti. We said there is no national significance or interest in going into Haiti.

And at a time when Aristide has killed two of his predecessors, when the boat people from Haiti have already started coming out of there, the tortures, the neckties, and President Aristide has said that he is not going to abide by the elections, and he has reversed himself and countered that with a lot of pressure from the United States, but all the problems that are going on, and Haiti is just about to erupt again. Are we going to totally ignore Haiti?

That is of great national interest, according to many of my friends on the other side of the aisle that outvoted us when they were in the majority. And I would say no. If it is of great national interest, and we are going to get into Bosnia. I think it also has a problem, that if we look at the Islamic fundamentalists, their greatest aim is to have a Moslem state in Bosnia and Herzegovina and to hurt the United States.

If that is the case, how could they do that? They could tie up the United States, knowing that Haiti is a problem, and at the same time here comes Saddam Hussein and rears his ugly head. I would predict, Mr. Speaker, that within 1 year we are going to see Mr. Hussein again in a very violent way.

I have gone on for a while. I would yield to my friend again to go through, and I have got some other points that I would like to bring out, but I would also yield to my friend.

Mr. DORNAN. We have got time and I think this is super important, equal to the budget, and everybody in Hawaii is waiting for Mr. ABERCROMBIE and it is only 5 o'clock in the afternoon there, so we are in good shape.

Here is a press release by our good friend who uses this well so effectively, this floor, in special orders, DAN BURTON.

I did not know, following Bosnia so closely and fighting the budget battle, that Clinton had thrown his support behind the Spanish Foreign Minister Javier Salano for Secretary General of the North Atlantic Treaty Organization. This gentleman is not only a Marxist and whose only slogan when they took over in September 1979 was the platform of "We are a Marxist party," and that is it, big friend of Castro, constantly hammering on us to take the sanctions off that Communist killer, and he says he has openly admitted opposing Spain's membership in NATO, now he runs the thing and Spain is not a full member in full standing to NATO, although on my chart here Spain is going to send into that area—oh, that is great—1,000 people. Wonderful. They will probably all go to Zagreb or someplace that is safe.

He says he has never distinguished himself as an ally of the United States. Again all the friendships with Fidel "Killer" Castro.

It says Spain is not a full member. It is preposterous to even think about considering someone to run an organization who is from a government that is not fully integrated into the military structure of NATO.

Clinton is making a monumental blunder of sending these troops into Bosnia under the guise of NATO.

I found out in briefings today, I do not remember whether you were there or not, DUKE, that when we pull out in a year, and Britain and France have threatened to pull out and so did Germany if we pull out, it goes back to U.N. control.

So the U.N. is kind of going like under a rock. Their 14,000 people are going to go back to New York or wherever until a year goes by. Then they are all going to come back to the biggest U.N. operation ever.

I read about the corruption, put it in the RECORD, but neglected to give the whole Readers Digest article to the Official Reporters, so I will do that tonight.

I now have part 2 in front of me by Dale Van Atta that is simply titled The United Nations Is Out of Control. So we won that battle. For a year it will be a NATO operation, but with the United Nations in the wings hovering around there in the wings. Listen to this.

Here is the brand new Time magazine, page 56, this week. Michael Kramer. Not a bad thinker for a liberal. The art of selling Bosnia. Listen to these mistakes.

It says,

The vote the administration hopes to win will be taken in the Senate soon, and the outcome remains uncertain.

I repeat, it exploded today in DOLE's face.

In the Senate, the support of Majority Leader Bob Dole will probably win the backing that Bill Clinton desires.

Wrong. Issue in doubt.

Dole's courage should not be minimized. With the exception of Lugar, all the other GOP presidential candidates oppose Clinton on Bosnia, the most vocal being Phil Gramm, who, in declaring his position even before the President made his case, showed again that he seems never to have encountered a principle he won't rise above.

Now let me defend Senator GRAMM. Who is Mike Kramer to say that he has not taken a consistent position here? That may go all the way back to Vietnam for all I know with GRAMM, that he wants the Presidential power curtailed the way Jefferson did, Thomas Jefferson, by a House vote.

It gets worse.

DOLE says,

I'll take some hits for this.

But he, more than most, respects presidential prerogatives and would like to enjoy them himself in 1997.

Well, let me tell my friend BOB DOLE that if he ends up as the 43d President of the United States——

Mr. CUNNINGHAM. Let me tell my friend that I control this hour. If it is going to continue to be——

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LONGLEY). Will the gentleman suspend. I need to caution, Members must avoid references to Members of the Senate.

Mr. CUNNINGHAM. I agree. If it is going to be a continuing of this kind of dialog, I will reclaim my time.

Mr. DORNAN. Sure. What I am saying is that if people running for President think the President, to restate

what I said earlier, can send any number of troops, unless it is Reagan and it is a Senate Democratic majority—then he is limited to 55 human beings—but whether it is Woodrow Wilson, he got a declaration of war; Roosevelt got a declaration of war. But whether it is Harry Truman in Korea, Kennedy or Johnson in Vietnam, Nixon claimed he had a secret plan which he did not, Presidents cannot, unless it is an emergency like Grenada, an American officer like Roberto Paz killed by a war criminal Turillos in Panama, unless there is an emergency nature, and I am for repealing the War Powers Act to give the President that emergency power, but Presidents do not arbitrarily have the raw, naked power alone, whether it is a future President or Clinton, to say, no matter what the House does, I want a vote but I want it to be a positive vote.

□ 2000

I was against Mr. Bush when he took that attitude. I noticed in today's paper Bush and Ford and Colin Powell endorse this unlimited raw executive power to send any number of troops they want anywhere in the world under a whim, which is the way Clinton started in this 2 years ago, to commit 25,000 people without a hearing, without talking to Congress, not to go to Bosnia, to only go in as hired guns to withdraw the U.N. Force which was being kidnaped, chained to tactical targets, having their boots stolen, slapped around, abused and degraded in the name of this tri-cornered civil war.

Now, listen to this, it says the troops are on the way; we cannot stop their deployment; and they deserve our support. This is what Bosnia, listen to this paragraph from Time, the administration will clearly take any resolution it can get, even a weak one, that says, in effect, "The President is sending the troops. We support the troops." Here is my patch again tonight, pull it out of my pocket, First Armored Division. I have got one I am going to give you as a gift. Everybody else is going to pay $3. I support the First Armored Division. They are not there yet.

I did a show with Chris Mathews, who was Tip O'Neill's, while he was Speaker, main political consultant for, I think, 6 or 8 of Tip's 10 years. Chris said to me, "I think you do have the power to stop this. I think if you are against it, you should use your vote," and he is the one who reminded me how Tip stopped Reagan dead in the water, so if the troops are not there yet, we do not even sign the treaty until December 14, today is the 6th, 8 days from now, and the First Armored man will not be there for several weeks right before Christmas, why can we not have a vote expressing our displeasure?

Now, going over this with scholars from Congressional Research Service, I am told disapproval cannot be vetoed by the President under separation of powers, because we control the appropriations process, and if we were a little bit earlier and there were not so much contention about a 7-year balanced budget plan, we could have stood up with a negative amendment on the defense appropriations bill and simply said, "Mr. Speaker, I have an amendment at the desk. The amendment will be read. No moneys appropriated under this bill shall be used to send or fund any ground," I would have put the word "ground" in, "ground troops in Bosnia-Herzegovina." That means the people can go to Macedonia, they can go to Croatia, they can go into Serbia and hold Milosevic's war criminal hand, they can go all up and down the Dalmatian coast, fill the Adriatic, the entire Mediterranean Sixth Fleet, no money for ground troops in Bosnia, because it is a European job.

Before you continue your history lecture there, let me tell you what one of the guards who served in Desert Storm, one of our great policemen who protects us here said in the elevator tonight to me. He said, "When I last looked, I don't think there were three nations in NATO, so three people each put up 20,000 troops." He said, "What is there, 15?" I said Iceland, 16. They have no forces. They are very lucky. They give us good air bases and seaports in Iceland. I said, that is right, there are 15 nations. It is not all according to population or to military forces that we flesh this thing out.

I question whether the French sector in Sarajevo is tougher than the Tuzla area. I put on 3-D goggles today and looked at these excellent maps of the Tuzla area. You know, I have been calling your office to get you to go there with me. I want veterans, I want the gentleman from Texas, Mr. LAUGHLIN, you, the gentleman from Texas, Mr. SAM JOHNSON, the gentleman from California, Mr. HUNTER, tiger fight, 1992. I want us to go there so we can talk to these men, if we cannot stop them from going there, and assess this scene.

Tuzla is a bowl. You do not see this in your Atlas or geography books. It is a pneumonia bowl. Up the road about 4 kilometers is all Yugoslavia's, all provinces before it fell apart under Tito, it is the largest chloride chemical plant in the whole country of what was Yugoslavia, 4 klicks west up in Lukovac. If one missile out of Belgrade hit that place, they admitted to me in intel, 10, 15, 30 thousand people, thousands of our troops die from chloride poisoning. They make phosgene there. Theoretically, it is for everything that happens in that country, fertilizer, you name it, but the Muslims told a Green Beret acquaintance of mine that I picked up as a friend this last week, it has been verified that was their doomsday weapon if they got overrun, just as Golda Meir said, if Israel was overrun in the Yom Kippur War, they would use the 13 nuclear weapons they had sitting at Demona. You have flown with the Israeli air force. You have a lot of friends there. You know they meant business. It was biblical. They were not going to be slaughtered and driven into the sea. They would go out in a blaze.

Mr. CUNNINGHAM. Reclaiming my time, first of all, and I have the utmost respect for both Senator DOLE, for Senator GRAMM, and I know that the decisions they make are very difficult, and I believe, with all of our efforts, and I will do anything I can to support the gentleman to keep our troops from going to Bosnia, I truly believe in that initiative, and you know that I have supported you in every initiative forward that has come in that. I will speak against it. If there was a vote on the floor, I would pledge I would vote against our troops going to Bosnia, with the knowledge that I have now.

I also believe that I think it is a done deal, and with that, I would take a look at some of the things that we have got to ask and ask questions and ask that they be taken care of.

First of all, and first, I repeat, I am against our troops going to Bosnia. I think they are going, and I think these are minimums of what we should do.

All troops, regular or otherwise, which are not associated with NATO or Russia, must be removed. That includes the freedom fighters from other countries, the 4,000 mujaheddin radical Middle East Muslims. They pose an imminent threat to our troops, and much of what my friend from California has just said; all mercenaries must be extracted from that portion of the world. They are uncontrollable, and that they would also pose a threat to our U.S. troops.

I think there needs to be identification of short- and long-range terms; by terms of cost by the President, and how we are going to get there, not with 20,000 but 32,000 troops. Where does the President plan to gain the funding from Bosnia-related operations and post-operations?

Shalikashvili testified, and so did Secretary Perry, that they plan on taking it out of the defense budget. The defense budget, and which the President cut $177 billion when he said in his campaign that $50 billion, along with Colin Powell and Dick Cheney, would put us into a hollow force. According to GAO, an independent agency, not Republican, not Democrat, we are $200 billion below the bottoms-up review which is the bare-bones minimum to fight two conflicts at the same time.

I asked the general today, I said, do we have the troops to fight, if we get tied down in Bosnia, to fight in Bosnia and North Korea? The answer is "no." Can we sustain a Desert Storm type of operation in Bosnia? The answer is "no." Could we support Haiti somewhat? Yes, somewhat smaller.

I think the President needs to ask these questions.

The President has recently signed a commitment to balance the budget in 7 years. Where are we going to get the short- and long-term billions of dollars that it is going to take in this commitment, away from some of the same things my colleagues on the other side of the aisle are fighting for?

I would look at nation-building and how much and what is the limit. I would look at something that the President said that we need to look equally at all three sides. We are going into a peace agreement, not a conflict, peacekeeping. But yet at the same time in this accord we are going to arm and train the Muslims and the Croatians.

If I was a Serb, I would consider that an act of war.

And we take a look at the training. They are going to take in from Iraq, Iran, Russia, France, all the arms nations, and probably the United States, weapons of mass destruction into that portion of the area that is embargo; I think the President needs to say "nyet," that we are not going to allow an infusion of arms into that portion of the world, causing a potential powder keg for the rest of the world.

Even more important, right now, the contingencies with Saddam Hussein, North Korea, Turkey's expansion into Greece, China and Taiwan, unknown and unexpected contingencies, there are over 20 years going on as we speak today in the world, Mr. Speaker, and Haiti.

I have already spoken to Haiti as far as we spent billions of dollars there. Aristide is still there, and it is about to blow up again.

I look at Somalia. We spent billions of dollars in Somalia. We had to leave with our tails between our legs under guard. And guess what, General Aideed is still there in Somalia. And that has cost us.

