HOUSE OF REPRESENTATIVES—*Friday, February 3, 1995*

The House met at 10 a.m.

PRAYER

The Reverend Dr. Ken Massey, pastor, Calvary Baptist Church, Waco, TX, offered the following prayer:

Almighty God, bless Your servants in Congress today. Grant them clear vision and immutable wisdom. Help them speak and act truthfully in a world of lies. Keep them true to Constitution and conscience.

I ask, O Lord, that You protect and sustain them as they seek to govern with integrity. As they turn to You, guard them from fear and grant them faith. Protect them from cynicism and give them courage. Save them from pride and lead them to authentic servanthood.

I especially ask You to bless those who work for peace today: Among warring nations, cultures in conflict, cities in crisis, families divided. Bless those who promote peace in this House and in Your house. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

LEGISLATIVE PROGRAM

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

Mr. VOLKMER. Mr. Speaker, I would inquire of the Chair, will there be any limitations on 1-minutes today?

The SPEAKER. The Chair is informed that we have talked with Members on the gentleman's side of the aisle, and if there is no Journal vote, the Chair will entertain 20 1-minute speeches on each side.

Mr. VOLKMER. I thank the Chair.

PLEDGE OF ALLEGIANCE

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

Mr. EDWARDS 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.

THE REVEREND DR. KEN MASSEY

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

Mr. EDWARDS. Mr. Speaker, it is my personal pleasure and privilege to introduce our guest chaplain of today, Dr. Kenneth Massey of my hometown of Waco, TX, a personal friend and my wife's pastor.

He is a native of Beaumont, TX, graduated from Baylor University in 1978. In 1984 and 1987 he received a masters and doctoral degrees from Southwestern Seminary in Forth Worth.

He pastored in Garland, TX and Marks, MS, and has been at Calvary Baptist in Waco since 1990.

He is married to Sara Miller Massey and has three wonderful children, Kristen, Aaron, and Adreana.

He enjoys hunting, golf, and reading and, in addition to a great pastorhood for Calvary Baptist, he has reached out to the community of Waco, TX, with his religious beliefs and convictions to all of the people of our great city.

REPUBLICAN CONTRACT WITH AMERICA

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

Mr. GUNDERSON. Mr. Speaker, our Contract With America states the following:

On the first day of Congress, a Republican House will:

Require Congress to live under the same laws as everyone else; cut committee staffs by one-third; and cut the congressional budget.

We have done that.

It goes on to state that in the first 100 days, we will vote on the following items: a balanced budget amendment—we have done this; unfunded mandates legislation—we have done this; line-item veto—we are doing that today; a new crime bill to stop violent criminals; welfare reform to encourage work, not dependence; family reinforcement to crack down on deadbeat dads and protect our children; tax cuts for families to lift Government's burden from middle income Americans; national security restoration to protect our freedoms; seniors citizens' equity act to allow our seniors to work without Government penalty; Government regulatory reform; commonsense legal reform to end frivolous lawsuits; and congressional term limits to make congress a citizen legislature.

Mr. Speaker, this is our Contract With America.

HOUSE RESOLUTION 66, A COMPROMISE ON TERM LIMITS

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

Mr. DEAL of Georgia. Mr. Speaker, soon this body will be considering the issue of term limits. It is an issue that divides many of us, not on the principle but on the details.

Roll Call has recently had a headline in which it talks about a civil war over term limits in which organizations that support certain numbers of years have actually had campaigns against those who support longer term limits. I have introduced House Resolution 66, which is a proposition that hopefully accommodates all of those who are interested in this issue. It would set a 12-year outer limit by this constitutional amendment, but would also recognize that States would not be preempted from setting lower limits by State statute if they chose to do so.

I would urge those who support the concept of term limits to examine House Resolution 66. It accommodates the principle of term limits, but recognizes the importance of States to set lower limits if they chose to do so.

ANNOUNCEMENT ON AMENDMENT PROCESS FOR THE CRIME BILLS

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

Mr. SOLOMON. Mr. Speaker, I wish to announce to Members that the Rules Committee will meet next Monday, February 6, at 2 p.m. to consider rules for the first two of the six crime bills ordered reported by the Judiciary Committee.

The first two bills are: H.R. 665, Victim Restitution Act, and H.R. 666, Exclusionary Rule Reform Act.

The chairman of the House Judiciary Committee has requested that each of these bills be considered under an open rule. He has further requested that the rule include a provision giving priority in recognition to Members who have caused their amendments to be printed in the amendment section of the CONGRESSIONAL RECORD prior to their consideration.

There is a strong possibility that the Rules Committee will report the rules requested, and Members may want to avail themselves of the option of pre-

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filing amendments in order to gain priority in recognition, though there is no requirement that they do so. Members will still be recognized whether their amendments are in the RECORD or not.

Later in the week it is anticipated that the Judiciary Committee will be coming to the Rules Committee with four additional crime bills. They are: H.R. 668, Criminal Alien Deportation Improvements Act; H.R. 667, Violent Criminal Incarceration Act; H.R. 729, Effective Death Penalty Act, and H.R. 728, Local Government Law Enforcement Block Grants Act.

Of these, the Criminal Alien Deportation Improvements Act may also be considered under an open rule with an option to gain priority in recognition by pre-printing amendments in the CONGRESSIONAL RECORD.

The remaining three bills may be considered for amendment under the 5-minute rule, with a possible overall time limitation on the amending process. There would also be the option to gain priority in recognition by pre-printing amendments in the CONGRESSIONAL RECORD.

If Members choose to avail themselves of the pre-printing option, amendments should be titled, "Submitted for printing under clause 6 of Rule XXIII," signed by the Member, and submitted at the Speaker's table.

Members should use the Office of the Legislative Counsel to ensure that their amendments are properly drafted.

The amendments must still be consistent with House rules. It is not necessary to submit amendments to the Rules Committee or to testify.

Mr. Speaker, I just wanted to put Members on notice as to what sort of amending process they might expect on the six crime bills.

TENTATIVE SCHEDULING OF CRIME BILLS IN RULES COMMITTEE

Bill	Judiciary files	Deadline announcement	Filing deadline	Rules meets	Rule on floor
H.R. 665, Victim restitution	2–2	NA (open)	NA	2–6	2–7
H.R. 666, Exclusionary rule reform	2–2	NA (open)	NA	2–6	2–7
H.R. 668, Criminal alien deportation	2–6	NA (open)	NA	2–8	2–9
H.R. 667, Violent criminal incarceration (prisons)	2–6		Noon, 2–7	2–8	2–9
H.R. 729, Effective death penalty	2–7		Noon, 2–8	2–9	2–10
H.R. 728, Block grants	2–8		Noon, 2–9	2–10	2–13

For the purpose of drafting amendments, the text to be amended will be available at the Judiciary Committee Office, 2138 Rayburn House Office Building, for the following bills on the following dates:

H.R. 667, February 6.

H.R. 729, February 7.

H.R. 728, February 8.

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

Mr. SOLOMON. I yield briefly to my friend, the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, under the three bills that we are talking about that would have a time limit, those are habeas corpus, and what are the three again?

Mr. SOLOMON. They are the Violent Criminal Incarceration Act, the Effective Death Penalty Act, and the Block Grants Act for Local Government Law Enforcement.

Mr. VOLKMER. Habeas corpus, the prison construction, and what was the third one?

Mr. SOLOMON. It is the block grants bill.

Mr. VOLKMER. The block grant. That is on the crime prevention program.

Mr. SOLOMON. Let me just explain. The first three bills will more than likely be considered under totally open rules, and that is the way it should be. The only exceptions to open rules would be in the next three. In other words, we may have to shut down debate to be out of here by April 8 so Members can have the 3 weeks back home for Easter and the district work period. That is terribly important.

□ 1010

And there is a possibility we might take the last three bills and limit debate to one full day. That could mean 12 hours from 10 a.m. to 10 p.m. on each of those last three. Hopefully we might not even have to do that. If we can just move along with these six crime bills, we will have gotten them out of the way so that we can stay on schedule for our Easter break.

Mr. VOLKMER. Will the gentleman be able to determine whether or not that even would be necessary somewhat by a number of amendments that may be prefiled?

Mr. SOLOMON. Could very well be. We are going to consult with the minority on all of these bills.

Mr. VOLKMER. All right. And the other thing, in other words, I would urge Members, like you have, for people to put them in the RECORD, and also to contact the Committee on Rules to give you a better idea of where you have to go.

Mr. SOLOMON. That is correct. And that can be very helpful to Members. I would point out that one Member on your side of the aisle prefiled an amendment for another bill. It turned out that it was a flawed amendment. The Parliamentarians caught it. The Member was able to correct it, and it benefited him. It would benefit all Members to prefile their amendments, although there is no requirement for that.

Mr. VOLKMER. Could I ask you one additional question?

Mr. SOLOMON. All right. We have to get on with it.

Mr. VOLKMER. I understand that. But I think this is very important.

You are saying that you are talking about an overall time limit on the total bill, not on any one amendment. Therefore, if there are, let us say, you do do that on one bill, let us take the habeas corpus bill, and let us say there are still 50 or 60 amendments that are offered, that means that at the end we would still have to vote on those amendments even though there may not be any debate time left?

Mr. SOLOMON. Not necessarily. If there were an overall time limitation on the amendment process, in other words, the consideration of amendments might cease at a particular time. Let's say there is 1 hour on the rule, 1 hour on the general debate, and 6 hours on the amendment process.

With another 4 hours of walking time—voting time—we could consume altogether up to 12 hours on the clock. At the end of the 6-hour debate period for amendments, not counting the time consumed in voting, no further amendments could be considered at that point. It would benefit Members if they have significant amendments to decide which of those are truly significant and lay them out so that Members can be to heard on those amendments. That would be fair to your side.

Mr. VOLKMER. I thank the gentleman.

INTRODUCTION OF LEGISLATION ON MAKING GOVERNMENT MORE EFFICIENT

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

Mr. FOLEY. Mr. Speaker, since I spoke here a week and a half ago about the outrageous amounts of money this body spends to provide Members of Congress with their own gold embossed set of code books, I received a great deal of support from colleagues on both sides of the aisle.

Today I will introduce a resolution that will make a few simple changes in the way Members obtain the United States Code book. First of all, this resolution will not prevent Members from obtaining the laws of this land for their use as legislators.

Instead, the measure will actually expand options for obtaining the code.

For instance, if they choose, Members can purchase the entire code for $37 on CD-ROM, or they can obtain the Government printed version of the code for a fraction of the cost. If they really want these gold books, buy them out of your own office account, not the Clerk's contingency fund.

Mr. Speaker, today is the 81st anniversary of the 16th amendment which gave the power of government to tax. Boy, have we taxed, and, boy, have we spent.

To people inside the beltway, saving half a billion dollars may be small and minuscule. To me it is a lot of money. To the taxpayers it is a lot of money.

I urge you to support my resolution on making Government more efficient.

SUPPORT AN INCREASE IN THE MINIMUM WAGE

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

Mr. KLINK. Mr. Speaker, today the President of the United States set forward a very bold plan that is overdue, and that is to raise the minimum wage for workers in this Nation who have steadily seen the erosion of their ability to support themselves and their families.

The actual minimum wage, when adjusted for inflation, has fallen 50 cents just since 1991, and it is 27 percent less than it was back in 1979.

I ask Members on both sides, Mr. Speaker, to support the President in this increase in the minimum wage, because it is needed. It is needed for people in my district.