I would take a look, and there is a statement that I think my friend knows, and it is a fighter pilot rules in the area allotted to him in any manner he sees fit. When he sees the enemy, he attacks and kills. Anything else is rubbish. That was Baron von Richthoven in 1916. Baron von Richthoven never met Che Guevara in guerrilla warfare. He never met the Vietnamese in Vietnam. He never met Mesashi on the fields of the great Japanese wars. I take a look when the President says we will be the meanest dog in town. Well, in all of those cases, the dog was killed by fleas, because they are not going to fight in head-to-head confrontations. They are going to send a weapon into the chemical plant, as my friend just brought out. They are going to hit and run. They are going to cause the United States to go after one side or another for political, religious, and economic experiences and values.

I think that it is a travesty. I think that it is wrong to send our troops into a portion of the world in which I do not believe that we have a direct interest.

I look at the road running between Goradze and Sarajevo. Milosevic conceded it is a Bosnian Muslim focal point between Bosnia-Hercegovina and Sarajevo. I look at Izethbetovic, who was happy with the split between Serbia and Croatia. I take the Pottsylvania quarter. It is a northern Bosnia, I say to my friend, connects Serb-controlled areas with the northwest Serb territory in the east when the Croatians did not want to give it up. I look at the Croatian demand for Broko, which now is in Serb control, and it is a pivot for the same quarter up above, and if you look, neither side in the Ohio agreement could come to terms, but they agreed to put it before an international arbitration board.

Now, do you think that is really what these groups are going to be arbitrated with an international board? All of these areas are potential, and I believe will become, trouble spots.

General David Mattocks, commander of the U.S. Army in Europe, believes it is wrong to send in U.S. troops in the dead of winter with no replacement troops, I would say to my friend from California, no replacement troops. We are calling up reservists. We are sending our kids for 1 year.

Do you know what that does to families? Do you know what that does to businesses? You know what that does at a time when we are destroying our military with defense cuts and base enclosures and other initiatives from this administration?

Mr. DORNAN. Let us stop it before this happens.

Mr. CUNNINGHAM. I agree with my friend. Let us stop it.

You know, I made a statement that this is Afghanistan with trees. Afghanistan broke Russia. It cost them economically. It cost them with lives. And when they left, they accomplished nothing.

The same thing in Somalia, the same thing in Haiti, and, in my opinion, the same thing there. Afghanistan, unlike Bosnia, is mountainous. But Bosnia is a land of many, many trees, and it is very hard to pick out those targets and very hard to maneuver, and I know some of my colleagues on both sides of the aisle have talked about even the main threat that exists there today.

So I believe it is an Afghanistan with trees. It is going to break this Nation. It is going to stop us from some of the things both my liberal colleagues and conservative colleagues on this side of the aisle want to do, and that is focus on the problems that we have in this country right here. And I think if we shy away from that responsibility, Mr. Speaker, I think it is wrong for the American people. I think it is wrong for the kids.

Mr. DORNAN. Let us get out at this point because somebody may have joined the debate, Mr. Speaker, that did not hear any of this discussion last night or the night before.

I know that you believe it is worth a lot of our tax dollars to be involved. Now we are doing most of the airlift, 95 percent. Nobody else has big enough——

Mr. CUNNINGHAM. With the C–17, by the way.

Mr. DORNAN. The C–17 is a success story going in there with fields in there a C–5 cannot get into.

Mr. CUNNINGHAM. Cannot operate out of the taxi ways. They have to stop down the runway, shut it down. Only the C–17, which is very controversial in the defense bill, but it has proven out for its worth.

Mr. DORNAN. How about sealift? Who has as much sealift as we do, going into the Dalmation Coast ports along Croatia up in Slovenia? The United States. What about sea power? Who constitutes the majority of most of the squadrons and the carrier battle groups out in the Adriatic?

□ 2215

As we speak, the *America* just came out of the Suez Canal this afternoon and it is steaming up into the Adriatic. That is another 6,000 people of your Navy friends. We have Marines in hot bunks, five or six deep, sitting on an LPA or an LPH or an LPD waiting off the coast there for vertical envelopment and force reinforcement of U.N. people, until they get out of there, are being overrun, and now air power.

I just found out, with you sitting right there today, that Aviano and our other bases, Fort Disey, Vicenza suddenly went from 1,700 to 2,600. There is another increment. I will bet it will be 3,000 before we are through. That does not include that air bridge of the air lift. We are now doing airlift, sealift, air power, sea power.

Now, what about the hospitals? Wait until you see them at Zagreb. They are ready for a big catastrophe: a lot of body bags, casualties, and MASH operations. What about the food? Most of it is coming from here. The fuel? Most of it is coming through the courtesy of the United States Navy, bringing it up in that area. What about intelligence? Good grief, nobody has our super satellite architecture or our unmanned aerial vehicles.

Mr. CUNNINGHAM. Remember when some of our colleagues wanted to cut the intelligence budget? If anything, we need to increase, whether we go in there with troops or not, we need to increase our intelligence folks in that portion of the world and in other portions of the world.

Mr. DORNAN. Absolutely. When the chairman, the gentleman from Texas, LARRY COMBEST, took his subcommittee chairmen, me, three or 4 other

Members, the gentleman from Florida, PORTER GOSS, and we went into a new intelligence operation, moved into a new unit inside the Pentagon. I said, "What is your principal duty of intelligence in a peacemaking, peacekeeping, nation-building operation?" "To protect our men and women in the field." So they are dedicated to not losing a single person.

Then after they gave us the 3-D view of Tuzla and that whole area, I say, let us see an overlap of the mines. Duke, the biggest hill around Tuzla has so many mines around it indicated in red that it is a giant solid red horseshoe. Then they gave us an intelligence weather briefing, all declassified. Do you know what is coming there? If it is the mildest winter in the last 50 years above the 1,500 foot level where the mortar men and the snipers sit, it goes below freezing and stays there for 3 or 4 months.

That is where the mines are, and any division commander, and I have the general's bio here from the First Armored, and I will put it in after the special order of the gentleman from Hawaii, NEAL ABERCROMBIE, what would you do there, if you were ground commander? You would say, I need my anti-sniper teams up in the hills. You are living in tents here. If you think it is freezing here with these little tent heaters and with this floor, single floor we put in, you are going to have fun up there in the hills below zero, so take all your Arctic clothing. Maybe that is why they sent the First Armored division.

Mr. CUNNINGHAM. You are going to be vulnerable.

Mr. DORNAN. You go up there, thread your way through the mine fields, dig a foxhole, hunker down and wait for the snipers. Then if the troops have to use Clinton's rules of engagement, they can shoot even if they suspect somebody is coming at them, they had better pray it is not a Moslem woman, a Serbian woman, or a Croatian woman ever with a plate of cookies or with hot tea, because if they blow her away, as I read last night from a top Marine gunney, you will live with that psychological scar, you will live with that for the rest of your life. So the commanders in the field, do not think you are going to get court martialed for killing innocent people, and you are going to go quoting quote Bill Clinton, you can fire if you are being assaulted, but you had better be afraid of ghosts in the night that are friendly people or people trying to infiltrate back from one side to the other.

Here is something that was handed to me today. You have been tracking Chechnya, English Chechnya. Colonel General—what is a Colonel General, three-star, yes, three-star, Colonel General, Leonty Shevtsov, Chief of Staff of the Russian forces in Chechnya from December 1994 to April of 1995, has now become the commander of the Russian peacekeeping forces to be placed in the American sector in Bosnia.

How ironic, the Russian military acting as peacekeepers in Bosnia when they themselves are still committing atrocities in Chechnya against the Muslims. Some 40,000 civilians died in Chechnya on Shevtsov's watch, and the killing goes on. Russian bombs continue to fall on Chechnyan villages. Women and children continue to die. American silence is unconscionable.

I am going to ask permission to put this whole article in, from the Washington Post. What are we going to do with the Russians in our sector? What I read in last night, and I will continue it out of these Readers Digests, outrageously revealing reports; they have been so partial to the Serbs, they have been letting people who did commit atrocities go back and forth across the lines. They opened up a bridge with the greatest mass movement of Bosnian Serb tank power in the whole 3-year conflict.

We have got one overlapping problem, and now today, in Sarajevo, for the third day in a row, 100,000 Serbian Sarajevo citizens are saying, "We don't want the French and we are not giving up our neighborhoods."

Mr. CUNNINGHAM. I think I only have a couple of minutes left. I would like to kind of wind it up.

Mr. Speaker, this Member, the position that I would like to take, and I hope the House, and the House has on two separate occasions taken, is first of all we not send our troops to Bosnia. All three sides in this have said they want peace. Belgrade does not have all the cards like it had before. Both the Moslems and the Croatians got pretty much of a stinger from the infusion of arms that have gone in there and the training under the Mujaheddin. If they really want peace, I think they can achieve it.

It does not mean we cannot help with intel and some of our SATCOM communication type systems, and AWACs in other areas, or even with communications or even with humanitarian food. But I want to at all costs keep us out of Bosnia-Herzegovina with our troops.

Mr. Speaker, I do believe we are going in, even after that. I do not think it is unfair to ask the President, what is it going to cost short- and long-term? How is he really going to protect our troops? And how do we get out, and what are the costs? Because I truly believe with all my heart that after we pull out of there, we are not going to have solved very much, just like we have in Haiti, just like we have in Somalia; billions of dollars, with very little to show for it, with personnel killed, and most of them from the United States.

Mr. Speaker, I would like to thank my friends and I would like to thank my friend, the gentleman from California, for joining this special order. I think it is in the great interest of the American people. I know in our Caucus and on the Committee on National Security, Republicans and Democrats alike said they are getting phone calls 13 to 1 against us going into Bosnia.

I hope that the American people would focus on that, that they would write their Senators, their Congressmen, and do everything that they can to keep us out of there, because, Mr. Speaker, I think it is a travesty.

THE BALANCED BUDGET MYTH

The SPEAKER pro tempore (Mr. LONGLEY). Under a previous order of the House, the gentleman from Hawaii [Mr. ABERCROMBIE] is recognized for 60 minutes.

Mr. ABERCROMBIE. Mr. Speaker, I believe, if I understood the gentleman from California [Mr. DORNAN] correctly, he was not quite finished with his remarks. If he would like, inasmuch as I have something I have to do off the floor for a few moments, I would yield to the gentleman from California [Mr. DORNAN] at this point. Did I understand correctly that he was not quite finished?

Mr. DORNAN. If the gentleman will yield, Mr. Speaker, I was not. I thank the gentleman. If I can do this quickly in 10 minutes, I will not keep our hard-working staff here after your special order.

Mr. ABERCROMBIE. Mine will not take the full hour. I yield to the gentleman from California [Mr. DORNAN].

KEEPING AMERICA'S TROOPS OUT OF THE BALTIC CONFLICT

Mr. DORNAN. Mr. Speaker, I can save some of this for next week if I do not get my conference to meet, Mr. Speaker, tomorrow and plan our vote, irrespective of what the Senate does, with our great Members over there. I would like to finish, and I will ask permission to put the whole article from Time magazine by J.F.O. McAllister, including interviews with Clinton, into the paper.

Mr. Speaker, one of my sons or daughters sent me the front page of the L.A. Times. You have already heard me, Mr. Speaker, say today that I find this the most offensive, and I do not know what they did in the San Diego Union, DUKE, but look at this. This is a staged photograph. This is the photograph of the Officer Corps of the First Armored Division.

Mr. CUNNINGHAM. Mr. Speaker, if the gentleman will yield, I would like to make this perfectly clear. When I talk about the radical Muslim Islamic movement, it is not the Muslims across this world. Just as we have in any religion radical groups, these are the groups that are sworn to take blood, to take blood of anyone that does not believe as they do. That is wrong, but

yet, I do not want to make any implication that it is Christians, Muslims, or any other religious group, other than the radicals that we are talking about in the 4,000 Mujaheddin.

Mr. DORNAN. To show that I am fair too, and that there is plenty of guilt to spread around, the map that the gentleman from California [Mr. CUNNINGHAM] was holding up earlier, that takes a nation, Bosnia and Herzegovina, that looks like an arrowhead, and that is what it was, the arrowhead, the tip of the spear of Islamic penetration into the soft underbelly of Europe, stopped up at Vienna and Prague, totally burned Ottoman empire warriors, the cities of Buda and Pest on the other side of the Danube, now the capital city of Budapest, Hungary, and then they were eventually driven back by knights from Austria, from Styria, one of the major provinces, and there is an incredible armor museum of all of the Medieval and Renaissance ages of the armored war that went on between Islam and Christendom, and this was one of the main armories. The oldest and last surviving armory from that period in Europe is at Graz in Austria, a fascinating visit for historians and for even peaceniks to contemplate man's inhumanity to man, with women either standing by the sidelines crying because they have lost their son, their husband, their father, their uncle, or they are killed in the process of men tearing one another apart.