I can remember back when we were trying to push the earned income tax credit as a part of President's budget. We got no votes from the other side, yet 26,000 families in my area that has been devastated by unemployment were affected by that. It helped those families to help themselves in this day and age when everybody is talking about welfare reform.

We cannot say that we can make millions of dollars on book deals when we are in Congress but we cannot have 45 cents for the American worker. We cannot say Members of Congress can go play golf with lobbyists and can have free dinners but we cannot have 45 cents for the American workers.

I laud the President, Mr. Speaker, and ask the support of both sides of the aisle.

A GREAT BIRTHDAY PRESENT FOR RONALD REAGAN

(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, we are going to give Ronald Reagan a great present for his birthday on Monday, and in the process, we will also be giving a great gift to the American people, because we are finally going to pass a line-item veto, an idea that Ronald Reagan championed more than anyone else.

As usual, he was way ahead of his time. Say goodbye to studies on cow flatulence, say goodbye to Belgian endive research, and say goodbye to research on the sex lives of certain insects. Say hello to responsible government and accountability.

If only the former majority had given Mr. Reagan the line-item veto in the first place, we might not be in this deficit mess. He could have used it to cut out some of the $219 billion in additional spending that the guardians of the old order added to his budget requests.

But it is better late than never.

Happy birthday, President Reagan, and this is your victory, and it is a victory for us all.

WHERE ARE THE JOBS PROGRAMS?

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

Mr. TRAFICANT. Mr. Speaker, the economists say that the economy is great. My question, Mr. Speaker: Are these economists smoking dope or what? Orange County is bankrupt. The District of Columbia is bankrupt. The trade deficit hit a record of $153 billion, and Americans keep getting pink slips.

Listen to this from the State of Washington to Kansas to Philadelphia, Boeing just laid off 7,000 workers.

Congress, it is jobs, living-wage jobs, and there is not a job program on the Republican side and there is not a job program on the Democrat side.

If there is any consolation, Mr. Speaker, Burger King is hiring, and I never heard of anybody that committed suicide by jumping out of a basement window.

WE ARE KEEPING OUR WORD WITH THE AMERICAN PEOPLE

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

Mr. WHITFIELD. Mr. Speaker, since January 4 this House has taken important steps to restore the credibility of this institution to the American people, and it is the American people who pay and provide the tax dollars for this Government to operate.

Here is what we have done in less than 1 month: We have enacted eight major reforms in the way Congress does business. We have passed a balanced budget amendment. We have passed legislation to end unfunded mandates to State and local governments. And today we move toward passage of a long-awaited line-item veto to eliminate waste and abuse in the Federal Government, and we are working hard, making important changes to continue this effort.

But more important, we are keeping our word with the American people, and that is what they expect.

THE MINIMUM WAGE: PUT WORKING PEOPLE FIRST

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

Mr. FAZIO of California. Mr. Speaker, we need to put working people first. The minimum wage increase proposed today will allow hard-working Americans the opportunity to take control of their future and secure for themselves and their families a place in America's middle class.

Too many Americans are struggling to make ends meet. They work longer hours for lower pay.

The average minimum-wage worker brings home about half of his or her family's income. Sixty-five percent of them are adults.

Providing people who are playing by the rules with more take-home pay will benefit not just a select few, it will help all of us. And we have a moral responsibility to insure that people who work are not living in poverty.

As we emphasize the importance of moving people off welfare and onto work and the Congress begins that debate, we should not lose at all the simple fact that a decent hourly wage cuts through a sea of Federal benefits programs and elaborate job-training programs to provide a firm hand of support.

The President has taken the lead in making work pay for all Americans. This Congress must respond to that challenge.

□ 1020

PASS THE LINE-ITEM VETO

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

Mr. CHRISTENSEN. Mr. Speaker, Monday will be the birthday of a great man—President Ronald Reagan. Monday will also be the day that we vote on the line-item veto. Over the last 40 years this body has stood idly by as we have passed a $4.5 trillion national debt onto our children and grandchildren. Mr. Speaker, we must end this lavish spending now, and the line-item veto will help us do so.

The line-item veto will empower the President to rid legislation of wasteful spending, forcing each expenditure to survive public scrutiny and survive on

its own. President Ronald Reagan had it right when he said that the line-item veto would allow the President "the right to reach into massive appropriation bills, pare away the waste, and enforce budget discipline."

The greatest gift we could give to one of the greatest Presidents of modern history is the line-item veto. Let us win one for the gipper. Let us win one for the American people. Let us pass the line-item veto.

THE GOLDEN GRAB AWARD

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

Mr. DINGELL. Mr. Speaker, for more than a decade I had the honor of chairing the Oversight and Investigations Subcommittee. That subcommittee regularly exposed waste, fraud, and abuse committed at the taxpayer's expense. We found defense contractors charging $600 for toilet seats, and billing the Government for the expense of boarding dogs. Environmental contractors who were supposed to clean toxic waste sites were instead wasting taxpayer money on lavish parties, reindeer suits, and clown costumes. Universities used Federal research dollars to pay for yachts and 19th century Italian fruitwood commodes. The Nation's Governors were baldly raiding Medicaid funds to build prisons, pave roads, or cut their own deficits.

The experience of the Oversight and Investigations Subcommittee teaches us that behind almost every wasteful Government project, questionable Government contract, or skewed Government regulation stands a long line of interests, palms extended. The entertainment industry honors excellence with its Golden Globe Awards. To honor excellence in bilking the taxpayer, I am today announcing the Golden Grab Award.

We will be giving such awards periodically, a statue of a human hand, palm out, extended.

I expect that the 104th Congress will give us a wealth of candidates for the Golden Grab. Already, Rupert Murdoch has shown that he can collect world leaders with book contracts the way children collect baseball trading cards.

Nominations are now open for the inaugural award. Winners will have their names engraved on a statue in the form of an outstretched hand, palm up.

BALANCED BUDGET AMENDMENT

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

Mr. BASS. Mr. Speaker, as a member of the Budget Committee and as a former member of the New Hampshire State senate, I know what it is like to balance budgets in good and also in hard times. That is why we passed a balanced budget amendment and sent it on to the Senate. That is why we passed an unfunded Federal mandate bill despite the dilatory tactics of a small minority of Members of this House. And that is why we will pass a line-item veto for the President.

Mr. Speaker, Orange County may be bankrupt, but so is the Federal Government, and it is time that we move to complete the third leg of the stool of accountability of Congress and to move to give the President the line-item veto so that each and every line of our budget is subject to justification in this House. So let us get on with it and pass the line-item veto on Monday.

WORKING FOR WORKERS' DIGNITY: THE MINIMUM WAGE

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

Mr. VENTO. Mr. Speaker, the Congress has the responsibility to help working families earn a living in the world of work. Today the minimum wage has slipped to the lowest value in decades. Men and women who are struggling to support themselves and their kids and American families are falling further behind. Unemployment is low, but many that are accepting jobs are receiving substandard wages and taking these jobs but not making ends meet. America needs a fair minimum wage. Decency demands that Congress act to give a fair shake to American workers.

The single parents, the persons trying to be able to make a living on his or her job, not with a government support program. The best welfare program is a job.

Action to raise the minimum wage, itself, helps workers, not a trickle-down political promise program to cut taxes for the rich, but social justice for workers on the job in America today.

Fairness and decency demand congressional action to make work pay. Let Congress Act to increase the minimum wage and be fair to the working people we represent.

LINE-ITEM VETO IS LONG OVERDUE

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

Mr. WELLER. Mr. Speaker, Christmas might come just once a year to most people in the country, but up here in Washington, land of plenty, the legislative Christmas tree shines all year long. Why? Because Congress for years has been practicing pork barrel politics.

In the past, Members have been able to hang their own little ornaments on appropriation bills, best known as Christmas trees which resulted in huge payoffs to someone back in their district. Unfortunately these ornaments cost the taxpayers hundreds of millions of dollars while only benefiting a select few.

But with the passage of a line-item veto, we are finally going to give the President of the United States the same power to remove these costly ornaments. Line-item veto will allow the President to enjoy the same authority as 43 Governors including my own Governor in Illinois, already practice. With line-item veto, we will end the long reign of pork barrel politics. This bill is long overdue.

DEMOCRATS WILL FIGHT FOR A FAIR MINIMUM WAGE

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

Mr. GEPHARDT. Mr. Speaker, over these past 2 years, President Clinton and the Democratic Party have been fighting for a single fundamental goal: To raise the standard of living of America's working families. Everything else is secondary to that goal. And if you are one of the millions of Americans who try to support a family on the minimum wage, your real wages have plummeted by almost a third since 1979.

How can you raise a family on $8,500 a year? That is why it is time to raise the minimum wage by 90 cents to lift up those who have been falling behind, to make work pay more than welfare, because too often that is just not the case today. We know that a minimum wage increase will not cost us jobs. Research shows that it creates jobs. And to the Speaker, who says this will widen the gap between American wages and those in Mexico and the Third World, I say: Do we want to raise the world's wages up or just drag ourselves down?

Republican Leader ARMEY not only opposes the increase, he wants to demolish the minimum wage altogether.

To the Republicans lower wages and fewer benefits are just money in the bank for American business. Never mind that people are suffering while profits soar.

This should not be a partisan issue. This is about our standard of living. The American people want this increase by an overwhelming margin, and Democrats are going to fight to give it to them because it is right for our economy and it is right for the hard-working families who are the heart of our party and the heart of our country.

SMALLER GOVERNMENT AND LOWER TAXES

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

Mr. HOKE. Mr. Speaker, some Greek archaeologists recently announced that they may have discovered the tomb of Alexander the Great deep in the desert of Western Egypt. When they found the body, it had a laminated copy of the Contract With America in one hand and an ancient hole puncher in the other.

I suppose the lesson is that the ideas of smaller government and lower taxes are timeless.

However, they were not always such popular ideas in this institution or in this city. It took a revolution for them to take hold here. But take hold they have.

And in just 28 days we have completely reformed the way Congress does business, passed a balanced budget amendment, passed an unfunded mandates bill, and we are about to pass a line item veto. We have done it in record time and passed every single one with significant bipartisan support. And this is just the beginning, Mr. Speaker.

Have you heard of the new cable station called the History Channel? Well, C-SPAN is the real history channel. It is history in the making. So do not touch that dial.

THE MINIMUM WAGE

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

Mrs. CLAYTON. Mr. Speaker, the President today proposed a modest increase in the minimum wage. We should support him. The President's proposal, combined with the earned income tax credit we passed last Congress, will go a long way in pushing millions of Americans out of poverty. Sixty percent or 6 out of every 10 of those who are minimum wage workers are women. Many of them have children. And, most minimum wage workers are poor.

Increases in the minimum wage have not kept pace with increases in the cost of living. That is why a worker can work full time, 40 hours a week, and still be below the poverty level. If the Federal Reserve Board can increase interest rates seven times in less than 6 months, with no inflation in sight, surely we can increase the minimum wage for the first time since April 1991, a period during which the cost of housing, food, and clothing has greatly risen for the minimum wage worker. The best welfare reform is a job, at a livable wage. I support this constrained request to lift millions of workers out of poverty.

□ 1030

PARLIAMENTARY INQUIRY

Ms. KAPTUR. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. TORKILDSEN). The gentlewoman will state her parliamentary inquiry.