But here is this normal-looking country, the shape of an arrowhead or a triangle, and it now looks like a distorted amoeba or a Rorschach test that the Bosnian government in Sarajevo, recognized by us on April 7 of 1993, by the United Nations on May 22 of 1993, it is now cut into this bizarre shape. You have the Croatians, and Catholic Croatians, in an uneasy confederation with the Muslim Bosnians, while the Serbs are in two big globs, held together by a four kilometer little corridor called Posavina corridor, with Brijco, their main armament source on the border with Milosevic's Serbia proper, let me look at the 20 miles here, 20, 40, 60, 80, less than 100 miles from Belgrade, which has been one of the main problems in all of this.

I look at this, and here is a brand new footprint, just sort of an oblong glob that is now held by Croatian forces from Croatia, with Croatian Bosnians, and Muslim Bosnians out of the Bihac pocket up in the north, the very tip of the Islamic spear. They now hold this area that they have been ordered to give back to the Serbs.

There are two villages in there, I learned this morning, it is declassified, called Sipovo and Mrkonjic grad, grad being city, like Belgrade. These two cities, as we speak, or they are asleep now, when they wake up in the morning, and that is about another 4 hours, the Croatian forces, with the total acquiescence of the Muslim forces, are burning these villages to the ground, because if they are going to give these villages back to the Bosnian Serbs, they want them to be utter rubble, because that is what the Serbs did to 3,800 villages on the other side, destroying every minaret, every town hall meeting place, burned down all the homes; that if the people come back as refugees when they get tired of killing one another and a peace comes back to this land, however tentatively, given its 600 or 700 year history, 2,000 year history, for that matter, they will come back to rubble. There is no city hall, no marketplace, no minaret, no church. It is all gone. It is dirt.

So they turn around and say that that is where my father died, there is my family home, my sister was raped there, I do not want these memories, and they go back to being a refugee. So the guilt is on all sides; the Croatians, who I admired so much in their special forces training camps down on the Dalmatian coast, they are now burning villages at this, tit for tat, giving to the Serbs what the Serbs did to them. So when they open this area up, and this is going to be in the British sector, the British will have to keep them apart here, the people come back to villages they fled from in September and the villages are rubble.

I see the gentleman from Hawaii [Mr. ABERCROMBIE] has come back. Let me ask for a special order, an hour next Tuesday night, next Wednesday night, and next Thursday night. Hopefully I will have gotten votes out of my leader, the gentleman from Georgia [Mr. GINGRICH], my majority leader, the gentleman from Texas [Mr. ARMEY], and I know the majority whip, the gentleman from Houston, TX [Mr. DELAY] wants to do this, and let me put in the RECORD four articles. I beg, Mr. Speaker, people listening to our voices here today to read this material that is in the CONGRESSIONAL RECORD.

The material referred to is as follows:

RÉSUMÉ OF SERVICE CAREER OF WILLIAM LAFAYETTE NASH, MAJOR GENERAL

(Commanding Officer, 1st Armored Division)

Date and place of birth—10 August 1943, Tucson, AZ.

Years of active commissioned service—over 26.

Present assignment—Commanding General, 1st Armored Division, U.S. Army Europe Seventh Army, APO AE 09252, since June 1995.

Military schools attended—The Armor School, Officer Basic Course; The Infantry School, Officer Advanced Course; U.S. Army Command and General Staff College; U.S. Army War College.

Educational degrees—U.S. Military Academy—BS Degree; no major; Shippensburg University—MS Degree, Public Administration.

Foreign language(s)—Russian.

Major Duty Assignments

From	To	Assignment
Aug 68	Oct 68	Student, Ranger Course, U.S. Army Infantry School, Fort Benning, GA.
Oct 68	Nov 68	Student, Armor Officer Basic Course, U.S. Armor School, Fort Knox, KY.
Dec 68	Apr 69	Platoon Leader, Troop L, 3d Squadron, 3d Armored Cavalry Regiment, Fort Lewis, WA.
Apr 69	Feb 70	Platoon Leader, Troop A, 1st Squadron, 11th Armored Cavalry Regiment, U.S. Army, Vietnam.
Feb 70	Jun 70	Executive Officer, Troop B, 1st Squadron, 11th Armored Cavalry Regiment, U.S. Army, Vietnam.
Jun 70	Jul 71	Assistant G–3 (Operations) Training Officer, later Assistant G–3 (Operations) Chief of Force Development, 82d Airborne Division, Fort Bragg, NC.
Jul 71	Nov 71	S–3 (Operations), 1st Squadron, 17th Cavalry Regiment, later Procurement Officer, Board for Dynamic Training, 82d Airborne Division, Fort Bragg, NC.
Nov 71	Feb 73	Commander, Troop A, 1st Squadron, 17th Cavalry Regiment, 82d Airborne Division, Fort Bragg, NC.
Mar 73	Jul 73	Student, Officer Rotary Wing Aviator Course, U.S. Army Helicopter Center/School, Fort Wolters, TX.
Jul 73	Dec 73	Student, Officer Rotary Wing Aviator Course, U.S. Army Aviation School, Fort Rucker, AL.
Jan 74	Sep 74	Student, Infantry Officer Advanced Course, U.S. Army Infantry School, Fort Benning, GA.
Sep 74	Jun 77	Platoon Leader and Assistant Operations Officer, later Platoon Commander, and later Regimental Plans Officer, Air Cavalry Troop, 11th Armored Cavalry Regiment, United States Army Europe, Germany.
Aug 77	Jun 78	Student U.S. Army Command and General Staff College, Fort Leavenworth, KS.
Jun 78	Apr 79	Staff Officer, Regional Operations Division, Office, Deputy Chief of Staff for Operations and Plans, U.S. Army, Washington, DC.
Apr 79	Jun 82	Aide and Assistant Executive Officer, later Executive Officer to the Vice Chief of Staff, Army, Office of the Chief of Staff, Army, Washington, DC.
Jun 82	Jun 83	Deputy Executive Assistant to the Chairman, Joint Chiefs of Staff, Washington, DC.
Jun 83	Jun 85	Commander, 3d Squadron, 8th Cavalry Regiment, 8th Infantry Division, United States Army Europe, Germany.
Aug 85	Jun 88	Student, U.S. Army War College, Carlisle Barracks, PA.
Jun 86	May 88	Assistant Chief of Staff, G–3 (Operations), 1st Cavalry Division, Fort Hood, TX.
May 88	May 89	Executive Officer to the Commander-In-Chief, United States Army Europe, Germany.
Jun 89	Dec 90	Commander, 1st Brigade, 3d Armored Division, United States Army Europe and Seventh Army, Germany.
Dec 90	Apr 91	Commander, 1st Brigade, 3d Armored Division, Desert Storm, Saudi Arabia.
Apr 91	Jul 91	Commander, 1st Brigade, 3d Armored Division, United States Army Europe and Seventh Army, Germany.
Jul 91	Jun 92	Assistant Division Commander, 3d Infantry Division (Mechanized), United States Army Europe and Seventh Army, Germany.
Jun 92	Jul 93	Deputy Commanding General for Training, U.S. Army Combined Arms Command, Fort Leavenworth, KS.
Jul 93	Jun 95	Program Manager, United States Army Office of the Program Manager, Saudi Arabian National Guard Modernization Program.

	Dates of appointment	
	Temporary	Permanent
Promotions:		
2LT	5 Jun 68	5 Jun 68
1LT	5 Jun 69	5 Jun 71
CPT	5 Jun 70	5 Jun 75
MAJ		10 Jun 77
LTC		1 Nov 82
COL		1 May 89
BG		1 Mar 92
MG	Frocked	

U.S. DECORATIONS AND BADGES

Silver Star.

Legion of Merit.

Bronze Star Medal with "V" Device (with 2 Oak Leaf Clusters).

Purple Heart.

Meritorious Service Medal (with Oak Leaf Cluster).

Army Commendation Medal (with 2 Oak Leaf Clusters).

Army Achievement Medal.

Senior Parachutist Badge.

Army Aviator Badge.

Ranger Tab.

Joint Chiefs of Staff Identification Badge.

Army Staff Identification Badge.

Source of commission—USMA.

SUMMARY OF JOINT ASSIGNMENTS

Assignment	Dates	Grade
Deputy Executive Assistant to the Chairman, Joint Chiefs of Staff, Washington, DC, as of 23 June 1995.	Jun 82–Jun 83	Major/Lieutenant Colonel

[From Reader's Digest, October 1995]

THE FOLLY OF U.N. PEACEKEEPING

(By Dale Van Atta)

Sonja's Kon-Tiki café is notorious Serbian watering hole six miles north of Sarajevo. While Serb soldiers perpetrated atrocities in nearby Bosnian villages, local residents reported that U.N. peacekeepers from France, Ukraine, Canada and New Zealand regularly visited Sonja's, drinking and eating with these very same soldiers—and sharing their women.

The women of Sonja's, however, were actually prisoners of the Serb soldiers. As one soldier, Borislav Herak, would later confess, he visited Sonja's several times a week, raping some of the 70 females present and killing two of them.

U.N. soldiers patronized Sonja's even after a Sarajevo newspaper reported where the women were coming from. Asked about this, a U.N. spokesman excused the incident by saying no one was assigned to read the newspaper.

The U.N. soldiers who frequented Sonja's also neglected to check out the neighborhood. Less than 200 feet away, a concentration camp held Bosnian Muslims in inhuman conditions. Of 800 inmates processed, 250 disappeared and are presumed dead.

Tragically Sonja's Kon-Tike illustrates much of what has plagued U.N. peackeeping operations: incompetent commanders, undisciplined soldiers, alliances with aggressors, failure to prevent atrocities and at times even contributing to the horror. And the level of waste, fraud and abuse is overwhelming.

Until recently, the U.N. rarely intervened in conflicts. When it did, as in Cyprus during the 1960s and '70s, it had its share of success. But as the Cold War ended, the U.N. became the world's policeman, dedicated to nation building as well as peacekeeping. By the end of 1991, the U.N. was conducting 11 peacekeeping operations at an annual cost of $480 million. In three years, the numbers rose to 18 operations and $3.3 billion—with U.S. taxpayers paying 31.7 percent of the bill.

Have the results justified the steep cost? Consider the U.N.'s top four peacekeeping missions:

Bosnia.—In June 1991, Croatia declared its independence from Yugoslavia and was recognized by the U.N. The Serbian dominated Yugoslav army invaded Croatia, ostensibly to protect its Serbian minority. After the Serbs agreed to a cease-fire, the U.N. sent in a 14,000-member U.N. Protection Force (UNPROFOR) to build a new nation. (The mission has since mushroomed to more than 40,000 personnel, becoming the most extensive and expensive peacekeeping operation ever.)

After neighboring Bosnia declared its independence in March 1992, the Serbs launched a savage campaign of "ethnic cleansing" against the Muslims and Croats who made up 61 percent of the country's population. Rapidly the Serbs gained control of two-thirds of Bosnia, which they still hold.

Bosnian Serbs swept into Muslim and Croat villages and engaged in Europe's worst atrocities since the Nazi Holocaust. Serbian thugs raped at least 20,000 women and girls. In barbed-wire camps, men, women and children were tortured and starved to death. Girls as young as six were raped repeatedly while parents and siblings were forced to watch. In one case, three Muslim girls were chained to a fence, raped by Serb soldiers for three days, then drenched with gasoline and set on fire.

While this was happening, the UNPROFOR troops stood by and did nothing to help. Designated military observers counted artillery shells—and the dead.

Meanwhile, evidence began to accumulate that there was a serious corruption problem. Accounting procedures were so loose that the U.N. overpaid $1.8 million on a $21.8 million fuel contract. Kenyan peacekeepers stole 25,000 gallons of fuel worth $100,000 and sold it to the Serbs.

Corruption charges were routinely dismissed as unimportant by U.N. officials. Sylvana Foa, then spokesperson for the U.N. Human Rights Commission in Geneva said it was no surprise that "out of 14,000 pimply 18-year-olds, a bunch of them should get up to hanky-panky" like blackmarket dealings and going to brothels.

When reports persisted, the U.N. finally investigated. In November 1993 a special commission confirmed that some terrible but "limited" misdeeds had occurred. Four Kenyan and 19 Ukrainian soldiers were dismissed from the U.N. force.

The commission found no wrongdoing at Sonja's Kon-Tiki, but its report, locked up at U.N. headquarters and never publicly released, is woefully incomplete. The Sonja's Kon-Tiki incidents were not fully investigated, for example, because the Serbs didn't allow U.N. investigators to visit the site, and the soldiers' daily logbooks had been destroyed.