Ms. KAPTUR. Mr. Speaker, my inquiry has to do with the courtesy extended to Members who are attempting to deliver their 1-minute messages this morning. I notice that Members on the other side are moving around the podium and placing their papers there, distracting from the individual who is speaking. Now this side has not chosen to use those tactics.

My inquiry is as to appropriate behavior when another Member of the House is addressing the public.

The SPEAKER pro tempore. The gentlewoman's observation is well taken. Members should not be standing in front of the rostrum while other Members are speaking, and the Chair would ask all Members to observe basic courtesy when Members are speaking in the House.

Ms. KAPTUR. And Members awaiting their turn to speak should be seated until they are recognized by the Speaker?

The SPEAKER pro tempore. Members should not traffic the well when any other Member is speaking.

WHY WE NEED REGULATORY REFORM AND A MORATORIUM ON NEW REGULATIONS

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

Mr. NORWOOD. Mr. Speaker, I rise to call your attention to another crazy regulatory scheme they are cooking up over at OSHA.

Buried in a proposed rule on indoor air quality is a requirement that employers provide 24 hours notice to employees every time a pesticide or hazardous chemical is used in the workplace. These so-called hazardous chemicals could include polishes, cleaners, air fresheners, pest control products, and so on. If OSHA has its way, every day my colleagues walk into this building, someone is going to hand you dozens of notices about chemicals that are going to be used tomorrow—if anybody can figure out what they are.

This is nuts. I do not need to know that Windex is going to be used in the men's room tomorrow. This is another example of an out-of-control agency that disregards common sense; this is another example of why we need regulatory reform and a moratorium on new regulations until we can sort this all out.

CONGRESSMEN EARNING 90 CENTS EVERY 45 SECONDS SHOULD SUPPORT INCREASING THE MINIMUM HOURLY WAGE BY 90 CENTS

(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, based on a 40-hour week, Members of this body make $64.40 an hour. When we leave the floor today, at 3 p.m., we will have earned $325.

For the millions of Americans who earn minimum wage, $325 means 2 weeks of work, 2 weeks sweeping the floors in our nursing homes; 2 weeks crouched behind a sewing machine putting together our clothes, 2 weeks changing the bedpans in our hospitals, 2 weeks, for what my colleagues and I will earn in the next 5 hours.

Today, the President has proposed increasing the minimum wage by 90 cents. Congressmen earn 90 cents every 45 seconds.

Yet, how easy it will be for so many of my $65 an hour colleagues to dismiss this increase. "Not needed," they will say. "Bad economic policy." Let me tell my colleagues what I believe is bad economic policy:

A minimum wage that leaves millions of Americans with children who are hungry, with college that cannot be paid for, with homes that cannot be bought and with dreams that will never be fulfilled.

That is bad economic policy. Do the right thing. Support a livable minimum wage.

GOOD NEWS FOR THE HOUSE

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

Mr. BAKER of California. Mr. Speaker, a Washington Post-ABC news poll released last Monday contains good news for this House and better news for the country. In only 3 months public confidence in Congress has doubled from 26 to 46 percent, the largest increase of its kind in the 20-year history of this poll. The majority of Americans now say Congress can deal with the big issues our country faces. The majority of Americans also say Republicans are breaking down legislative gridlock and getting things done.

We are making history, and we all know why. In last November's election Republicans, and a lot of Democrats, too, heard what the American people wanted, and they offered a written Contract for America. Open Congress to public scrutiny, balance the Federal budget, the line-item veto for the President, a stronger national defense and removing unfunded mandates from the backs of local and State governments are just the beginning of the contract. It is real change, and it is starting to overcome America's cynicism about their government.

If anyone still needs proof that the Republican Party's Contract With America has given the American people hope, they need only look to the polls.

INCREASING THE MINIMUM WAGE SHOULD NOT BE A PARTISAN ISSUE

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

Mr. RICHARDSON. Mr. Speaker, Democrats finally have a defining issue, increasing the minimum wage, but it should not be a partisan issue. If Republicans want a cut in the capital gains tax for those most fortunate Americans, surely they can support a modest increase in the minimum wage for the average worker. We need to move Americans from the underclass to the middle class, and this is mainly a women's issue. Women are 60 percent of those receiving minimum wage, and many of these women are heads of households. They deserve better.

Mr. Speaker, the last election was about putting money in people's pockets, and what we are talking about is $4.75 an hour the first year and $5.25 the next year.

Let us stop the bellyaching about losing jobs, and let us do the right thing.

MOVING THE COUNTRY FORWARD WITH EACH CONTRACT PROMISE WE KEEP

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

Mr. JONES. Mr. Speaker, what do 43 Governors have that President Clinton does not have? The answer: line-item veto.

By the end of the day Monday, President Reagan's birthday, this House will have approved a new power to help control Government spending that Democrats would not even give their own President.

With the line-item veto, Mr. Speaker, we cannot only cut wasteful spending, but we can return some accountability to Congress and, just as important, with each contract promise we keep, we not only move the country forward, but also help repair the bonds of trust between the people and their Representatives that have been so badly damaged over the last few decades. Politicians keeping promises will be greatly appreciated by the taxpayers of America.

IN SUPPORT OF A MINIMUM WAGE INCREASE

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

Mr. MASCARA. Mr. Speaker, I stand here today to voice my strong support for the 90-cent increase in the minimum wage proposed by President Clinton.

As my colleagues know, I represent southwestern Pennsylvania, an area of the country that lost 200,000 jobs in the 1980's when the winds of change blew through the steel mills and the coal mines.

Many of my constituents are now left to subsist on $4.25 per hour, or $8,840 per year, hardly a living wage and no where near enough to raise a family.

The facts are that adjusted for inflation, the value of the minimum wage has fallen by nearly 50 cents since 1991 and is now 27 percent lower in buying power than it was in 1979.

Mr. Speaker, in 1989 President Bush proposed, and many of my Republican colleagues supported, a similar minimum wage increase.

Now that we are about to undertake welfare reform, a minimum wage increase could be the first step in cutting welfare rolls and giving people a chance at a decent wage.

If we are going to be fair to our workers and help the economy to continue to grow, we should pass this modest minimum wage increase now.

American workers are crying out for us to help them.

□ 1040

PASSAGE OF LINE-ITEM VETO EXPECTED TO FALL ON EX-PRESIDENT REAGAN'S 84TH BIRTHDAY NEXT MONDAY

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

Mr. FORBES. Mr. Speaker, in his 1984 State of the Union Address President Ronald Reagan said, "As Governor, I found this line-item veto was a powerful tool against wasteful and extravagant spending. It works in 43 States. Let's put it to work in Washington for all the people."

Now, more than a decade later, President Reagan may get his wish. As Republicans continue to honor our Contract With America, we are finally close to the enactment of a line-item veto.

President Reagan communicated to us in ways that moved an entire nation. He painted pictures that emphasized our greatness, our heroes, and our hopes. His policies and his ideas were substantive, but he always had a knack for conveying a symbolism that helped Americans understand where he was taking us.

No one in this Chamber would ever try to compete with the style of President Reagan, but the symbolism of the vote on the line-item veto should not be lost. The House is scheduled to pass the line-item veto on Monday, February 6, Ronald Reagan's 84th birthday. We will deliver the Democrat President a budget-cutting device of surgical precision, a tool the Democrat Congress denied Ronald Reagan for 8 years.

MINIMUM WAGE RATE HIKE SEEN AS CRUCIAL TO WELFARE REFORM

(Ms. DELAURO asked and was given permission to address the House for 1 minute.)

Ms. DELAURO. Mr. Speaker, I was proud to join President Clinton and my Democratic colleagues this morning in announcing our plan to raise the minimum wage from $4.25 an hour to $5.15 an hour. I am proud because I believe that raising the minimum wage is the right thing to do.

Consider this: A family of three with a full-time minimum wage worker lives below the poverty level in America. By raising the minimum wage by 90 cents over the next 2 years, we can lift that family above the poverty line. People who are working full-time at honest jobs should be able to support their families.

More importantly, raising the minimum wage is crucial to welfare reform. We cannot ask people to move from welfare to work unless we make work pay again.

Mr. Speaker, it is time we value work again in this country. More importantly, it is time we value our workers. People who work hard and play by the rules deserve to make a living wage. Let us raise the minimum wage.

THE LINE-ITEM VETO—A NEW TOOL TO FIGHT THE DEFICIT

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

Mr. HEFLEY. Mr. Speaker, every year someone invents a new term for the line-item veto. We have had enhanced rescission authority, we have had impoundment control, we have had expedited rescission, and other names too numerous to list. But while the names have changed, there is one factor that has remained the same. That is that the big spenders in Congress have always been opposed. That is because the big spenders know that the line-item veto by any name means less spending and more cuts. It gives the President the ability to turn over the legislative rock and expose all the pork provisions and midnight deals to the light of day. Once exposed, they simply will not survive.

By enacting the line-item veto, we can trim billions of dollars off the deficit and restore accountability to the legislative process. Combined with the balanced budget amendment, it will force Congress to make those tough decisions we have avoided for years. It is one more tool in the fight against the deficit.

WORK SHOULD PAY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute.)

Mrs. SCHROEDER. Mr. Speaker, the message for today is that work should pay.

I proudly stood with the President of the United States when he said we must raise the minimum wage.

Right now, if you work on the minimum wage and you are lucky enough to have a job all year long and work 8 hours a day, you can bring home $8,500. That is tough. Imagine how those people feel. And 60 percent of them are women trying to support their families. Imagine how they feel when they hear Congressmen making $133,000 saying they cannot afford to live in Washington and they must live in their offices. Not only that, they get a tax advantage for living in Washington. Really this ought to be a bill that we pass by unanimous consent.

That is the least we can do for the working men and women of America. If we can raise this up, at least the average family will make $10,500 for full-time work, and that is very important.

Make work pay. That is the message of the day.

CONGRESS KEEPING ITS WORD TO THE AMERICAN PEOPLE

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

Mr. FOX of Pennsylvania. Mr. Speaker, America has a new Congress, new leadership, a new majority, a new direction, a new work ethic, and a new relationship with the American people. This Congress listened to the people and entered into a contract to make their voice heard.

What is also new is that this Congress is keeping its word. In bipartisan fashion, last week we passed a balanced budget amendment. This week another promise was fulfilled with the passage of the bill to stop unfunded mandates.

We signaled the end of the "Washington knows best" attitude of the Congresses that have preceded us. We ended the unprincipled, deceitful practice of Congress dumping expensive new laws and regulations on States and local communities and telling them, "Oh, by the way, you not only have to do as we say, your taxpayers have to pay the cost of implementing them."

Mr. Speaker, in the process of reaffirming our faith in that system of government with the passage of these laws, I believe we also took another major step toward restoring America's faith in Congress.

SHOULD MINIMUM WAGE BE TIED TO MEXICAN WAGES?

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

Mr. BONIOR. Mr. Speaker, at today's press conference, Speaker GINGRICH argued that the wages of American workers should not be raised because of the problems with the Mexican economy. Does the Speaker and the Republican Party really believe we should tie American wages, that the standard of living of American working families should be driven down to the standard of a living wage in Mexico?

It is time for us to stand up for working people in this country. People should be rewarded for their hard work. People who try to move from welfare to work should see that work pays. Yet a person on a minimum wage today who works hard, who works 40 hours a week, who takes responsibility for his or her action, who tries to raise a family finds that that family earns less than $9,000 a year.

Mr. Speaker, that is below the poverty line. Ask yourself, how could you raise a family on less than $9,000 a year?