Meanwhile, Russian troop commanders have collaborated with the Serb aggressors. According to U.N. personnel at the scene, Russian battalion commander Col. Viktor Loginov and senior officer Col. Aleksandr Khromchenkov frequented lavish feats hosted by a Serbian warlord known as "Arkan," widely regarded as one of the worst perpetrators of atrocities. It was also common knowledge that Russian officers directed U.N. tankers to unload gas at Arkan's barracks. During one cease-fire, when Serbian materiel was locked in a U.N. storage area, a Russian apparently gave the keys to the Serbs, who removed 51 tanks.

Eventually, Khromchenkov was repatriated. Loginov, after finishing his tour of duty joined Arkan's Serbian forces.

Problems remained, however, under the leadership of another Russian commander, Maj. Gen. Aleksandr Perelyakin. Belgian troops had been blocking the movement of Serb troops across a bridge in northeastern Croatia, as required by U.N. Security Council resolutions. Perelyakin ordered the Belgians to stand aside. Reluctantly they did so, permitting one of the largest movements of Serbian troops and equipment into the region since the 1991 cease-fire.

According to internal U.N. reports, the U.N. spent eight months quietly trying to pressure Moscow to pull Perelyakin back, but the Russians refused. The U.N. finally dismissed him last April.

Cambodia.—In 1991, the United States, China and the Soviet Union helped broker a peace treaty among three Cambodian guerrilla factions and the Vietnamese-installed Cambodian government, ending 21 years of civil war. To ease the transition to Cambodia's first democratic government, the U.N. created the U.N. Transitional Authority in Cambodia (UNTAC). In less than two years, about 20,000 U.N. peacekeepers and other personnel were dispatched at a cost of $1.9 billion.

Some of the Cambodian "peacekeepers" proved to be unwelcome guests—especially a Bulgarian battalion dubbed the "Vulgarians." In northwest Cambodia, three Bulgarian soldiers were killed for "meddling" with local girls. One Bulgarian was treated for 17 different cases of VD. The troops' frequent carousing once sparked a mortar-rifle battle with Cambodian soldiers at a brothel.

The Bulgarians were not the sole miscreants in Cambodia, as internal U.N. audits later showed. Requests from Phnom Penh included 6500 flak jackets—and 300,000 condoms. In the year after the U.N. peacekeepers arrived, the number of prostitutes in Phnom Penh more than tripled.

U.N. mission chief Yasushi Akashi waved off Cambodian complaints with a remark that "18-year-old hot-blooded soldiers" had the right to enjoy themselves, drink a few beers and chase "young beautiful beings." He did post an order: "Please do not park your U.N. vans near the nightclubs" (i.e., whorehouses). At least 150 U.N. peacekeepers contracted AIDS in Cambodia; 5000 of the troops came down with V.D.

Meanwhile, more than 1000 generators were ordered, at least 330 of which, worth nearly $3.2 million were never used for the mission. When U.N. personnel started spending the $234.5 million budgeted for "premises and accommodation," rental costs became so inflated that natives could barely afford to live in their own country. Some $80 million was spent buying vehicles, including hundreds of surplus motorcycles and minibuses. When 100 12-seater minibuses were needed, 850 were purchased—an "administrative error," UNTAC explained, that cost $8.3 million.

Despite the excesses, the U.N. points with pride to the free election that UNTAC sponsored in May 1993. Ninety percent of Cambodia's 4.7 million eligible voters defied death threats from guerrilla groups and went to the polls.

Unfortunately, the election results have been subverted by the continued rule of the Cambodian People's Party—the Vietnamese-installed Communist government, which lost at the ballot box. In addition, the Khmer Rouge—the guerrilla group that butchered more than a million countrymen in the 1970s—have refused to disarm and demobilize. So it was predictable that they would repeatedly break the ceasefire and keep up their killing. The U.N. has spent nearly $2 billion but there is no peace in Cambodia.

Somalia.—When civil war broke out in this African nation, the resulting anarchy threatened 4.5 million Somalis—over half the population—with severe malnutrition and related diseases. U.N. Secretary General Boutros Boutros-Ghali, the first African (and Arab) to hold the position, argued eloquently for a U.N. peacekeeping mission to ensure safe delivery of food and emergency supplies. The U.N. Operation in Somalia (UNOSOM) was deployed to Mogadishu, the capital, in September 1992. It was quickly pinned down at the airport by Somali multiamen and was unable to complete its mission.

A U.S. task force deployed in December secured the Mogadishu area, getting supplies to the hungry and ill. After the Americans left, the U.N. took over in May 1993 with UNOSOM II. The $2-million-a-day operation turned the former U.S. embassy complex into an 80-acre walled city boasting air-conditioned housing and a golf course. When

U.N. officials ventured out of the compound, their "taxis" were helicopters that cost $500,000 a week.

The published commercial rate for Mogadishu-U.S. phone calls was $4.91 a minute, but the "special U.N. discount rate" was $8.41. Unauthorized personal calls totaled more than $2 million, but the U.N. simply picked up the tab and never asked the callers to pay.

Meanwhile, the peacekeeping effort disintegrated, particularly as warload Mohammed Aidid harassed UNOSOM II troops. As the civil war continued, Somalis starved. But U.N. peacekeepers—on a food budget of $56 million a year—dined on fruit from South America, beef from Australia and frozen fish from New Zealand and the Netherlands.

Thousands of yards of barbed wire arrived with no barbs; hundreds of light fixtures to illuminate the streets abutting the compound had no sockets for light bulbs. What procurement didn't waste, pilferage often took care of. Peacekeeping vehicles disappeared with regularity, and Egyptian U.N. troops were suspected of large-scale black-marketing of minibuses.

These losses, however, were eclipsed in a single night by an enterprising thief who broke into a U.N. office in Mogadishu and made off with $3.9 million in cash. The office door was easy pickings; its lock could be jimmied with a credit card. The money, stored in the bottom drawer of a filing cabinet, had been easily visible to dozens of U.N. employees.

While the case has not been solved, one administrator was dismissed and two others were disciplined. Last summer, UNOSOM II itself was shut down, leaving Somalia to the same clan warfare that existed when U.N. troops were first deployed two years before.

Rwanda.—Since achieving independence in 1962, Rwanda has erupted in violence between the majority Hutu tribe and minority Tutsis. The U.N. had a peacekeeping mission in that nation, but it fled as the Hutus launched a new bloodbath in April 1994.

Only 270 U.N. troops stayed behind, not enough to prevent the butchery of at least 14 local Red Cross workers left exposed by the peacekeepers swift flight. The U.N. Security council dawdled as the dead piled up, a daily horror of shootings, stabbings and machete hackings. The Hutus were finally driven out by a Tutsi rebel army in late summer 1994.

Seven U.N. agencies and more than 100 international relief agencies rushed back. With a budget of some $200 million, the U.N. tried unsuccessfully to provide security over Hutu refugee camps in Rwanda and aid to camps in neighboring Zaire.

The relief effort was soon corrupted when the U.N. let the very murderers who'd massacred a half-million people take over the camps. Rather than seeking their arrest and prosecution, the U.N. made deals with the Hutu thugs, who parlayed U.N. food, drugs and other supplies into millions of dollars on the black market.

Earlier this year the U.N. began to pull out of the camps. On April 22, at the Kibeho camp in Rwanda, the Tutsi-led military opened fire on Hutu crowds. Some 2000 Hutus were massacred.

Where was the U.N.? Overwhelmed by the presence of nearly 2000 Tutsi soldiers, the 200 U.N. peacekeepers did nothing. A U.N. spokesman told Reader's Digest, meekly, that the U.N. was on the scene after the slaughter for cleanup and body burial.

With peacekeeping operations now costing over $3 billion a year, reform is long overdue. Financial accountability can be established only by limiting control by the Secretariat, which routinely withholds information about peacekeeping operations until the last minute—too late for the U.N.'s budgetary committee to exercise oversight.

In December 1993, for example, when the budget committee was given one day to approve a $600-million budget that would extend peacekeeping efforts in 1994, U.S. representative Michael Michalski lodged an official protest. "If U.S. government employees approved a budget for a similar amount with as little information as has been provided to the committee, they would likely be thrown in jail."

More fundamentally, the U.N. needs to reexamine its whole peacekeeping approach, for the experiment in nation building has been bloody and full of failure. Lofty ideas to bring peace everywhere in the world have run aground on reality: member states with competing interests in warring territories, the impossibility of lightly armed troops keeping at bay belligerent enemies, and the folly of moving into places without setting achievable goals.

It has been a fundamental error to put U.N. peacekeepers in place where there is no peace to keep," says Sen. Sam Nunn (D., Ga.), ranking minority member of the Senate Armed Services Committee. "We've seen very vividly that the U.N. is not equipped, organized or financed to intervene and fight wars."

[From Time, Dec. 11, 1995]

THE ART OF SELLING BOSNIA

(By Michael Kramer)

The man whose brilliant head knocking finally produced a Bosnian peace agreement two weeks ago traveled to Capitol Hill last Wednesday seeking another miracle: congressional support for the plan that will shortly land 20,000 American troops in an area steeped in hatred and skilled at war. "It was kind of like running into a brick wall," says U.S. Assistant Secretary of State Richard Holbrooke, "and the critics weren't just Republicans." Holbrooke addressed about 100 members of the House Democratic Caucus and received a standing ovation. It was "great," he says, "for about two minutes. Everyone was polite at first, saying things like 'Blessed are the peacemakers.' And then, one by one, they got up and shouted, 'But I haven't gotten a single call from a constituent supporting you yet.' It was the most friendly hostile experience I've ever had."

The vote the Administration hopes to win will be taken soon, and the outcome remains uncertain. In the Senate, the support of majority leader Bob Dole will probably win the backing that Bill Clinton desires, and Dole's courage should not be minimized. With the exception of Senator Richard Lugar, all the other G.O.P. presidential candidates oppose Clinton on Bosnia—the most vocal being Phil Gramm, who, in declaring his position even before the President made his case, showed again that he seems never to have encountered a principle he won't rise above in the service of ambition. Dole knows what is coming ("I'll take some hits for this," he says), but he, more than most, respects presidential prerogatives and would like to enjoy them himself in 1997.

In moving to Clinton's side last Thursday, Dole highlighted an irony. Had the President earlier forced an end to the arms embargo against the Bosnian Muslims, Dole argued it might not be necessary for U.S. soldiers to enforce the peace agreement, an accord whose ultimate goal is to strengthen the Bosnians so they can defend themselves when the U.S. leaves. As a consistent opponent of the embargo, Dole had the standing to complain. But the heart of the matter, he said on the Senate floor, is simple: "The troops are on their way. We cannot stop their deployment," and they deserve "our support."

Will that rationale resonate in the House? Early indications are that Speaker Newt Gingrich will declare a "conscience vote," which means members can do as they please without regard to party loyalty. "The problem with that," says Holbrooke, "is that many Representatives are so new that they've never had to cast a pure national security vote." Indeed, 210 of the House's 435 members (including 134 Republicans) weren't in Congress in 1991, when it narrowly voted to support George Bush's war against Iraq. "Most of them," says Holbrooke, "don't like spending money on anything, view all issues as partisan fights and have never had to wrestle with something like Bosnia."

The Administration will clearly take any resolution it can get, even a weak one that says, in effect, "The President is sending the troops; we support the troops." That there will be a vote of some kind seems all but certain. Clinton has asked for a congressional expression. If Congress ignores that call, it will marginalize itself, which Holbrooke insists would be a "dumb" move. "It may seem paradoxical, but the best way to stick the policy on us is to support us. If we fail, and Congress hasn't voted, they'll share the blame. If they vote to support the troops in the field, they can still blast the policy," he says.

By pushing an unpopular course, Clinton looks presidential (a rarity for him), and if all goes well, he could win some credit on Election Day. In fact, if all he has done is buy time, that could help too. The President could claim that he tried, and if the factions delay resuming their war till the U.S. goes home, he could be saying that from the cozy perch of a second term.

But far more than the politics of 1996 is involved here. A "no" vote by Congress would be "catastrophic" to use Vice President Al Gore's word. It would constrain the Bosnian operation (both strategically, if the mission must be changed, and financially, if more must be spent), but the true downside of a negative congressional resolution could come later during a future horror. Then, when a U.S. President seeks to lead, those asked to follow could not be faulted for wondering if Congress will go along. "We only have one President at a time," says Dole, and his word must count. Since other crises will surely come, the question of who leads in dealing with them will always matter. "And no one but us will ever lead," says Gore. "And who would we want to lead besides us, even if they were willing?" asks Dole. "The Germans? The Japanese? Gimme a break."

As the drama plays out this week, Clinton may yet again speak to the nation. "If Dole says Clinton needs to give another speech to win the vote," says a White House aide "he will." If he does, the President might consider repeating the lines he used last Wednesday in London: "In this new era, we must rise not to a call to arms but to a call to peace. . . To do so we must maintain the resolve we share in war when everything was at stake. In this new world our lives are not so very much at risk, but must of what makes life worth living is still very much at stake."

[From Newsweek, Dec. 11, 1995]

WE'RE THE ONES WHO DIE

(By David H. Hackworth)

The fog was so thick in Baumholder that President Clinton had to drive from Ramstein AFB, instead of choppering in. This miserable spot in Germany hasn't changed much since I trained here in the early 1960s. It's now the home of the "Old Ironsides"—as the first commanding general dubbed the First Armored Division, comparing the inside of his tank to the famous American warship. As dismal a place as Baumholder—known as a soldier's Siberia—is, it's a perfect setting for a pep talk about the grim mission ahead.

Our warriors know what they're up against. I hooked up with the Third Platoon of Company B, Fourth Battalion, 12th Infantry, which will move out in mid-December. When I asked them if they were "good to go," all 23 voices shouted, "Hoo ah!"—the equivalent of a paratrooper's "Airborne!" or a marine's "Semper fi!" But like all soldiers going into a potential killing field, they're concerned about the unknown "Our biggest worry is the mines," says Sgt. Darrell McCoy. The Third Platoon has been well trained to handle those widow-makers. But that doesn't make the "gnawing feeling go away," confides Sgt. Robert Crosbie, "We're a mech unit, and our Bradleys are vulnerable" to land mines, which can pierce the thin armor like a sledgehammer going through a watermelon.

The division looked formidable as it awaited the commander in chief. At attention, the soldiers stood like tall rows of corn when the 21-gun salute sounded. Clinton spoke for 22 minutes. The troops especially liked hearing about the rules of engagement. "If you are threatened with attack," (the president said) "you may respond immediately—and with decisive force."

But after Clinton took off, a certain gloom set in. One soldier complained that the visit was "a pain in the ass" because it ruined his Saturday, normally a day off. Some griped about spending Christmas in Bosnia. Others felt the president's address reduced them to props "His talk seemed more designed to motivate the American public than us," groused an NCO. Some of the grumbling was plain old bitching—as familiar and comforting as an old pair of boots. But one sergeant, miffed at Clinton's pledge to accept "full responsibility" for any U.S. casualties, expressed a collective resentment. "We're the ones who are going to die," he said.

While Washington debates the exit strategy, the grunts are worried about what will happen when they get there. Many soldiers I talked to think the 12-month mission to cool down the warring factions is too short a time, a "fairy tale" invented by politicians. "If we don't do this right," explains a sergeant, "we'll end up being the meat in the sandwich; it will be Vietnam all over again." The First Armored Division now designated Task Force Eagle—will go in cocked, locked and ready. It can deliver a terrifying punch; tank M-1 Bradley and artillery fire, Apache and Kiowa armed helos shooting Hellfire missiles, 30-mm cannons and 50-caliber machine guns, and infantry weapons and all the thunder that NATO aircraft can bring. No one's afraid of a fire fight.

But what about an ambush? The Third Platoon is currently down nine guys for the rugged, hilly terrain of central Bosnia. Will the new recruits click with the team during dangerous and uncertain operations? Lt. Salvatore Barbaria, the platoon leader with recruiting-poster good looks, left little doubt about his men's resolve. "War fighting or peace enforcement," he said. "That's our job."

[From the New York Times, Dec. 5, 1995]

EUROPE HAS FEW DOUBTS ON BOSNIA FORCE

(By Craig R. Whitney)

PARIS, Dec. 4.—Except in Germany, the European debate about sending troops to join the NATO peacekeeping force in Bosnia was over before it started in most other countries. Nearly every other European country already had troops there with the United Nations force, which NATO will replace after a peace treaty is signed here 10 days from now.

"France has lost 54 soldiers in Bosnia, and almost 600 have been wounded," Defense Minister Charles Million said recently, explaining his Government's willingness to join the NATO force. France led an effort last summer to give the United Nations soldiers more artillery firepower and ground reinforcements, and Mr. Million said that the heavily armed NATO force was the best chance yet of permitting peace to take root in Bosnia.

France and Britain, which has lost 18 soldiers in Bosnia, will provide the NATO operation with about 24,000 troops together, drawing many of the soldiers from their United Nations contingents already there. This is nearly as many as the United States will have in Bosnia and in support assignments in Croatia.

Both countries were empires until half a century ago, and are used to deploying troops to trouble spots.

"We have a long history of having an essentially professional army which was sent all over the Empire to fight, and that attitude has tended to survive a bit," said Sir Laurence Martin, the director of the Royal Institute of International Affairs in London. "Sending troops for limited operations is something the British take great pride in, and because of the history of fighting colonial wars, there is a belief that the British are particularly good at peacekeeping operations short of war."

Officials from these and other European countries believe American fears of casualties in Bosnia are overdrawn.

"If you go to war, you get killed from time to time," said Andre Querdon, spokesman for the Belgian Foreign Ministry and formerly the ministry's liaison officer with several hundred Belgian troops in the United Nations force in Croatia.

In most European countries, there is more anguish about Europe's failure to stop the war in Bosnia in spite of the sacrifices it has made over the past four years.

Christian Soussan, 22, a student at the Institute of Political Studies in Paris, said, "At least these troops will be able to shoot back when attacked, and they won't just look on passively at ethnic cleansing."

Sibylle Dura, a 21-year-old student of French literature at the Catholic Institute in Paris, said of the lightly armed United Nations mission: "They were quite useless in going just to sit there. They should have been more forceful at the start."

France and Britain have made clear that they will pull their troops out of Bosnia at the same time the United States does, in about a year.

The Netherlands, whose soldiers with the United Nations force near Srebrenica were unable last summer to prevent the Bosnian Serb army from overrunning Bosnian Government positions there and executing hundreds of Muslim men and boys, will put its 2,100 troops now in Bosnia under NATO command.

"The debacle at Srebrenica has made a difference," said Gerrit Valk, a Dutch Labor Party Member of Parliament. "People are now asking more questions. There are more reservations about this than, say, two years ago."

Peter Paul Spanjaard, an 18-year-old Dutch high school student in Sittard, in the southeastern Netherlands, said: "I'd be scared if I had to go. But as long as this is for a good purpose and all the other countries are taking part, I think we should, too."

The Dutch Parliament is expected to approve the NATO mission later this week.

Germany sent no ground troops to the United Nations force in Bosnia, out of concern that memories of the Nazi occupation in the Balkans during World War II were still too vivid even 50 years later. But on Wednesday, the Parliament in Bonn is expected to give approval to Chancellor Helmut Kohl's decision to provide 4,000 support troops to the NATO force. Most of them will be stationed in neighboring Croatia.

"Nobody in Germany or anywhere else would understand if we said we had to stay out even though all the combatants have asked us to come in," said Daniel Cohn-Bendit, the onetime leader of the 1968 student uprising in Paris and now a member of the largely pacifist Greens party. "I am sure that quite a few Green members of Parliament will support the Government on Wednesday."

In the student bars of Frankfurt and Bonn, many young Germans seem less reluctant to consider military involvement than the 1968 generation, whose thinking dominates both the Greens and the opposition Social Democratic Party today.

"I think it is good for German soldiers to be part of the peacekeeping force," said Daniela Paas, a graduate student in American Studies in Bonn. "Germany should have taken part a long time ago. We are members of NATO, after all."

Martin Zieba, 21, a law student in Bonn, said: "If they are attacked, they should be allowed to defend themselves. But they shouldn't take the offensive."

But Klaus Eschweiler, a 24-year-old history student, said, "Because of our history, it could leave a bad taste in a lot of people's mouths."

Walther Leisler Kiep, a Christian Democratic party leader, said: "German participation grows from recognition that we can no longer use our past as an alibi. Our past makes us duty-bound to step in where genocidal policies or racism lead to horrible events like the things we've seen in the former Yugoslavia in recent years."

OPERATION JOINT ENDEAVOR

United States.—20,000 heavily armed U.S. ground troops, about 13,000 of them from U.S. 1st Armored Division, based in Bad Kreuznach, Germany. Other Germany-based U.S. units are to supply most of the rest, along with 2,000 to 3,000 reservists. Troops are to be equipped with about 150 M1-A1 Abrams tanks, about 250 Bradley fighting vehicles and up to 50 AH-64 Apache attack helicopters.

Headquarters: Tuzla, northeast Bosnia.

Britain.—13,000 troops, incorporating units from its U.N. contingent already in Bosnia. The force will comprise a divisional HQ, a brigade with armor, infantry and artillery. Air and sea forces in the area will contribute to the operation.

Headquarters: Gornji Vakuf, central Bosnia.

France.—10,000 troops, with about 7,500 in the peace force itself and the remainder on

logistics duty, either on ships in the Adriatic or at air bases in Italy. There are already about 7,000 French soldiers on the ground, including about 3,300 with the NATO Rapid Reaction Force and 3,800 with the United Nations.

Headquarters: Probably Mostar, southern Bosnia.

Germany.—4,000 soldiers, primarily to support logistics, transport, engineering and medical units. It will also make available radar-busting Tornado fighter-bombers based in Italy. Most of the German contingent will be based in Croatia.

Italy.—2,300 troops, with 600 more in reserve at home.

Norway.—1,000 troops as part of a Nordic brigade.

Spain.—1,250 ground troops, two frigates, eight F-18 aircraft, two Hercules C-130s and a C-235.

Portugal.—900 troops. The government approved sending troops from the Independent Air-Transport Brigade, including about 700 combat troops, 200 support troops and 120 vehicles.

Netherlands.—About 130 Dutch soldiers will leave for Bosnia next week as a preparatory force. A cabinet decision on the full complement will be made Dec. 8 and submitted to parliament for approval Dec. 13. The Dutch media say the force will include 2,000 military personnel, including an armored infantry battalion, a tank squadron, one Hercules transport aircraft, two F-27 aircraft and 12 F-16 jets.

Troops from Denmark and Turkey will also join the peace force.

Non-NATO members

Russia.—2,000 combat troops and a 2,000-strong logistical support unit.

Troops from Finland, Sweden (about 870), Estonia, Hungary (about 100 technical personnel), Latvia, Lithuania and Poland will be offered to the peace force.

□ 2230

Save them from going to their libraries and looking up old Reader's Digest. Mr. Speaker, I ask unanimous consent to put four articles into the RECORD at this point, and then turn his own time back to Mr. ABERCROMBIE, or if I could ask unanimous consent to put them at the end of the special order of the gentleman from California [Mr. CUNNINGHAM] and myself. That keeps the special order of the gentleman from Hawaii [Mr. ABERCROMBIE] clean.

As a matter of fact, this article, "Europe Has Few Doubts on Bosnian Force," which gives the best troop breakdown on our NATO allies, and how they are not equaling what we are doing anywhere nearly close enough in manpower. This is by Craig Whitney, and I believe it is from the New York Times. Another page of facts and figures that goes with it with the same article.

I neglected to put in the Reader's Digest article last night from the October issue, "The Folly of U.N. Peacekeeping With Scandals in Bosnia, Cambodia, Somalia and Rwanda," all of the U.N. vehicles lined up at the whorehouses with documents saying, try not to put your vehicles too near the night clubs, they call them.

Then I would like to put in the November article, the "United Nations Is Out Of Control," last month's Reader's Digest. This will at least bring American taxpayers to an angry point of saying, if the United Nations must be saved, it must be saved from itself. It has no accountability. They treat money like it grows on trees. None of them pay taxes, nobody is accountable.

Again, I want to close on this picture, a two-page spreadout, the same one that is on the front page of the L.A. Times, of Clinton in Bosnia with the troops, our forces there; here it is; and I am all through with this one last picture, even though it is going to be a long shot. There is Clinton with all the top sergeant majors, the commanding general whose biography I would like to put in at this point, as I am going to put in the history of first armored division fighting from Algiers, Tunisia, Anzio, Salerno, and all the way up into the area where BOB DOLE was so savagely wounded. How did Clinton set this up where he said to all of these people, will you follow me? Will you follow me down this driveway, chin up in the air like Mussolini, jaw jutted out, neck muscles flexing, and there he walks saying, follow me, but only as far as the reviewing field. You will go on to Bosnia by yourselves; I will be back in the White House thinking about a 7-year balanced budget.

Mr. Speaker, I appreciate the courtesy of the gentleman from Hawaii [Mr. ABERCROMBIE], and I would say to the gentleman, what goes around comes around. I will do it for you sometime, NEAL.

MAGIC FORMULA FOR BALANCED BUDGET IS ILLUSION

The SPEAKER pro tempore (Mr. LONGLEY). Under a previous order of the House, the gentleman from Hawaii [Mr. ABERCROMBIE] is recognized for 60 minutes.