Mr. Speaker, I urge my colleagues on both sides of the aisle to support the increase in the minimum wage.

TERM LIMITS

(Mrs. MYRICK asked and was given permission to address the House for 1 minute.)

Mrs. MYRICK. Mr. Speaker, I would like to remind my colleagues that hearings begin today in subcommittee on the most fundamental congressional reform issue we will face this session—term limits.

As these hearings begin, I ask my colleagues to join team 290—a bipartisan group of Members of Congress committed to passing a term limits amendment in the 104th Congress.

We are gathering commitments to support final passage of a term limits amendment this session. Please join us by signing the team 290 board in the Speaker's lobby today. If you can't join today, the board will be up from 9 to 5:30 daily.

Please join team 290 and show your commitment to true congressional reform through term limits.

MINIMUM WAGE INCREASE

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

Ms. ROYBAL-ALLARD. Mr. Speaker, I strongly support the President's decision to raise the minimum wage.

This bold action is an important step in helping to make the American dream a reality for millions of hard-working Americans.

Far too many Americans are working fulltime, only to face the cruel reality that they do not earn enough to support their families.

Today, the minimum wage is worth 27 percent less than it was in 1979.

To allow the devaluation of reward for honest work to continue without positive adjustment is a travesty which demeans the worker and the value of work he or she performs.

This devaluation has added countless individuals to the welfare rolls—individuals who would prefer to work, if only they could support their families by doing so.

I endorse the President's decision to recognize the American worker in this manner.

The increase is justified. Workers have earned it time and again through the honest sweat of their brow.

We must no longer allow their honest efforts to go unnoticed or unrewarded.

□ 1050

TERM LIMITS FOR MEMBERS OF CONGRESS

(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, I rise today in support of House Joint Resolution 66, which is offered by a fellow Georgian, a colleague of mine, a Democrat, NATHAN DEAL. It has bipartisan support, and I think it solves the problem that we are having on term limits, which is a philosophical debate amongst members of the same philosophical family. That is to say, should we pass a 12-year term limit or 6 or 8 years.

What the resolution offered by Representative DEAL does is say we will pass a bill, a constitutional amendment, requiring a 12-year term limit as the outer parameter, but if States want to continue with their own term limits under that amount, they are welcome to.

For example, the State of Florida right now has a term limit of 8 years. I believe California has one of 6 years. They can continue having that, and yet there will still be an overall limit of 12. This will help 19 States that already have term limit laws below 12 years.

Mr. Speaker, I think this is in line with the Contract With America, it has bipartisan support, and I urge its passage.

ON RAISING THE MINIMUM WAGE

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

Mr. OLVER. Mr. Speaker, it is time to raise the minimum wage. Today the minimum wage is $4.25 an hour. It has not been changed in 4 years.

That means a person working full-time, 40 hours a week, 52 weeks a year, will earn less than $9,000, and has not seen a raise in 4 years of work.

Families cannot live on that. No one can raise a child on that.

There is a lot of talk about work, not welfare. But if a full-time, minimum-

wage worker cannot even earn enough to reach the poverty line, work will not be a real alternative to welfare.

Millions of Americans are working hard, trying desperately to make ends meet, but still falling farther behind. That is not fair.

We must reward work, help families help themselves. The minimum wage must be raised to a livable wage.

LINE-ITEM VETO

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

Mr. PORTMAN. Mr. Speaker, with the passage of the unfunded mandate reform bill and the balanced budget amendment, we are actually starting to change the way Washington works. We are laying the groundwork for a new era of accountability. The next important step is the line-item veto.

For too long Congress has sent the White House jampacked, all-encompassing spending bills. This has meant the President has had to choose between signing unnecessary spending into law or shutting down the Government.

Every year questionable projects and tax benefits are included and buried in spending and tax bills. Let me give you a few examples. We have all heard them: $500,000 to build the Lawrence Welk museum in North Dakota. Hundreds of millions to stockpile helium for the military, when we already have enough helium in storage to meet the entire world's needs for helium for the next 10 years; $11.5 million for power plant modernization at the soon-to-be-closed Philadelphia Naval Shipyard; and $25 million for an Arctic region supercomputer at the University of Alaska to study how to trap energy from the aurora borealis.

The line-item veto is needed because it would allow the President flexibility to weed out and strike other wasteful spending items in an otherwise good bill.

THE MINIMUM WAGE AND FAMILY VALUES

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

Mr. DURBIN. Mr. speaker, now this is the Republican Party you remember. The Republican Party and Speaker GINGRICH oppose raising the minimum wage so hard-working Americans can earn a decent living. The same Republican Party which reveres family values, refuses a minimum-wage increase to the working mother trying to help her kids.

The same Republican Party which promises a tax cut for those earning $200,000 a year, denies 45 cents an hour to workers trying to feed their families. And the same Republicans who promise welfare reform and would rather build orphanages than create a minimum wage so people can lift themselves off of the dole.

The Grand Old Party. A lot of new faces and high-flying rhetoric, and even a new contract, but the same Republican insensitivity to the needs of average people.

A HOT 2 YEARS

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

Mr. DORNAN. Mr. Speaker, these are going to be 2 very difficult years, and I am going to try and save my thunder for outside the Halls of this Chamber and for New Hampshire and Iowa and other places. But I think every American should read the front page story of the Washington Post today on Mr. Clinton. It goes into A–4, and opens up, rips off, every tragic scab and scar from the 1992 campaign. Bob Woodward's book "Agenda" on page 287 has Mr. Clinton yelling, it says, "——— you" at a U.S. Senator, BOB KERREY, a Medal of Honor winner.

I am telling all my colleagues on both sides of the aisle, I saw George Stephanopoulos coming out of DICK GEPHARDT'S office the night before last. We know DICK has been in the press the last 2 days. Mr. Clinton is not going to be the nominee of your party. I believe it is going to be a Medal of Honor winner named BOB KERREY. That is going to create a lot of problems for our side.

Let us have a civil debate here. But when the gentleman from Illinois [Mr. DURBIN] gets up and hits my party, I have every right to say read "The Agenda," read "First in His Class," read the front page of the Post today. It is going to be a hot 2 years.

RAISE MINIMUM WAGE

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

Mr. WARD. Mr. Speaker, I rise today in strong support of President Clinton's proposal to raise the minimum wage by just 45 cents an hour over each of the next 2 years. Those of you watching today need to notice that while we Democrats are talking about helping working families, speaker after speaker on the other side stands silent on the increase in the minimum wage. They speak of anything but. That is because with inflation, the minimum wage has decreased almost 50 cents since 1991, and is currently only three-quarters of what it was in 1979.

How can we encourage people to get off of welfare when we do not provide them a decent wage? How can we say that we reward work over welfare when we do not provide the means by which an individual can achieve this goal?

Mr. Speaker, I applaud President Clinton's efforts, and I encourage my colleagues on both sides of the aisle to support this proposed increase.

DON'T LINK OUR SOVEREIGNTY TO MEXICO

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

Mr. STEARNS. Mr. Speaker, is it in our best interest to link the economic security of this country to markets controlled by a nation with a record of bankruptcies and devaluations?

In fact is it proper to do free trade with a country that has a history of these devaluations, repudiations of debts and a country that lacks real democratic reforms? Mr. Speaker, I am concerned about President Clinton's decision to bail out Mexico.

Let us face the facts—Mexico's political system has not been reformed as rapidly as its economy, and therein lies the problem.

Government corruption continues, particularly in the form of bribes and kickbacks for government projects and there is a large black market. There is no middle class and most of the wealth is controlled by a few families.

Mexico's average inflation rate from 1980 to 1991 was 66.5 percent. There is a high level of regulation and there needs more privatization of government businesses.

If we are to rely on back door bailouts for countries that have this economic history, then I question the New World Economic Order.

Mr. Speaker, the President should not link our economic sovereignty to a nation that does not have sound economic and political policies.

TIME TO RAISE MINIMUM WAGE

(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, now I have heard it all. Now I have heard everything. At his press conference today Speaker GINGRICH was asked about the minimum wage. He was asked if he plans to support a minimum-wage increase. You know what he said? He said we cannot raise the minimum wage. We can't raise it above $4.25. And do you know why? He said because of the problems with the Mexican economy. He said we can't raise wages here while the wages are going down in Mexico.

Does the Speaker really believe that we should base our pay raises in America on what is happening in Mexico? That Mexico should be our benchmark

for wages? That 58 cents an hour should be our standard? That is two quarters, one nickel, and three pennies, held together by a bunch of tape. Why does he want to continue to keep the American worker down?

Mr. Speaker, it is time we stand up for working people in this country. It is time we reward people for their hard work. It is time we raise the minimum wage.

TAX CUTS NEEDED, NOT MINIMUM-WAGE INCREASE

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

Mr. LONGLEY. Mr. Speaker, I want to talk about the minimum wage. In the last year I have been talking about the fact that in my State of Maine if I go out to a store to buy a pack of cigarettes, I will pay three taxes. If I go out and buy a can of beer, I will pay four taxes. But if I do the right thing and go out and create a job for a working person at the minimum wage in this country, I am going to pay or manage nine different taxes.

I am tired of the nonsense we are hearing about the minimum wage and how we can increase it and how we are going to do wonderful things for people. I want to focus on the fact that those nine taxes at the minimum wage exceed $1 an hour.

□ 1100

I think that is outrageous. When I talk to young people in my district, it is bad enough that many of them feel that with the payroll tax burden that is on their jobs, they are more likely to see a UFO than to get a Social Security check when they retire. It is bad enough that they are worried about whether they are going to even receive any benefits whatsoever, now they are going to be losing their jobs.

The issue is not what is going on in the private sector. The issue is a government that is taking $1 an hour out of the minimum wage. I think that is the real issue, and that is where the focus needs to be in the rest of this session.

RAISING THE MINIMUM WAGE

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, nothing speaks more clearly to the need for an increase in the minimum wage than the plight of poor children in America. Earlier this week, the National Center for Children in Poverty released a study that should trouble all of us. The study shows that one in every four children under the age of 6 in our country was living in poverty in 1992. That number is twice what it was in 1972 and includes an increase of 1 million children in the 5 years between 1987 and 1992.

Three of every five of these children have working parents, but they make the minimum wage. And it is not a living wage. Working parents are trying to provide a decent life for their children.

We have heard our colleagues talk about the fact that if someone works full-time minimum wage, they make $8,400 a year, nearly 50 percent below the poverty line.

We have a moral responsibility to give those working parents and their children a fighting chance by giving them a living wage. The American people agree. In December, the Wall Street Journal-NCB poll showed 75 to 20 the American people favored an increase in the minimum wage. In January the L.A. Times reported 72 percent.

In 1989, when we took up this vote, 382 Members of this House, including 135 Republicans, voted for the increase in the minimum wage.

Let us do it again.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. TORKILDSEN). As previously announced, the House has completed 20 1-minutes per side. Additional 1-minutes will occur after the close of business today.

REPORT ON HAITI—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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 and ordered to be printed:

To the Congress of the United States:

1. In December 1990, the Haitian people elected Jean-Bertrand Aristide as their President by an overwhelming margin in a free and fair election. The United States praised Haiti's success in peacefully implementing its democratic constitutional system and provided significant political and economic support to the new government. The Haitian military abruptly interrupted the consolidation of Haiti's new democracy when, in September 1991, it illegally and violently ousted President Aristide from office and drove him into exile.