Mr. ABERCROMBIE. Mr. Speaker, reclaiming my time, Mr. DORNAN has given me, with his last sentence, literally a transition point for the issue that I wish to discuss this evening yet once again, and that has to do with the so-called balanced budget.

Mr. Speaker, as you may know, and certainly others of our colleagues who have been paying attention to both debate during the bills at hand, and in special orders with respect to the budget reconciliation bill, that I have, among others, been saying for some time now, that this magic formula that is being proposed by the majority about a balanced budget is in fact an illusion.

Now, Mr. Speaker, rather than just taking into consideration the observation of the majority leader, Mr. ARMEY, the other day that politicians could get hit by a train and get back up and say I got the best of that deal, so therefore, we cannot pay much attention to politicians, let me make some references then to some of the people in the press, some of the journalists who have been doing their homework on this issue. Here is the fundamental premise, Mr. Speaker.

I am maintaining that there is no balanced budget in 7 years. What bothers me is that most journalists, when they report this, and when I say most journalists I am talking across the board up to and including public radio and public television, all of the networks, they simply report what is said and then what the reaction to that is as if they were covering a tennis match from one side to the other. Nobody asked the basic question of the Speaker of the House, who has, despite his indications that he was going to take a more reticent position, to step back; I think he said he was going to bench himself.

In the last 2 days the Speaker has come forward with threats about crashing the stock market, driving interest rates through the roof, demanding that his plan for a balanced budget be the basis of the budget reconciliation bill.

Mr. Speaker, I submit to you and to my other colleagues, and I have offered again and again during special orders the opportunity to other Members to come down and refute what I am saying. It is not that I want to engage in a contest, because this is far too important for trying to score points, but it is a simple question of whether we are in fact, as Mark Twain has said that the truth is so rare we ought to be very careful in spending it.

The fact of the matter is that there is no balanced budget proposal on the table. There is no balanced budget proposal on the table that is being negotiated between Speaker GINGRICH and the White House. I say Speaker GINGRICH; I know there are other negotiators there, but I think we all know that nothing is going to move in the House, according to the Speaker, in any event today, if I am to understand his declaration today correctly, that we have to abide by his proposal for a balanced budget in 7 years, or we do not move.

Now, as I say, all kinds of threats are involved in that. I am a legislator all my elected life. Maybe Speaker GINGRICH, having only run for the Congress of the United States and spent all of his time in the Congress of the United States, and for the first time being in the majority, has not had the same kind of opportunities or experiences that I have had as a legislator.

I have been a legislator as well as a member of civic organizations and community organizations; I have been an officer of them. I have been on the city council, I have been in the State House, I have been in the State Senate. I do not cite that as any particular virtue, but simply as a recitation of the record with respect to legislative experience. That experience tells me that

you do not get anywhere in negotiations by threatening the other side or laying down absolutes to them, particularly when there is no basis from your side.

I am perfectly willing at any time, and I am sure members of the Democratic Caucus are and those who are doing the negotiating, up to and including the President of the United States and his representative, Mr. Panetta, are quite willing to try to come to an agreement. This is not a Parliament. This is a constitutional system with a division of houses, a legislative and executive branch, and as much as the Speaker would like to be Prime Minister of the United States, he is not. He is the Speaker of the House. Therefore, if he is going to negotiate with the Executive, he is going to have to come to the table with some honest numbers.

He says that that is what it is that he wants to do, but the fact is, and I will repeat it again and again and again until some people I hope in the media, whom we have to depend upon; and Mr. Speaker, Mr. Jefferson said at one point that he would prefer in a democracy as opposed to free elections and a free government and a free press, he preferred a free press, because the press is what secures our freedom. Yet the free press in this particular instance has been remiss and not doing its duty in asking the Speaker, what does he mean when he comes to the table and says a balanced budget.

Mr. Speaker, I contend that there will be at least $1 trillion in additional deficit in this so-called balanced budget. Now, if someone can come to the floor and refute what I am saying, I probably should not use the word refute; again, it sounds like it is a contest, but if someone can come and explain how that is not the case, Mr. Speaker, I would like very much to hear it.

Now, this is not merely an observation that I am making. Let me make reference to an article in USA Today, Monday, October 23, 1995, by William Welch. I called Mr. Welch because I was interested to see that there was actually a member of the working press who had gotten into this issue.

Let me explain to you what it is that I am contending, that is to say what is behind my contention that the proposal for a balanced budget is in fact not a balanced budget. It is a political illusion because apparently, or for whatever the political reason, the political agenda, I presume it has to do with election politics in 1996, the Speaker wants to make the claim that his party has been for a balanced budget. What he is really talking about is whether or not the deficit can be reduced.

There is not going to be a balanced budget in this century, I can assure you of that. There is not going to be a balanced budget, as the average person understands a balanced budget to be, in this century. If we adopt some reforms, some genuine budget reforms, as I have mentioned previously, like separating our capital spending from our operating budget, going to a biennial budget, and other reforms that we might take up next year, perhaps then we can move genuinely towards balancing the budget while we reduce the deficit. However, in the budget that is being proposed by the Speaker and is now the subject of negotiation, he is actually increasing the deficit. The deficit is going to increase. I can give you the exact numbers.

For fiscal year 1996, $245.6 billion, and on through 1997 and on up to the year 2002. In the year 2002, when we are supposed to have a $10 billion surplus, we are actually going to have a deficit of $108.4 billion, according to the budget document that the Committee on the Budget has put forward. You need only read on page 3 of the budget document that Mr. KASICH and the Committee on the Budget put forward, which is sitting on the table down at the White House, and see that what I am saying is the case.

Let me repeat it. We are going to increase the deficit all during this time. How then is it possible for us to say that there is going to be a balanced budget? How is it possible for the Speaker, although he has never been shy, as we know, in going on television and making claims of one kind and another, how is it possible for him to say that he is going to have a balanced budget? Mr. Speaker, the answer is very simple. He is not going to use the off-budget numbers.

Now, I do not think that the average American is aware of the fact that we have two different kinds of budgets here. We have accounting games that go on at the Federal Government level. We have figures that are on budget and we have figures that are off budget. Now, Mr. Welch's article is entitled "Off-budget Spending Hides Red Ink." That is not me speaking. This is the editorial judgment of USA Today in terms of those who are writing the headlines. "Off-budget Spending Hides Red Ink."

Let me quote from it for a little bit. "Senate Republicans were crowing last week," I am quoting now from Mr. Welch's article, "Senate Republicans were crowing last week after the Congressional Budget Office certified that their budget plan would bring the Federal books into balance in 7 years. But the Congressional Budget Office has another set of figures that GOP leaders are not talking about. It shows that under the GOP budget plan, the government will have to borrow at least $105 billion in the year 2002, the target year for a balanced budget. Only in Washington, to borrow a phrase from opponents of government, would a budget dependent on continued borrowing be judged in balance."

Mr. Speaker, what that means is that Mr. Welch has hit upon the secret, the hidden secret of the Republican balanced budget: You take money from the Social Security trust fund.

Now, the fact that it is in the Treasury, the fact that it is supposedly sacrosanct in the Treasury allows them the verbal gymnastics of being able to say, well, we are not really taking the money. Well, of course you are. You are borrowing the money and you have to pay it back with interest. You are going to borrow, if you use the figures of the original budget resolution, some $636 billion. That was the figure in January. I know that because I have a letter here dated October 20, 1995, from the Congressional Budget Office, and its Director, June O'Neill.

□ 2245

It is addressed to a Member of the U.S. Senate and copies to two other Members of the Senate, including the chairman of the Budget Committee. "Dear Senator: Pursuant to section 205(a) of the budget resolution for fiscal year 1996, the Congressional Budget Office"—and this is the office that is cited by the Speaker as being the source of his figures for this budget—"the Congressional Budget Office provided the chairman of the Senate Budget Committee on October 18 with a projection of the budget deficits or surpluses that would result from enactment of the reconciliation legislation submitted to the Budget Committee. As specified in section 205(a), the Congressional Budget Office provided projections"—this is what is being used for these budget figures, Mr. Speaker, projections of the Congressional Budget Office, that was insisted upon by the Speaker.

Ms. O'Neill then has a parenthesis, "using the economic and technical assumptions underlying the budget resolution and assuming the level of discretionary spending specified in that resolution," end of parenthesis, "of the deficit or surplus of the total budget, that is, the deficit or surplus resulting from all budgetary transactions of the Federal Government, including Social Security and Postal Service spending and receipts that are designated as off-budget transactions." Now, Mr. Speaker, maybe you can get away with this in your household. I doubt it. I cannot get away with it in my household. So far as I know, there is not an American family that can get away with having off-budget transactions.

Those who do off-budget transactions find themselves in the courts. They find themselves under felony indictment for fraud. They find themselves in situations in which they are accused of kiting checks. They find themselves in a situation in which they have written checks from accounts in which

there are insufficient funds, or they find themselves under the racketeering statutes under indictment in court. But for purposes of accounting, for political purposes, the Republican budget says, "Oh, we're going to count this off-budget transaction."

Now what is off-budget? All the money that comes out of your paycheck for Social Security that you are paying in right now is being, as was described by one of the Senators who very unfortunately passed away, as embezzlement from the Social Security system.

I go on, again quoting from Director O'Neill's letter of October 20 from the Congressional Budget Office: "As stated to Chairman Domenici, the Congressional Budget Office projected that there will be a total-budget surplus of $10 billion in 2002." But the next sentence says, "Excluding an estimated off-budget surplus of $115 billion in 2002 from the calculation, the Congressional Budget Office would project an on-budget deficit of $105 billion in 2002. If you wish further details on this projection, we will be pleased to provide them."

Now, Mr. Speaker, we both know that there is a new set of figures that are going to come from the Congressional Budget Office. They were supposed to arrive this week. They did not arrive. That is why the budget negotiations are stalled. We are going to get a new series of numbers.

So when I give you the number $636 billion, that is based on what took place from the Congressional Budget Office estimates in January 1995. They have a new set of projections in August of 1995, different numbers, and I expect they will have different numbers again. But whatever the numbers are, it is the process that counts.

Here I have a letter from the Congressional Budget Office. This is the office that Mr. GINGRICH says he wants to rely upon for the figures for his balanced budget proposal, and here you have the director of the office, in a letter written on Congressional Budget Office stationery on October 20 of this year, saying that, and I quote, "Excluding an estimated off-budget surplus of $115 billion in 2002," parentheses, in the Social Security trust fund, "from the calculation, the Congressional Budget Office would project an on-budget deficit of $105 billion in the year 2002."

Mr. Speaker, there is no way that you can continue to have budget deficits year after year after year, take money from Social Security, the principal and interest of which is due to the Social Security trust fund, and then not find that you have actually increased the deficit rather than balancing the budget, and increased it by a sum in excess of $1 trillion by 2002.

When you have done that, you have not begun to deal with the question of what happens after 2002. Is the Government of the United States going to stop in 2002? When you have this magic number of 7 years associated with the balanced budget, are people in this country under the impression that suddenly in the year 2002 we are not going to owe any money? And that which we have borrowed up until 2002 somehow will be paid in 2003 and beyond by some plan which has not yet been enunciated?

Has any journalist asked the Speaker, what do you plan to do in 2003? And what do you plan to do in 2014, 2015, 2020 and 2030, when the money you have taken from Social Security is due to those who are then eligible for it? Where is the money going to come from?

Mr. Speaker, I am down on this floor, I am in the special order, it is late at night here in the East. As you go across the country, it is a little bit earlier. I know people are tuned into the Government. I hope some people are listening tonight.

I hope somebody out there understands that the Government is going to go on beyond the year 2002, and that unless you want the immediate political benefit of being able to claim that you are balancing the budget when in fact you are increasing the deficit, increasing it at a rate that is unconscionable, there is no cold war.

The deficit increased by trillions of dollars at the time of President Reagan and through President Bush's administration, in which at least the argument was made that we had a foe that we had to fight and so it was necessary to borrow this money. There was some discussion that if we ran deficits and cut taxes that more revenue would come in. That did not happen, but at lest there was a rationale for it.

So history now tells us that when you increase spending, when you cut taxes for the wealthy, when your revenues go down, that your deficit is going to increase. It is going to increase. And this does not change anything. It not only does not change it but it exacerbates the situation.

Notice again I am down here talking, I know there are other people that are out there that are familiar with the budget. I certainly do not pretend to be an all-around expert on the budget, but I tell you, Mr. Speaker, I have not been elected for more than two decades by being slow on my feet and not doing my homework.

I know that the budget is not going to be balanced. I know that the funds to offset the deficit are coming out of the Social Security trust fund, and I know that there is not a word in that budget reconciliation bill that proposes one single dollar of how that deficit is supposed to be made up, and how the money being borrowed from Social Security is going to be repaid so that the recipients who are due that money are going to be able to get it in the next century.