2. The United States, on its own and with the Organization of American States (OAS), immediately imposed sanctions against the illegal regime. Upon the recommendation of the legitimate government of President Aristide and of the OAS, the United Nations Security Council imposed incrementally a universal embargo on Haiti, beginning June 16, 1993, with trade restrictions on certain strategic commodities. The United States actively supported the efforts of the OAS and the United Nations to restore democracy to Haiti and to bring about President Aristide's return by facilitating negotiations between the Haitian parties. The United States and the international community also offered material assistance within the context of an eventual negotiated settlement of the Haitian crisis to support the return to democracy, build constitutional structures, and foster economic well-being.

The continued defiance of the will of the international community by the illegal regime led to an intensification of bilateral and multilateral economic sanctions against Haiti in May 1994. The U.N. Security Council on May 6 adopted Resolution 917, imposing comprehensive trade sanctions and other measures on Haiti. This was followed by a succession of unilateral U.S. sanctions designed to isolate the illegal regime. To augment embargo enforcement, the United States and other countries entered into a cooperative endeavor with the Dominican Republic to monitor that country's enforcement of sanctions along its land border and in its coastal waters.

Defying coordinated international efforts, the illegal military regime in Haiti remained intransigent for some time. Internal repression continued to worsen, exemplified by the expulsion in July 1994 of the U.N./O.A.S.-sponsored International Civilian Mission (ICM) human rights observers. Responding to the threat to peace and security in the region, the U.N. Security Council passed Resolution 940 on July 31, 1994, authorizing the formation of a multinational force to use all necessary means to facilitate the departure from Haiti of the military leadership and the return of legitimate authorities including President Aristide.

In the succeeding weeks, the international community under U.S. leadership assembled a multinational coalition force to carry out this mandate. At my request, former President Carter, Chairman of the Senate Armed Services Committee Sam Nunn, and former Chairman of the Joint Chiefs of Staff Colin Powell went to Haiti on September 16 to meet with the *de facto* Haitian leadership. The threat of imminent military intervention combined with determined diplomacy achieved agreement in Port-au-Prince on September 18 for the *de facto* leaders to relinquish power by October 15. United States forces in the vanguard of the multinational coalition force drawn from 26 countries began a peaceful deployment in Haiti on September 19 and the military leaders have since relinquished power.

In a spirit of reconciliation and reconstruction, on September 25 President Aristide called for the immediate easing of sanctions so that the work of rebuilding could begin. In response to this request, on September 26 in an address before the United Nations General Assembly, I announced my intention to suspend all unilateral sanctions against Haiti except those that affected the military leaders and their immediate supporters and families. On September 29, the U.N. Security Council adopted Resolution 944 terminating U.N.-imposed sanctions as of the day after President Aristide returned to Haiti.

On October 15, President Aristide returned to Haiti to assume his official responsibilities. Effective October 16, 1994, by Executive Order No. 12932 (59 Fed. Reg. 52403, October 14, 1994), I terminated the national emergency declared on October 4, 1991, in Executive Order No. 12775, along with all sanctions with respect to Haiti imposed in that Executive order, subsequent Executive orders, and the Department of the Treasury regulations to deal with that emergency. This termination does not affect compliance and enforcement actions involving prior transactions or violations of the sanctions.

3. This report is submitted to the Congress pursuant to 50 U.S.C. 1641(c) and 1703(c). It is not a report on all U.S. activities with respect to Haiti, but discusses only those Administration actions and expenses since my last report (October 13, 1994) that are directly related to the national emergency with respect to Haiti declared in Executive Order No. 12775, as implemented pursuant to that order and Executive Orders Nos. 12779, 12853, 12872, 12914, 12917, 12920, and 12922.

4. The Department of the Treasury's Office of Foreign Assets Control (FAC) amended the Haitian Transactions Regulations, 31 C.F.R. Part 580 (the "HTR") on December 27, 1994 (59 Fed. Reg. 66476, December 27, 1994), to add section 580.524, indicating the termination of sanctions pursuant to Executive Order No. 12932, effective October 16, 1994. The effect of this amendment is to authorize all transactions previously prohibited by subpart B of the HTR or by the previously stated Executive orders. Reports due under general or specific license must still be filed with FAC covering activities up until the effective date of this termination. Enforcement actions with respect to past violations of the sanctions are not affected by the termination of sanctions. A copy of the FAC amendment is attached.

5. The total expenses incurred by the Federal Government during the period of the national emergency with respect to Haiti from October 4, 1991, through October 15, 1994, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to Haiti are estimated to be approximately $6.2 million, most of which represent wage and salary costs for Federal personnel. This estimate has been revised downward substantially from the sum of estimates previously reported in order to eliminate certain previously reported costs incurred with respect to Haiti, but not directly attributable to the exercise of powers and authorities conferred by the declaration of the terminated national emergency with respect to Haiti.

Thus, with the termination of sanctions, this is the last periodic report that will be submitted pursuant to 50 U.S.C. 1703(c) and also constitutes the last semiannual report and final report on Administration expenditures required pursuant to 50 U.S.C. 1641(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 3, 1995.*

LINE-ITEM VETO ACT

The SPEAKER pro tempore. Pursuant to House Resolution 55 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2.

□ 1103

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 further consideration of the bill (H.R. 2) to give the President item veto authority over appropriation acts and targeted tax benefits in revenue acts, with Mr. BOEHNER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, February 2, 1995, the amendment offered by the gentleman from Pennsylvania [Mr. KANJORSKI] had been disposed of and the bill was open for amendment at any point.

Are there further amendments to the bill?

AMENDMENT OFFERED BY MR. SPRATT

Mr. SPRATT. Mr. Chairman, I offer an amendment, amendment No. 20.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SPRATT: In section 2(a), insert "or tax incentive" after "tax benefit" the first place it appears.

At the end of Section 4, insert the following new paragraph:

(5) The term "tax incentive" means any deduction, credit, preference, or exemption from gross income, or any deferral of tax liability, causing tax revenues to be forgone as inducement for taxpayers to pursue or forbear from certain actions or activities.

Mr. SPRATT. Mr. Chairman, I rise to support the amendment known as the Moran-Spratt amendment.

Mr. Chairman, the advocates of H.R. 2 claim that they have found a way to give the President by statute powers that he does not enjoy under the Constitution, the power, specifically, of an item veto. They claim that this power will allow the President to cut out wasteful, unwarranted, spending in appropriations bills that we adopt every year.

Our amendment simply takes the President's newfound veto power to the realm of quasi-spending sometimes known as tax expenditures or tax incentives.

The committee bill already takes a tentative step in this direction. It delegates to the President the power to rescind targeted tax benefits, special interest tax provisions that benefit 100 or fewer taxpayers. But here it stops. It stops, in my opinion, far short of the right goal.

As to spending, this bill boldly covers virtually every item in 13 different appropriations bills, all with discretionary spending, $540 to $550 billion a year, but with tax expenditures it turns timid. It stops at a limited-interest tax provisions which are really just the tip of the iceberg.

Why is this bill so tough on spending and so easy on special interest tax incentives?

Let me read my colleagues what Newsweek said to explain last week, reading from Newsweek.

The fine print of the item veto bill reveals that though the Republicans are tough on spending, they are lax on special-interest tax giveaways. The vast majority of tax breaks, worth hundreds of billions of dollars, would remain immune from the President's veto. Any lobbyist looking for goodies from the Federal Government in the future could work through the tax code instead of working through spending bills.

For some years we all know that has been a favorite recourse. That has been a practice common here for 20 to 25 years. If we want to give people an incentive to install solar heat in their homes, we are not so obvious as to hand them out a subsidy. We allow them a tax credit for part of the cost.

If we want to promote oil and gas exploration, we do not fork over subsidies to the drillers. That would never be approved in the House, appropriating money for the major oil companies. We give them oil depletion allowances, or we let them expense costs that other businesses would be required to capitalize. Nobody notices because it is buried in the Tax Code, and who is to know when we are allowing one cost to be expensed rather than capitalized that we actually are giving a subsidy to this particular taxpayer.

Our amendment would give the President the power to police these tax expenditures, to comb through the Tax Code the way he will be able to comb through spending appropriation bills and cull out questionable policies and provisions.

Under our amendment, the President would have the right to rescind so-

called tax incentives or tax expenditures.

What are tax incentives or tax expenditures? Let me read the definition we use in our amendment for tax incentives. The term "tax incentive" means any deduction, credit, preference, or exemption from gross income or any deferral of tax liability causing tax revenues to be forgone as inducement for taxpayers to pursue or forbear from pursuit of certain activities or actions.

So long as we are going to be tough on spending, as this bill certainly will be, let us also be tough on tax giveaways. They amount to the same thing. They have the same bottom line impact on the deficit.

And for that reason, Mr. Chairman, I urge adoption of the Moran-Spratt amendment.

Mr. MORAN. Mr. Chairman, the Spratt-Moran amendment which we are now considering greatly improves upon the Line-Item Veto Act.

In the Contract on America and every piece of literature touting the Line-Item Veto Act, the Republicans are quick to claim that this would give the President the authority to cut out pork spending and targeted tax benefits. But if you look at the actual legislation, you will see that it does not give the President the authority to truly cut targeted tax benefits.

The original Line-Item Veto Act only allowed the President to veto tax benefits if they benefited five or fewer taxpayers. This is a joke. There is no law, no pork project, and no tax cut, no program enacted by this Congress that only benefits five or fewer Americans. This bill was amended in committee to increase the number up to 100, but it still is worthless. No omnibus tax bill contains a tax cut for John Doe of Alexandria, VA, or the Smith family in Fairfax. There are very, very few tax benefits targeted to any class with less than 100 persons.

Tax bills, however, do contain special interest giveaways. They are loaded with individual provisions designed to either induce taxpayers to do a certain activity or discourage taxpayers from doing another. Just last month, the Senate Budget Committee released a compendium of tax expenditures that identified $453 billion in individual tax provisions for fiscal year 1995 alone. We are making a big deal because this bill may open $10 billion in unauthorized spending each year to a potential line-item veto. But in the same breath we are passing on an opportunity to open $453 billion, nine times that amount, to the same authority.

Many of these individual tax provisions are positive and should be continued. But in the same vein, many of the items contained in appropriations bills are justifiable and serve the public interest. But some of these are questionable. On page 41 of this compendium, CRS notes the "Interest Allocation Rules Exception for Certain Nonfinancial Institutions". This tax benefit classifies a finance subsidiary of the Ford Motor Co. as a financial institution and costs the Federal taxpayers $200 million. What is the rationale for this tax break? Nobody knows, it was not mentioned in the committee reports on the Tax Reform Act of 1986. There is no pork project in any appropriations act that comes close to $200 million annually. On page 29 of this compendium is the "Exclusion of Income of Foreign Sales Corporations," a tax benefit which allows firms to exclude 15 percent of income of exports sold through special foreign subsidiaries set up as paper corporations. This tax benefit costs the Federal taxpayers $1.1 billion annually.

Some of these individual tax provisions, such as mortgage interest deductions, are positive and benefit almost every American family. But some are giveaways that increase our deficit for the benefit of a few wealthy corporations.

If we are serious about reducing the deficit and are serious about giving the Executive the ability to cut wasteful spending, we must also allow him to cut any and all unnecessary and unjustifiable tax subsidies.

I hope my colleagues will support this amendment.