It is right here from the Congressional Budget Office.

Now, if people in this country want to have on-budgets and off-budgets, I suppose that we can do that. But do not tell me that is an honest number.

Mr. Speaker, I have been in the minority of the majority before. When I served in the majority, in my legislature or in the council or now in the House of Representatives, I have been in the majority and I have been in the minority, I have won elections, I have lost elections.

I have been a minority in the majority as I have said, but I will tell you this, I have never in my life, and I have served on ways and means committees and I have served as chairman of subject matter committees. So I understand what it is when you are told that you have a cap, when you have a certain amount of money that you have to spend and you have to make tough decisions. I have made thousands and thousands of those decisions, as has every other legislator who has spent any time thinking about what their legislative duty is.

And I know that when somebody tells me that there is something off-budget that can be counted, it amounts to what at the State level, Mr. Speaker, or at the county level, at the village level or town level, would be a special fund.

Now we special fund all kinds of things in the State of Hawaii, and I expect you do it in your State and everybody else does. Maybe it is the airport fund, where the fees that come in for the airport, landing fees and so on, are put into a special fund and you know that the money that comes in is going to be spent for airport activities, or highway transportation fund. People pay taxes on the gasoline that they buy and they know that the money that comes in from that the surplus, if you will, from those funds are going to be spent on highway projects.

Well, the Social Security trust fund is supposed to be for Social Security. It is not there as a piggy bank to be looted at will with an IOU in it that says, "I'll pay you back at some time in the future. Catch me on that when you can." But that is what this proposal does.

Mr. Welch has caught it. Let me go on with some more of his article.

"In figuring the Federal budget deficit, Congress does not count the government's spending from certain trust funds, principally from the fund for Social Security benefits. By law," Still quoting from Mr. Welch, "Congress has placed the Social Security trust fund off-budget," Quote, unquote.

"The surplus, the amount left after Social Security payroll taxes are used to pay benefits to current beneficiaries, is invested in Treasury securities. That

money, in turn, flows into the federal treasury and is spent on everything from congressional salaries to fuel for battleships."

In other words, we have borrowed against ourselves. We have borrowed our own money. When you borrow the money, you have to pay it back. It is not a paper transaction. It is real money we are talking about here. It is money that has to be paid back.

I have asked my Republican colleagues again and again about this, and about the only answer I get is, other Democratic Presidents have done this, Democratic Congresses have done the same thing.

I am not the one who came here saying, oh, it is not going to be business as usual, we are going to change the way everything is done around here, we are going to change the Government, we are going to do things the right way, we are going to be honest with our numbers. The Speaker says that over and over and over again.

When you used off-budget numbers before, off-budget funding before for other things, it was to fund the budget for that year. Nobody was kidding themselves that they were balancing the budget. If anything, what we tried to do—and we started with President Clinton's budget, the first budget, I would remind the Speaker, since Harry Truman in 1948 that in consecutive years reduced the absolute amount of the deficit and the rate of the deficit.

Mr. Clinton's budget did not get rid of the deficit but it started us on the path. I think that the Committee on the Budget and others always use the words glide path. This has become the new catch word. A glide path. The glide path does not start with this budget—I do not want to characterize it as phony, the way the Speaker uses the word phony all the time, because that is pejorative. I am not going to say that. But what I will say is that illusionary budget, the illusion of this so-called balanced budget is such that you do not have the glide path that President Clinton started sustained.

President Clinton's budget has reduced the deficit and reduced the rate of the deficit and has done so far 3 years running.

You cannot take it all out or the economy would collapse. This is the same kind of thing, no different than when you are trying to pay your mortgage and buy a car and get the washing machine. You figure out how much money is coming in, you figure out how much you can spend a month or over the year, and that is how you balance your budget.

It is your ability to pay, and that has to be judged against your gross income, your expected revenues. That is what banks do when they loan you money for a house. They are betting that you will be able to sustain your payments on the mortgage for whatever the period of time is for that mortgage.

Now, this is what people understand to be a balanced budget. But does anybody presume that they do not have to pay the mortgage? That when they borrow the money they do not have to pay it back or they just pay a portion of it back, that there is no plan, that there is no obligation?

We are mortgaging the Social Security trust fund so that the Speaker can say he is balancing the budget. I do not know if you will be here 7 years from now. I do not know if he is going to be here next year, unless we do change the system of government here to the prime minister or parliamentary system he seems to admire so much. I think he is subject to election just like I am and just like you are, Mr. Speaker.

We talk about 7 years as if we can commit the next Congress to this 7 years. We cannot commit the next Congress. We cannot even commit this Congress next year to what the budget allocations are going to be.

And there will be two Presidential elections before this 7 years is up. We have no idea whether President Clinton or anyone who might succeed him will have the same desires, the same plans, the same proposals.

□ 2300

But even if we grant this 7-year process and do our level best in a manner of good faith and goodwill to try to implement it, the fact still remains the question has not been answered about what do you do with the mortgage on Social Security. And unless we can answer the question that is inherent is Mr. Welch's article, it cannot be done.

Now Mr. Welch is not the only one who has brought this up. Mr. Lars-Erik Nelson, in the New York Daily News, October 20, scarcely a little over a month ago, let me quote him from the article entitled "Borrowing from Social Security to Aid the Rich," Lars-Erik Nelson, "See that social security deduction on your paycheck? It is the key to the Republican plan to 'balance' the Federal budget while giving tax cuts to the wealthy." That is not me saying it. That is Mr. Nelson's observation from reading the budget.

Again quoting, "In 2002, the year Republicans have been promising a balanced budget, they will, in fact, come up $108,000 billion short. According to the House Budget Committee's report." Now there, Mr. Speaker, I submit to you is a third party, not me, not someone with a partisan political agenda, someone else coming up with the exact same figures that I just gave you from the budget.

Again quoting, "The Republican plan makes up the different by borrowing, the late Senator John Heinz of Pennsylvania called it embezzling, from the social security trust fund."

Going on, "The Republican plan continues the embezzlement in pure accounting terms. The Republicans are right, if the amount of money the government collects in a given year equals the amount that it pays out, the budget is in balance. But borrowing from the trust fund to cover current operating costs means raising taxes on the next generation, our children, to pay back the debt to the trust fund."

I will say one thing on this, Mr. Speaker, and I hope it does not sound pejorative because I try to keep comity on the floor. I like to have good relations with all my friends and colleagues here, despite whatever differences we might have. I am getting a little sick of hearing people talk with crocodile tears about their children and their grandchildren and how the balanced budget proposal is on behalf of their children and their grandchildren. I would like those people to explain, not to me, but explain to the American people and explain to those children and grandchildren how they are taking care of those kids by upping the ante on what they have to pay for what their mothers and fathers borrowed without paying it back.

Let me read it to you again: "The Republican plan continues the embezzlement. In pure accounting terms, the Republicans are probably right." In pure accounting terms, parenthetically, in pure accounting terms, that is what the Republican Party always wants to do. The old saying is the Democrats borrow, Republicans collect interest. Hah, hah, where this balanced budget is concerned, let me tell you, that will be true with a vengeance.

Reading again from Mr. Nelson, "If the amount of money the government collects in a given year equals the amount that it pays out, the budget is in balance. But," and there is always the "but," "But borrowing from the trust fund to cover current operating costs means raising taxes on the next generation, our children, to pay back the debt to the trust fund."

I have yet, Mr. Speaker, despite my best efforts, and as I say, I believe I am open and available to anybody on either side of the aisle on this, I have asked again and again of my friends with whom I have had discussions of varying lengths about this issue, how do you propose to pay back the money to the Social Security fund? Nobody that I speak to, by the way, Mr. Speaker, on this issue denies to me that this is what is going to happen, that this is how the budget ostensibly is being balanced.

Now I will repeat, I could not get away with this in my family. I could not get away with it. I do not know of a Member here that can get away with it in their own family budgeting. It cannot be done. We propose to do it and get away with it. The press is letting this slide. This is almost the only way we have to try and get this out is to take advantage of the fact that we

have our special orders and hope that somebody in the press, like Mr. Nelson, like Mr. Welch, will pick up on it and begin to explain to people from the Fourth Estate, from the press, from someone who is not directly involved in the political process, from partisan views, partisan viewpoints, begin to explain to people what exactly is happening.

In addition, quoting again from Mr. Nelson, "In addition, using Social Security deductions to balance the budget means that working people who cannot escape that FICA deduction," that is what is called the FICA deduction, that is your social security deduction, who cannot not escape that deduction on their paychecks make up the shortfall caused by tax breaks for the wealthy and for business. Mr. Nelson quotes internally, "It is the largest transfer of wealth from labor to capital in our history," Senator DANIEL MOYNIHAN, Democrat, New York, said yesterday. We are using a 15-percent payroll tax, the combined burden on employer and employee, to pay the interest on Treasury bonds, which are generally not owned by blue-collar workers.

It is the working people. So when people say is there a difference in the parties, I say there is.

Mr. Speaker, I respect the position you have and other Members of the majority have. You are freely elected by your constituents. But I believe I also have the right and the obligation to point out, I believe, the position we are taking as Democrats is to defend the working people of this country and to defend their interests against great wealth. Great wealth can always take care of itself. Great wealth can take these bonds and get this interest.

What I ask, Mr. Speaker, is that these points be taken into account, and I hope that we will find ourselves dealing honestly with this budget. You will find in days to come, Mr. Speaker, that the plan that the President is putting forward, that is to say, the proposal, the elements of the proposal are going to be those that will be recognized by the American people as the basis for a fair conclusion to this budget debate.

Mark my words, the Speaker of the House will not be able to say, "Do it my way or no way at all." He will not be able to continue this, it is hard to characterize because I have never seen a legislative situation like this in my life in which the leader of a legislative institution sets an immutable standard against which no one can dissent and that there is no room for discussion. I have never experienced that before, because you cannot do legislation that way.

So what the President is saying is that the agreement that was reached, and I think this is very, very important, the agreement that was reached on the balanced budget over the 7-year period, and, by the way, Mr. Speaker, parenthetically, this is closer to 8 or 9 years because we are halfway through this spending, not halfway through but by the time we get this budget reconciliation finished we will be halfway through the year.

So I submit to you, as I bring my remarks to a close, Mr. Speaker, my point would be this, that the proposal that the President has put forward is, and he is acting in good faith on that proposal because that proposal said that we would try to deal with 7 years, and as I indicated, it will be 8 years or longer, in effect, because we are already months into the fiscal year without an agreement, in the 1996 fiscal year without an agreement, and using the Congressional Budget Office figures or whatever they turn out to be, these are all guesstimates, and as I have already indicated, the Congressional Budget Office, at least when you ask them the right question, does not give you an answer which is not true; they have indicated that we are going off budget to balance this so-called budget, going into the Social Security funds.

It says we have to protect Medicare. We have to protect Medicaid. We have to protect our children. We have to protect those who grow our food.

Now, minus protecting these elements, Mr. Speaker, our health, the health of our people, the health of our elderly, the welfare of our elderly, the health and welfare of our children, education, nutrition, and those who grow our food, agriculture, and unless we protect those things, we are not going to have this balanced budget despite anybody's best effort at it.

So I submit to you that the President is acting in good faith. The President has a proposal on the table. The President understands negotiations. He has been a Governor. He has worked with legislatures before. He understands the executive-legislative relationship and the Governor, that is to say, Governor Clinton, who is now President Clinton, will be prepared, along with members of the Democratic Party, to take our proposal to protect people while at the same time reducing the deficit and try to structure from that a compromise which will lead to eventually a balanced budget.

I have no objection to the phrase. I have an objection to the illusion that it is going to be implemented in 7 years.

So I want to conclude, Mr. Speaker, at this stage by saying once again that I will be on this floor up to and through the time of the conclusion of the budget negotiations so that at least there will be one voice on this floor and speaking out from this body, someone like my colleagues who are sworn to uphold and defend the Constitution of the United States, taking as that obligation to speak the truth on the budget, something which is as fundamental as anything that there is that we do. All money measures come from the House of Representatives. We are the people's House, elected by the people. It is our responsibility and obligation to say that we are working with an honest budget, with honest numbers, and that if we are not and there is a continuation of this proposition that somehow the budget is being balanced by mortgaging the Social Security trust fund, that I speak out against it, and others speak out against it.

So I believe, by the time these negotiations are concluded, President Clinton will have put forward a series of proposals based on the proposition that there is give and take in every legislative activity and that if the Speaker is refusing to negotiate by simply setting down an immutable standard from which he will not deviate, that the American people will make their judgment known on election day in 1996 as to the efficacy of the Speaker's policy.