Mr. CLINGER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. Having to oppose the amendment, I regret, because the gentleman from South Carolina [Mr. SPRATT] is certainly one of the most thoughtful, constructive, and contributing members of the committee. He has given enormous thought to this issue and to all of the issues involved in this legislation. But I think that he goes beyond, way beyond what we were attempting to get at in this bill, which would allow the President to veto very special, very limited, tax perks for special fat cat friends, "fat cats" being a broad term.

This, I think, is too broad, because it would allow the President to veto things like the homeowners mortgage deduction, the earned income tax credit, credits to assist family members in taking care of elderly and indigent relations.

Clearly, Mr. Chairman, this is way outside the scope of what we were attempting to have as a very targeted, very precise rifle shot attack on those egregious examples of overreaching which we have unfortunately seen too many examples of in our Tax Code in recent years.

This is a much broader policy initiative, and I think it is a worthy one. But I think for the purposes of this legislation, it broadens the scope of the legislation too much. I must oppose the amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. This amendment would make any tax incentive subject to the Presidential line-item veto. Tax incentives would include any deduction, credit, preference, or exemption from gross income of any deferral of tax liability. For example, the mortgage deduction and the exemption for dependents could be subject to the Presidential line-item veto.

□ 1110

A very disturbing trend seems to be developing in this debate. The new Republican majority seem to have two contracts with America, one in which they protect the tax loopholes of the wealthy and the other under which they sacrifice the programs for working people on the altar of deficit reduction.

I think that is wrong. And I think the American people can see through it. The majority would like us to believe that it is the middle-income tax cut that they want to protect, but in reality they are protecting many special interests that feed daily at the Federal trough of privilege and preferred treatment.

I have here, for example, a list that I would like for my colleague to know about. One such provision which gets special tax preference that the President would not be able to veto under this legislation is a provision favoring the oil and gas industry by repealing the minimum tax for depletion and intangible drilling costs for independents and oil drillers. Since we have more than 100 oil drillers in the country, the President could not veto this bill.

Another provision we have here gave a tax preference for purchasers of fuels containing alcohol. Since thousands of people can buy gasohol, the President would not line-item veto that provision, even though one company, Archer Daniel Midlands, controls about 90 percent of the gasohol market.

A third benefits purchasers of electric cars and cars powered by natural gas. Even though this provision really benefits a handful of carmakers, the President could not veto it since many people could buy the cars.

Let me cite another example where our Tax Code gives a special tax benefit or credit to drug companies doing business in Puerto Rico; 24 big companies with receipts exceeding $250 million got a total of $2.6 billion in tax credits from this provision in 1992, but because a total of 338 companies got benefits from this provision, the President could not veto it.

You know the Moran-Spratt amendment points out that Republicans like giving tax breaks to the wealthy, and there is no reason why those tax expenditures should not be subject to the line-item veto in the same way spending programs are.

Mr. Chairman, if deficit reduction is the goal, the benefits wealthy Americans and corporations receive must be on the table, not just spending programs for the working people in this country.

I urge my colleague to support the Moran-Spratt amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. SPRATT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 243, not voting 16, as follows:

[Roll No 89]

AYES—175

Abercrombie	Gibbons	Ortiz
Ackerman	Gonzalez	Orton
Andrews	Gordon	Owens
Baesler	Green	Pallone
Baldacci	Gutierrez	Payne (NJ)
Barrett (WI)	Hall (OH)	Payne (VA)
Bellenson	Hall (TX)	Pelosi
Bentsen	Hamilton	Peterson (FL)
Berman	Harman	Peterson (MN)
Bevill	Hastings (FL)	Pickett
Bishop	Hefner	Pomeroy
Bonior	Hilliard	Rahall
Borski	Hinchey	Rangel
Brewster	Holden	Reed
Browder	Jackson-Lee	Reynolds
Brown (CA)	Jacobs	Richardson
Brown (FL)	Jefferson	Rivers
Brown (OH)	Johnson (SD)	Roemer
Bryant (TX)	Johnson, E. B.	Roybal-Allard
Chapman	Johnston	Rush
Clay	Kanjorski	Sabo
Clayton	Kaptur	Sanders
Clement	Kennedy (MA)	Sawyer
Clyburn	Kennedy (RI)	Schroeder
Coleman	Kennelly	Schumer
Collins (IL)	Kildee	Scott
Condit	Kleczka	Serrano
Coyne	LaFalce	Skaggs
Cramer	Lantos	Skelton
Danner	Laughlin	Slaughter
de la Garza	Lewis (GA)	Spratt
Deal	Lincoln	Stark
DeFazio	Lofgren	Stenholm
DeLauro	Lowey	Stokes
Dellums	Luther	Studds
Deutsch	Maloney	Stupak
Dicks	Manton	Tanner
Dingell	Markey	Tauzin
Doggett	Mascara	Taylor (MS)
Dooley	Matsui	Tejeda
Doyle	McCarthy	Thompson
Durbin	McDermott	Thornton
Edwards	McHale	Thurman
Engel	McKinney	Torricelli
Eshoo	Meehan	Traficant
Farr	Meek	Tucker
Fattah	Menendez	Velazquez
Fazio	Mfume	Vento
Fields (LA)	Miller (CA)	Visclosky
Filner	Mineta	Volkmer
Flake	Minge	Ward
Foglietta	Mollohan	Waters
Ford	Montgomery	Williams
Frank (MA)	Moran	Wilson
Frost	Nadler	Wise
Furse	Neal	Wyden
Gejdenson	Oberstar	Yates
Gephardt	Obey	
Geren	Olver	

NOES—243

Allard	Boehlert	Chabot
Archer	Boehner	Chambliss
Armey	Bonilla	Chenoweth
Bachus	Bono	Christensen
Baker (CA)	Boucher	Chrysler
Baker (LA)	Brownback	Clinger
Ballenger	Bryant (TN)	Coble
Barcia	Bunn	Coburn
Barr	Bunning	Combest
Barrett (NE)	Burr	Conyers
Barton	Burton	Cooley
Bass	Buyer	Costello
Bateman	Callahan	Cox
Bereuter	Calvert	Crane
Bilbray	Camp	Crapo
Bilirakis	Canady	Cremeans
Bliley	Cardin	Cubin
Blute	Castle	Cunningham
Davis	Johnson, Sam	Quinn
DeLay	Jones	Radanovich
Diaz-Balart	Kasich	Ramstad
Dickey	Kim	Regula
Dixon	King	Riggs
Doolittle	Kingston	Roberts
Dornan	Klink	Rogers
Dreier	Klug	Rohrabacher
Duncan	Knollenberg	Ros-Lehtinen
Dunn	Kolbe	Rose
Ehlers	LaHood	Roth
Ehrlich	Latham	Roukema
Emerson	LaTourette	Royce
English	Lazio	Salmon
Ensign	Leach	Sanford
Evans	Levin	Saxton
Everett	Lewis (CA)	Scarborough
Ewing	Lewis (KY)	Schaefer
Fawell	Lightfoot	Schiff
Fields (TX)	Linder	Seastrand
Flanagan	Lipinski	Sensenbrenner
Foley	Livingston	Shadegg
Forbes	LoBiondo	Shaw
Fowler	Longley	Shays
Fox	Lucas	Shuster
Franks (CT)	Manzullo	Skeen
Franks (NJ)	Martinez	Smith (MI)
Frelinghuysen	Martini	Smith (NJ)
Frisa	McCollum	Smith (TX)
Funderburk	McCrery	Smith (WA)
Gallegly	McDade	Solomon
Ganske	McHugh	Souder
Gekas	McInnis	Spence
Gilchrest	McIntosh	Stearns
Gillmor	McKeon	Stump
Gilman	McNulty	Talent
Goodlatte	Meyers	Tate
Goodling	Mica	Taylor (NC)
Goss	Miller (FL)	Thomas
Graham	Mink	Thornberry
Greenwood	Molinari	Tiahrt
Gutknecht	Moorhead	Torkildsen
Hancock	Morella	Torres
Hansen	Murtha	Upton
Hastert	Myers	Vucanovich
Hastings (WA)	Myrick	Waldholtz
Hayes	Nethercutt	Walker
Hayworth	Neumann	Walsh
Hefley	Ney	Wamp
Heineman	Norwood	Watt (NC)
Herger	Nussle	Watts (OK)
Hilleary	Oxley	Weldon (FL)
Hobson	Packard	Weldon (PA)
Hoekstra	Parker	Weller
Hoke	Pastor	White
Horn	Paxon	Whitfield
Hostettler	Petri	Wicker
Houghton	Pombo	Wolf
Hunter	Porter	Wynn
Hutchinson	Portman	Young (AK)
Hyde	Poshard	Young (FL)
Inglis	Pryce	Zeliff
Johnson (CT)	Quillen	Zimmer

NOT VOTING—16

Bartlett	Istook	Stockman
Becerra	Kelly	Towns
Collins (GA)	Largent	Waxman
Collins (MI)	Metcalf	Woolsey
Gunderson	Moakley	
Hoyer	Sisisky	

□ 1131

The Clerk announced the following pairs:

On this vote:

Mr. Hoyer for, with Mr. Bartlett of Maryland against.

Mr. Towns for, with Mr. Largent against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. WOOLSEY. Mr. Speaker, I was unavoidably detained during the vote on the Spratt-Moran amendment to expand the President's line-item veto authority to include tax loopholes. Had I been present for this vote, I would have voted "Aye."

Mr. ARMEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have a few words about the schedule as the day proceeds.

I would like to mention to all the Members of the body that we are concerned about the snowstorm that is moving in, especially in the Midwest. We have a lot of Members who are anxious to travel. We have, I think it is four amendments we believe that we can move fast. We are trying to move the amendments as fast as we can. We are hopeful that with the cooperation of all the Members we might be able to complete our work today even before the scheduled 3 o'clock departure time. I think that could be beneficial to a lot of our traveling Members. I just wanted to bring to every Member's attention that insofar as we can move the debate and the amendments fast we might be able to alleviate their travel pressure.

I want to thank all the Members for their attention.

The CHAIRMAN. Are there any other amendments to be offered to the bill?

Mr. WISE. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask if the distinguished Chair of the full committee would engage in a discussion as to the scheduling.

The majority leader asked that we run amendments at this point. I am not aware of any amendments on the floor at this time. Is it the desire of the majority leader and the committee to go out if that is not the case, to go to the substitutes? What is the will here?

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

Mr. WISE. I yield to the Chair of the full committee.

Mr. CLINGER. I thank the gentleman for yielding.

Mr. Chairman, we have been noticed with a number of amendments that have been published in the RECORD, and we assumed that they would be offered in a timely fashion; that is, Ms. NORTON has an amendment, Mr. OBEY has an amendment, Ms. WATERS has an amendment, Mr. TAUZIN. We had anticipated that those amendments would be coming in due course. Our objective here would be to complete those amendments today, dispose of those amendments today, and deal with the substitutes. I know the gentleman from West Virginia [Mr. WISE] has a substitute which he would offer on Monday.

Mr. WISE. At this point it is my understanding, and I will defer to our ranking member, but it is my understanding that none of the Members are able to offer their amendments at this point or had not expected to.

So the question then becomes if there is concern about the weather, is it better to let Members go at this point; if there is concern about the weather and getting flights to the West and Midwest particularly before they get socked in, is it better, if the amendments are not offered, to——

Mr. CLINGER. If there are no amendments to be offered, I would suggest the gentleman who has a substitute would offer his substitute at this time and we would deal with that, or else we would move to final passage. In that event, we will postpone final passage until Monday.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WISE. I yield to the ranking member.

Mrs. COLLINS of Illinois. I thank the gentleman for yielding.