I believe that if we deal with the situation honestly, we can bring the deficit down, that eventually the budget can be brought into balance, we can salvage the Social Security trust fund rather than ravage that trust fund, and see to it that Medicare and Medicaid, the welfare of our children and the people who grow our food are protected and that we have a budget that we can honestly put forward to the American people as being in their best interests.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. ROS-LEHTINEN (at the request of Mr. ARMEY), for today and the balance of the week, on account of illness in the family.

Mr. TUCKER (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of official 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 Members (at the request of Mr. ABERCROMBIE) to revise and extend their remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.

Mr. GEJDENSON, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mr. BRYANT of Texas, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. CLAY, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mrs. LOWEY, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

(The following Members (at the request of Mr. DIAZ-BALART) to revise

and extend their remarks and include extraneous material:)

Mr. METCALF, for 5 minutes each day, today and December 7 and 8.

Mr. FRELINGHUYSEN, for 5 minutes, December 7.

Mr. HORN, for 5 minutes, today.

Mr. MARTINI, for 5 minutes, today.

Mr. TIAHRT, for 5 minutes each day, December 7 and 8.

Mr. LONGLEY, for 5 minutes each day, today and December 7, 8, 11, 12, and 13.

Mr. JONES, for 5 minutes, December 7.

Mr. FUNDERBURK, for 5 minutes, December 7.

Mr. FOLEY, for 5 minutes each day, today and December 7.

Mr. FOX of Pennsylvania, for 5 minutes, today.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DELAY, 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. ABERCROMBIE) and to include extraneous matter:)

Mr. MFUME.

Mr. MONTGOMERY.

Mr. MILLER of Califoria.

Mr. CLEMENT.

Mr. STUDDS.

Mr. HAMILTON.

Mr. HALL of Ohio.

Mr. REED.

Mr. EVANS.

Mr. UNDERWOOD.

Mr. TORRES.

Mr. KANJORSKI in two instances.

(The following Members (at the request of Mr. DIAZ-BALART) and to include extraneous matter:)

Mrs. FOWLER.

Mrs. WALDHOLTZ.

Mr. SHAW.

Mr. STUMP.

Mr. KNOLLENBERG.

Mr. CLINGER.

Mr. MARTINI.

Mr. FRELINGHUYSEN.

(The following Members (at the request of Mr. ABERCROMBIE) and to include extraneous matter:)

Mr. CRANE in two instances.

Mr. PACKARD.

Mr. BECERRA.

Mr. SOLOMON.

Mr. GEJDENSON.

Mr. BISHOP.

Mr. GOODLATTE.

Mrs. MORELLA.

Mr. STUPAK.

Mr. CLINGER.

ADJOURNMENT

Mr. ABERCROMBIE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 14 minutes p.m.), under its previous order, the House adjourned until tomorrow, December 7, 1995, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1781. A communication from the President of the United States, transmitting an updated report concerning the use of United States aircraft in support of United Nations and North Atlantic Treaty Organization [NATO] efforts in the former Yugoslavia (H. Doc. No. 104–143); to the Committee on International Relations and ordered to be printed.

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 proper calendar, as follows:

Mr. LEWIS of California: Committee of Conference. Conference report on H.R. 2099. A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for fiscal year ending September 30, 1996, and for other purposes (Rept. 104–384). Ordered to be printed.

Mr. QUILLEN: Committee on Rules. House Resolution 291. Resolution waiving points of order against the further conference report to accompany the bill (H.R. 2099) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes (Rept. 104–385). Referred to the House Calendar.

Mr. BLILEY: Committee on Commerce. H.R. 1787. A bill to amend the Federal Food, Drug, and Cosmetic Act to repeal the saccharin notice requirement (Rept. 104–386). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 325. A bill to amend the Clean Air Act to provide for an optional provision for the reduction of work-related vehicle trips and miles traveled in ozone nonattainment areas designated as severe, and for other purposes; with an amendment (Rept. 104–387). Referred to the Committee of the Whole House on the State of the Union.

BILLS PLACED ON THE CORRECTIONS CALENDAR

Under clause 4 of rule XIII, the Speaker filed with the Clerk a notice requesting that the following bills be placed upon the Corrections Calendar:

H.R. 1787. A bill to amend the Federal Food, Drug, and Cosmetic Act to repeal the saccharin notice requirement.

H.R. 325. A bill to amend the Clean Air Act to provide for an optional provision for the reduction of work-related vehicle trips and miles traveled in ozone nonattainment areas designated as severe, and for other purposes.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHRISTENSEN:

H.R. 2722. A bill to amend the Internal Revenue Code of 1986 to provide that the lookback method shall not apply to construction contracts required to use the percentage of completion method; to the Committee on Ways and Means.

By Mr. DOOLITTLE:

H.R. 2723. A bill to amend the Fair Labor Standards Act of 1938 to permit employers to provide for flexible and compressed schedules, to permit employers to give priority treatment in hiring decisions to former employees after periods of family care responsibility, to maintain the minimum wage and overtime exemption for employees subject to certain leave policies, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mr. EVANS:

H.R. 2724. A bill to amend the National Labor Relations Act to require Federal contracts debarment for persons who violate labor relations provisions, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 2725. A bill to amend the Occupational Safety and Health Act to require Federal contracts debarment for persons who violate the act's provisions, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GALLEGLY:

H.R. 2726. A bill to make certain technical corrections in laws relating to native Americans, and for other purposes; to the Committee on Resources.

By Mr. HAYWORTH (for himself, Mr. CUNNINGHAM, Mr. DOOLITTLE, Mr. HANSEN, Mr. HEINEMAN, Mr. KINGSTON, Mr. SALMON, Mr. SOLOMON, Mr. SPENCE, and Mr. TAUZIN):

H.R. 2727. A bill to require Congress and the President to fulfill their constitutional duty to take personal responsibility for Federal laws; to the Committee on the Judiciary, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HEFLEY:

H.R. 2728. A bill to amend the National Trails System Act to designate the Old Spanish Trail and the northern branch of the Old Spanish Trail for potential inclusion into the National Trails System, and for other purposes; to the Committee on Resources.

By Mr. MATSUI (for himself, Mr. STARK, Mr. SERRANO, Ms. PELOSI, Mr. ACKERMAN, Mr. FROST, Mr. FATTAH, Mr. ROSE, Mrs. THURMAN, Mr. FILNER, Ms. BROWN of Florida, Mr. PICKETT, Mr. SCOTT, Mr. GENE GREEN of Texas, Mr. BARCIA of Michigan, Mr. JOHNSTON of Florida, and Mr. FAZIO of California):

H.R. 2729. A bill to amend the Social Security Act to provide for the waiver of the Medicare part B late enrollment penalty and the establishment of a special enrollment period for certain military retirees and their dependents; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MFUME:

H.R. 2730. A bill to eliminate segregationist language from the Second Morrill Act; to the Committee on Agriculture.

By Mr. SOLOMON (for himself, Mr. ROHRABACHER, and Mr. TRAFICANT):

H.R. 2731. A bill to require the United States to oppose and vote against any proposal to create any financing mechanism designed to prevent or resolve the insolvency of sovereign nations; to the Committee on Banking and Financial Services.

By Mr. STUMP (for himself, Mr. KOLBE, Mr. PASTOR, Mr. HAYWORTH, Mr. SALMON, and Mr. SHADEGG):

H.R. 2732. A bill to authorize an agreement between the Secretary of the Interior and a State providing for the continued operation by State employees of national parks in the State during any period in which the National Park Service is unable to maintain the normal level of park operations, and for other purposes; to the Committee on Resources.

By Mr. THOMPSON:

H.R. 2733. A bill to provide clarification in the reimbursement to States for federally funded employees carrying out Federal programs during the lapse in appropriations between November 14, 1995, through November 19, 1995; to the Committee on Government Reform and Oversight.

By Mr. ZIMMER:

H.R. 2734. A bill to amend the Internal Revenue Code of 1986 to repeal the 50-percent limitation on business meals and entertainment; to the Committee on Ways and Means.

By Mr. WELDON of Pennsylvania (for himself, Mr. MCHALE, Mr. LAUGHLIN, Mr. WATTS of Oklahoma, and Mr. BLUTE):

H. Con. Res. 118. Concurrent resolution calling on the President to provide to the United States Armed Forces in the former Yugoslavia resources and other support necessary to carry out the mission of enforcing the peace agreement between the Republic of Bosnia and Herzegovina, the Republic of Croatia, and the Federal Republic of Yugoslavia; to the Committee on International Relations, and in addition to the Committee on National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Massachusetts:

H. Res. 292. Resolution providing for the consideration of the bill (H.R. 2409) to increase the public debt limit; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ROSE introduced a bill (H.R. 2735) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Shogun*; which was referred to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. CHRYSLER.

H.R. 104: Mr. TIAHRT.

H.R. 109: Mr. CHRYSLER and Mr. BREWSTER.

H.R. 303: Mr. CHRYSLER.

H.R. 468: Mr. CHRYSLER and Mr. COYNE.

H.R. 528: Mr. NEAL of Massachusetts, Mr. KLECZKA, and Mr. MORAN.

H.R. 580: Mr. BISHOP.

H.R. 721: Mr. JOHNSTON of Florida.

H.R. 773: Mr. TIAHRT.

H.R. 972: Mr. BASS.

H.R. 1023: Mr. DAVIS, Mr. GIBBONS, Mr. CLYBURN, Mr. WOLF, and Mr. PETERSON of Florida.

H.R. 1090: Mr. CHRYSLER and Mr. JOHNSTON of Florida.

H.R. 1226: Mr. STENHOLM, Ms. PRYCE, and Mr. GUNDERSON.

H.R. 1227: Mr. SAM JOHNSON and Mr. GRAHAM.

H.R. 1406: Mr. REED.

H.R. 1448: Mr. LARGENT and Mr. MCINTOSH.

H.R. 1458: Mr. SMITH of New Jersey.

H.R. 1514: Mr. FAWELL, Mr. MURTHA, Mr. CHRYSLER, Mr. HEINEMAN, Mrs. SEASTRAND, Mr. TOWNS, Ms. DELAURO, Mr. SCHIFF, Mr. FARR, Mr. EHLERS, Mr. BALLENGER, Mr. RAHALL, Mr. SAXTON, and Mr. HASTINGS of Florida.

H.R. 1627: Mr. LATOURETTE.

H.R. 1733: Mr. STENHOLM.

H.R. 1787: Mr. HOBSON, Mr. MANZULLO, Mr. BREWSTER, and Mr. LINDER.

H.R. 1972: Mrs. SEASTRAND, Ms. PRYCE, and Mr. BONO.

H.R. 2245: Mr. FILNER.

H.R. 2301: Mr. QUILLEN and Mr. WAMP.

H.R. 2333: Ms. WOOLSEY, Mr. EWING, Mr. QUILLEN, Mr. PICKETT, Mrs. MEEK of Florida, and Mr. CARDIN.

H.R. 2400: Mr. FILNER.

H.R. 2416: Mr. MCHALE.

H.R. 2447: Mr. MEEHAN.

H.R. 2480: Mr. FOX, Mr. HOKE, Mr. BEREUTER, Mr. BLUTE, Mr. LIPINSKI, Mr. KING, and Mr. EHLERS.

H.R. 2506: Mr. SKELTON.

H.R. 2547: Mr. QUILLEN, Mr. WAMP, Mr. GORDON, Mr. HILLEARY, Mr. TANNER, Mr. BRYANT of Tennessee, Mr. CLEMENT, and Mr. FORD.

H.R. 2572: Mr. THOMPSON.

H.R. 2578: Mr. FRAZER, Mr. FROST, Ms. LOFGREN, Mr. HYDE, Mr. MYERS of Indiana, Mrs. KENNELLY, Mr. CARDIN, Mr. BRYANT of Texas, Mr. MILLER of California, and Mrs. MORELLA.

H.R. 2598: Mr. GOSS.

H.R. 2627: Mr. BATEMAN, Mr. DINGELL, Mr. HASTERT, Mr. ISTOOK, Mr. MANTON, Mrs. MYRICK, Mr. OXLEY, Mr. STUDDS, and Mr. TAUZIN.

H.R. 2651: Mr. NEY.

H.R. 2654: Mr. THOMPSON and Ms. WATERS.

H.R. 2664: Mr. BENTSEN, Mr. WISE, Mr. THORNTON, and Mr. THOMPSON.

H. Con. Res. 10: Mr. FAZIO of California.

H. Res. 30: Mr. SAXTON, Mr. LINDER, and Mr. DUNCAN.

H. Res. 283: Mr. SAM JOHNSON.

H. Res. 286: Ms. RIVERS, Mr. FALEOMAVAEGA, and Mr. THOMPSON.

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. 1963: Mr. KLECZKA.