Mr. Chairman, if we do not have any amendments here now and if we are getting ready to go on the substitute, why would we hold final passage until Monday when we might not be able to get here on Monday?

I have been working here in Washington as long as the gentleman from Pennsylvania [Mr. CLINGER] has, I believe, and we understand that if there is a 12-inch snowstorm there is no way we are likely to be able to get here from wherever we are on Monday.

□ 1140

So it would seem to me, Mr. Chairman, the thing to do would be to go on with this legislation today, get it over with, if we possibly can. There are two options. One is to rise and come back whenever we can if we are stuck someplace because of the snow, and the other thing is to complete the bill today.

PARLIAMENTARY INQUIRY

Mr. CLINGER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. CLINGER. Mr. Chairman, in the event the substitute amendment would be offered, a substitute for the bill would be offered at this point, would it preclude the offering of other amendments upon the disposition of the substitute amendment?

The CHAIRMAN. In responding to the gentleman's parliamentary inquiry: not necessarily.

If the substitute were adopted, that would stop the amendment process with respect to the original-text substitute.

Mr. CLINGER. I understand.

Mr. WISE. Excuse me, Mr. Chairman, I could not hear the Chair. What was the ruling?

Mr. CLINGER. Mr. Chairman, I would tell the gentleman that I would encourage, in view of the fact that there are then no Members presently on the floor prepared to offer perfecting amendments, but only the gentleman standing who is prepared to offer a substitute amendment—my understanding is that if the gentleman's substitute would prevail, it would preclude consideration of further amendments. On the other hand, if the gentleman's substitute does not prevail, other amendments would be in order, and I would encourage the gentleman to present his substitute amendment.

Mr. WISE. In that case, Mr. Chairman, we will be happy to proceed.

The CHAIRMAN. Are there any other amendments to the bill?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WISE

Mr. WISE. Mr. Chairman, I offer an amendment in the nature of a substitute. It has been printed in the RECORD and is amendment No. 31.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. WISE: Strike all after the enacting clause and insert the following:

SECTION 1. EXPEDITED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS AND TARGETED TAX BENEFITS.

(a) IN GENERAL.—Section 1012 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 683) is amended to read as follows:

"EXPEDITED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS

"SEC. 1012. (a) PROPOSED RESCISSION OF BUDGET AUTHORITY OR REPEAL OF TARGETED TAX BENEFITS.—The President may propose, at the time and in the manner provided in subsection (b), the rescission of any budget authority provided in an appropriation Act or repeal of any targeted tax benefit provided in any revenue Act. If the President proposes a rescission of budget authority, he may also propose to reduce the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974 by an amount that does not exceed the amount of the proposed rescission. Funds made available for obligation under this procedure may not be proposed for rescission again under this section.

"(b) TRANSMITTAL OF SPECIAL MESSAGE.—

"(1) The President may transmit to Congress a special message proposing to rescind amounts of budget authority or to repeal any targeted tax benefit and include with that special message a draft bill that, if enacted, would only rescind that budget authority or repeal that targeted tax benefit unless the President also proposes a reduction in the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974. That bill shall clearly identify the amount of budget authority that is proposed to be rescinded for each program, project, or activity to which that budget authority relates or the targeted tax benefit proposed to be repealed, as the case may be. A targeted tax benefit may only be proposed to be repealed under this section during the 10-legislative-day period commencing on the day after the date of enactment of the provision proposed to be repealed.

"(2) In the case of an appropriation Act that includes accounts within the jurisdiction of more than one subcommittee of the Committee on Appropriations, the President in proposing to rescind budget authority under this section shall send a separate special message and accompanying draft bill for accounts within the jurisdiction of each such subcommittee.

"(3) Each special message shall specify, with respect to the budget authority proposed to be rescinded, the following—

"(A) the amount of budget authority which he proposes to be rescinded;

"(B) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

"(C) the reasons why the budget authority should be rescinded;

"(D) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect (including the effect on outlays and receipts in each fiscal year) of the proposed rescission;

"(E) all facts, circumstances, and considerations relating to or bearing upon the proposed rescission and the decision to effect the proposed rescission, and to the maximum extent practicable, the estimated effect of the proposed rescission upon the objects, purposes, and programs for which the budget authority is provided; and

"(F) a reduction in the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974, if proposed by the President.

Each special message shall specify, with respect to the proposed repeal of targeted tax benefits, the information required by subparagraphs (C), (D), and (E), as it relates to the proposed repeal.

"(c) PROCEDURES FOR EXPEDITED CONSIDERATION.—

"(1)(A) Before the close of the second legislative day of the House of Representatives after the date of receipt of a special message transmitted to Congress under subsection (b), the majority leader or minority leader of the House of Representatives shall introduce (by request) the draft bill accompanying that special message. If the bill is not introduced as provided in the preceding sentence, then, on the third legislative day of the House of Representatives after the date of receipt of that special message, any Member of that House may introduce the bill.

"(B) The bill shall be referred to the Committee on Appropriations or the Committee on Ways and Means of the House of Representatives, as applicable. The committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of that House after the date of receipt of that special message. If that committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

"(C) During consideration under this paragraph, any Member of the House of Representatives may move to strike any proposed rescission or rescissions of budget authority or any proposed repeal of a targeted tax benefit, as applicable, if supported by 49 other Members.

"(D) A vote on final passage of the bill shall be taken in the House of Representatives on or before the close of the 10th legislative day of that House after the date of the introduction of the bill in that House. If the bill is passed, the Clerk of the House of Representatives shall cause the bill to be engrossed, certified, and transmitted to the Senate within one calendar day of the day on which the bill is passed.

"(2)(A) A motion in the House of Representatives to proceed to the consideration of a bill under this section shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate in the House of Representatives on a bill under this section shall not exceed 4 hours, which shall be divided equally between those favoring and those opposing the bill. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit a bill under this section or to move to reconsider the vote by which the bill is agreed to or disagreed to.

"(C) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a bill under this section shall be decided without debate.

"(D) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a bill under this section shall be governed by the Rules of the House of Representatives. It shall not be in order in the House of Representatives to consider any rescission bill introduced pursuant to the provisions of this section under a suspension of the rules or under a special rule.

"(3)(A) A bill transmitted to the Senate pursuant to paragraph (1)(D) shall be referred to its Committee on Appropriations or Committee on Finance, as applicable. That committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of the Senate after it receives the bill. A committee failing to report the bill within such period shall be automatically discharged from consideration of the bill, and the bill shall be placed upon the appropriate calendar.

"(B) During consideration under this paragraph, any Member of the Senate may move to strike any proposed rescission or rescissions of budget authority or any proposed repeal of a targeted tax benefit, as applicable, if supported by 14 other Members.

"(4)(A) A motion in the Senate to proceed to the consideration of a bill under this section shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate in the Senate on a bill under this section, and all debatable motions and appeals in connection therewith (including debate pursuant to subparagraph (C)), shall not exceed 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

"(C) Debate in the Senate on any debatable motion or appeal in connection with a bill under this section shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

"(D) A motion in the Senate to further limit debate on a bill under this section is not debatable. A motion to recommit a bill under this section is not in order.

"(d) AMENDMENTS AND DIVISIONS PROHIBITED.—Except as otherwise provided by this section, no amendment to a bill considered under this section shall be in order in either the House of Representatives or the Senate. It shall not be in order to demand a division of the question in the House of Representatives (or in a Committee of the Whole) or in the Senate. No motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House to suspend the application of this subsection by unanimous consent.

"(e) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—(1) Any amount of budget authority proposed to be rescinded in a special message transmitted to Congress under subsection (b) shall be made available for obligation on the day after the date on which either House rejects the bill transmitted with that special message.

"(2) Any targeted tax benefit proposed to be repealed under this section as set forth in a special message transmitted by the President shall not be deemed repealed unless the bill transmitted with that special message is enacted into law.

"(f) DEFINITIONS.—For purposes of this section—

"(1) the term 'appropriation Act' means any general or special appropriation Act, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations;

"(2) the term 'legislative day' means, with respect to either House of Congress, any day of session; and

"(3) the term 'targeted tax benefit' means any provision of a revenue or reconciliation Act determined by the President to provide a Federal tax deduction, credit, exclusion, preference, or other concession to 100 or fewer beneficiaries. Any partnership, limited partnership, trust, or S corporation, and any subsidiary or affiliate of the same parent corporation, shall be deemed and counted as a single beneficiary regardless of the number of partners, limited partners, beneficiaries, shareholders, or affiliated corporate entities."

(b) EXERCISE OF RULEMAKING POWERS.—Section 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 note) is amended—

(1) in subsection (a), by striking "and 1017" and inserting "1012, and 1017"; and

(2) in subsection (d), by striking "section 1017" and inserting "sections 1012 and 1017"; and

(c) CONFORMING AMENDMENTS.—

(1) Section 1011 of the Congressional Budget Act of 1974 (2 U.S.C. 682(5)) is amended by repealing paragraphs (3) and (5) and by redesignating paragraph (4) as paragraph (3).

(2) Section 1014 of such Act (2 U.S.C. 685) is amended—

(A) in subsection (b)(1), by striking "or the reservation"; and

(B) in subsection (e)(1), by striking "or a reservation" and by striking "or each such reservation".

(3) Section 1015(a) of such Act (2 U.S.C. 686) is amended by striking "is to establish a reserve or", by striking "the establishment of such a reserve or", and by striking "reserve or" each other place it appears.

(4) Section 1017 of such Act (2 U.S.C. 687) is amended—

(A) in subsection (a), by striking "rescission bill introduced with respect to a special message or";

(B) in subsection (b)(1), by striking "rescission bill or", by striking "bill or" the second place it appears, by striking "rescission bill with respect to the same special message or", and by striking ", and the case may be,";

(C) in subsection (b)(2), by striking "bill or" each place it appears;

(D) in subsection (c), by striking "rescission" each place it appears and by striking "bill or" each place it appears;

(E) in subsection (d)(1), by striking "rescission bill or" and by striking ", and all amendments thereto (in the case of a rescission bill)";

(F) in subsection (d)(2)—

(i) by striking the first sentence;

(ii) by amending the second sentence to read as follows: "Debate on any debatable motion or appeal in connection with an impoundment resolution shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event that the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee.";

(iii) by striking the third sentence; and

(iv) in the fourth sentence, by striking "rescission bill or" and by striking "amendment, debatable motion," and by inserting "debatable motion";

(G) in paragraph (d)(3), by striking the second and third sentences; and

(H) by striking paragraphs (4), (5), (6), and (7) of paragraph (d).

(d) CLERICAL AMENDMENTS.—The item relating to section 1012 in the table of sections for subpart B of title X of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

"Sec. 1012. Expedited consideration of certain proposed rescissions and targeted tax benefits."

Mr. WISE. Mr. Chairman, this amendment, or the substitute that is being offered, is the Wise-Spratt-Stenholm substitute. Some call it expedited rescission; some would call the Republican version offered by the full committee enhanced rescission. Both are forms of line-item veto, and that is the first thing we have to get clear.

There are two goals, it seems to me, with any kind of modified line-item veto such as we are discussing today. The goals are that the President be able to line item items in appropriation bills that he or she thinks should be cut and that the President is entitled to a vote on those items; second, that all Members be held accountable for whether or not they voted to sustain the President, whether they voted to cut.

So, Mr. Chairman, the goals are: the President can veto and the Congress must vote. Underline the word "must." Second is that all Members be held accountable so that the public knows how BOB WISE voted in his district for these cuts and how others voted. In both cases what the gentleman from Pennsylvania [Mr. CLINGER], the distinguished chairman, is offering on behalf of the full committee is a form of line-item veto, and our expedited rescission bill is a form of line-item veto, and both have that process.

Now the Republican version and the Democratic version, the substitute version, in both cases the Congress must vote. That is not the present situation under current law. Under current law the President may issue a rescission, but if the Congress does not take it up and vote affirmatively in both Houses, the rescission fails.

Here it is a different process. In both versions, the Republican version and

our substitute, the Congress must take the measure up, and the Congress must vote. So the President gets his vote.

There is one major difference between the two versions. The difference is what does it take to sustain the President's veto? In the case of the Republican version, the full committee version, at the end of the day, after working our way through the whole process and the President sends it back, at the end of the day it takes two-thirds of this body to override a Presidential cut, a Presidential line-item veto. Under our substitute, which is essentially the same substitute that passed with 342 votes last year from the House, Republican and Democrat alike, under our substitute it is a simple majority, a simple majority. What our substitute does is to say that one-third plus one does not determine the fate of every line-item veto.

Now there are some other provisions that I think are important. Our substitute has the option for the President to allocate the moneys saved by the cutting to deficit reduction, in effect a form of lock box. That is in our amendment. Our substitute has in it language that has already been placed in the other version giving 50 Members on the floor the ability to break out a specific rescission for individual attention.

Our substitute also has in it the language that I believe is in the present version, the committee version, that permits the line item-ing of certain tax benefits to go to a class of 100 taxpayers or less.

So essentially what we are talking about here is whether or not my colleagues believe a majority ought to be all that is required to override the President or whether two-thirds. I say to my colleagues, "I urge you to look at this carefully and think. We don't know who the President will be in 2 years, or 6 years, or 10 years. Do you want to have to always be going up against a President knowing that one-third plus one in this body can overcome you at every opportunity? You can't even argue to a majority."

Now the argument is made that, if a majority passed an overall appropriation bill, then why is it likely to think that a majority would be willing to sustain a Presidential veto? In other words, a majority passed the bill; then the majority is not going to turn around and take items out of it, and I ask all of my colleagues to consider how bills, appropriation bills, are passed here. We vote on a total package. We may not like certain provisions in it, but we vote for it on the basis that the overall bill is preferable to a few of the items we disagree with.

However, when confronted with those individual items coming back by themselves, and particularly——

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

(By unanimous consent, Mr. WISE was allowed to proceed for 2 additional minutes.)

Mr. WISE. But when confronted with individual items coming back in a Presidential line-item veto or rescission, if my colleagues will, and knowing that the full public scrutiny is, "How did you vote on this controversial area or this controversial project," it is very likely that a majority would sustain that Presidential line-item veto or rescission. So it really gets down to two-thirds, or really gets down to whether one wants one-third plus one to run the appropriations process or one wants a majority vote. I remind my Republican colleagues and Democratic colleagues that 342 Members voted for this language in the past Congress.

So, with the Wise-Spratt-Stenholm substitute, Mr. Chairman, the President can rescind, the President is guaranteed a vote in Congress within 10 days of it coming to the Congress, and there is total accountability because the public sees how we vote on each item. I would ask that my colleagues uphold our substitute and guaranteed majority rule as opposed to one-third plus one.

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

Mr. WISE. I yield to the gentleman from Missouri.

□ 1150

Mr. VOLKMER. Mr. Chairman, as I have reviewed this over the years, as the House has deliberated on the line-item veto—and last year we came to the conclusion that basically the substitute the gentleman is now offering was the one that should become law—the one reason was to maintain the balance of power.

The gentleman has stated this is his opening remarks, and I would like to carry that a little further, because I think we really need to show this to the Members of the House. If the Republican version would ever become law and be held to be constitutional, the House could very well have no input at all. No Member of the House would have any input because with any President, knowing how this total system works, all he needs is 34 Senators. All he needs is 34 Senators, because both Houses have to override the veto. Is that correct?

Mr. WISE. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. WISE] has expired.

(On request of Mr. VOLKMER, and by unanimous consent, Mr. WISE was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield further, since both Houses have to override, as we have seen in other instances, other vetoes, those of us who have been here, with such things as the shoe and textile bill we passed and Reagan vetoed and Bush vetoed, all he had to do was get 34 Senators. So what we end up with is that the whole spending policy of this Nation is governed not by you folks, not by me, not by anybody in this House. As long as we have one President and he has 34 Senators he can count on, that is it; is that correct?

Mr. WISE. That is exactly correct.

Mr. VOLKMER. So 35 people out of this whole country would make the decision on spending priorities under the Republican version?

Mr. WISE. That is correct.

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

Mr. WISE. I yield to the gentleman from Virginia.

Mr. DAVIS. Mr. Chairman, I thank the gentleman for yielding. I have a question.

I, too, am uncomfortable about the two-thirds in both Houses having to override. That is a tremendous transfer of power from the legislative to the executive branch. But as I read the gentleman's amendment, in this particular case it appears that either House could kill the veto; is that correct?

Mr. WISE. Absolutely not. Both Houses have to vote. You have a vote in both Houses. For instance, if it came to the House and the House failed to pass the rescission, then obviously it does not go to the Senate because it has died here.

Mr. DAVIS. So in effect if one House approves the rescission but the other House does not, in effect one House can kill the rescission?

Mr. WISE. As is the case with any bill.

If I may continue to explain it to the gentleman, the difference between ours and the Republican version is this: When the President sends his rescission, it is introduced as a bill in the House. It goes to committee, it must be acted upon within 7 days, and it must be on the House floor within 10 days and voted on in the manner of any bill.

The difference here in the Republican version is that the Republican version requires the Congress to act affirmatively to pass a resolution of disapproval. Assuming it passes both Houses, it then goes to the President, who then presumably vetoes it, and it must then be overridden by two-thirds.

Mr. DAVIS. Let me state my concern to the gentleman and see if he can help and tell us what happens when you pork up some of these bills.

I will take the grant to Lamar University last year in the crime bill, which I think Americans looked at and asked, "Why is that there?" with the other kinds of programs that were in the bill. It did not seem to fit.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. WISE] has again expired.

(On request of Mr. DAVIS, and by unanimous consent, Mr. WISE was allowed to proceed for 1 additional minute.)

Mr. DAVIS. Mr. Chairman, if I may continue and if the gentleman will yield, in that case, that was an appropriation that standing by itself probably could not have survived.

Mr. WISE. I would be happy to talk some more about it, but as I recall, in that case it was not even an appropriation.

Mr. DAVIS. I understand that, but to get the principle once again, that was money that in point of fact both Houses would not have passed initially. It would not have passed muster. Under this, if it passed muster in only one House, it would survive a veto; is that correct?

Mr. WISE. Correct. And having been here when that was on the floor, by the time it got the scrutiny it did—and that is the purpose of the rescission process, the line item veto—by the time it got the scrutiny it did, both Houses overwhelmingly defeated it.

Mr. DAVIS. I am still uncomfortable with either House being able to overturn the President, but I understand the thrust of this.

Mr. WISE. But the gentleman might be equally as uncomfortable with the fact that one-third plus one in either body can control this whole process.

Mr. DAVIS. I am not comfortable with it.

Mr. Chairman, I thank the gentleman.

Mr. BLUTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a great deal of respect for my colleague, the gentleman from West Virginia, with whom I serve on two committees in this House, but I have to disagree and strongly oppose the Wise substitute.

I believe that we need a procedure strong enough to meet the crisis that we face in our budget situation. If we look at the amount of debt and the deficits we are running, it would indicate that we need a very strong tool to try to discipline that process and to try to end this deficit. Clearly this is not the only thing that will help us reduce our debt, reduce our deficit, but it is an important tool, and I believe we should side with a stronger measure.

It is clear that the Clinger bill we are now debating is prosavings. It leads toward savings, and the Wise substitute is prospending. It leans more toward spending than savings, and if we eventually want to get our deficit under control, if we want to finally deal with the problems we face, I think we need to give the President a strong tool, not a weak tool, and I would, therefore, urge opposition to the Wise substitute.

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. BLUTE. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman please inform this body, within the past 12 years how many budgets have been submitted by the President of the United States that were even within $100 billion of being balanced?

Mr. BLUTE. Reclaiming my time——

Mr. TAYLOR of Mississippi. No, I asked the gentleman a question.

Mr. BLUTE. And I am attempting to answer.

Mr. TAYLOR of Mississippi. How many times has the President of the United States submitted to the Congress a budget that was even $100 billion within being balanced?

Mr. BLUTE. I would say to the gentleman, reclaiming my time, the same number of budgets that the Democratic Congress passed that were balanced.

This is not a partisan issue. It is a bipartisan problem that we all as a country must face.

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. BLUTE. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Chairman, if a President, when given total authority—and this is one man who can write a budget all by himself—cannot submit a balanced budget or even a budget that is within $100 billion of being balanced, how on Earth do you think he is going to save us from ourselves? I did not come here to give my job away. I came here because I was elected to represent the people of south Mississippi and fulfill the constitutional duties that were given to me. If I had seen a record from the Presidency, from the Presidents of the United States, that had showed they are more frugal than us, I might think otherwise, but the fact is that over the past 40 years the combined Presidential budget requests have actually exceeded what this Congress has spent. I do not think those people are capable of saving us from ourselves.

Mr. BLUTE. Mr. Chairman, reclaiming my time. I would simply respond by saying, as somebody from the minority side said yesterday, that we are facing a new day. There is plenty of blame to go around in the past about who or what or why we have huge deficits and budgets that are out of control.

I certainly was not a Member of Congress during that period. I have been elected, and I think many other Members have been elected to try to reverse that dangerous trend and try to do something new, something that will eventually hopefully lead to a more balanced budget. The way to do that is to support the prosavings Clinger bill and oppose the Wise substitute.

Mrs. COLLINS of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the gentleman's substitute.

I have very serious reservations about line-item veto authority in any form. However, I firmly believe the proposed substitute is by far preferable to the authority in H.R. 2.

H.R. 2 is by Chairman CLINGER'S own description, the strongest possible rescission authority there is. Members have equated it during this debate to the authority of many Governors. However, they are wrong, and by making that comparison they show how very little they know about H.R. 2.

The authority in H.R. 2 is so strong that even many proponents of the line-item veto do not support it. In the Senate, Senator DOMENICI supports taking the approach that our colleague, Mr. WISE, takes in the substitute amendment we are now considering.

In addition, many Members clearly do not understand what H.R. 2 actually does. Throughout this debate, we have heard time and again that 43 Governors have line-item veto authority, so why should not the President also have the authority. However, the fact is that only 10 of those 43 Governors have authority that even comes close at all to the authority given the President that H.R. 2 provides.

H.R. 2 does not simply let the President veto a particular line of spending authority in an appropriations bill, as many Governors can do. As the Congressional Research Service said, H.R. 2 would let a President reach "as deep as he likes within an appropriations account to propose specific rescissions."

As a result, Dr. Robert Reischauer, Director of the Congressional Budget Office, testified before our committee that H.R. 2 gives the President "greater potential power than a constitutionally approved item veto."

The potential for a President to abuse this extraordinary power is enormous. He could threaten to curtail funds for a particular Federal court, if he decides they are ruling against him too often. Given the fact that the executive branch is a party to about 50 percent of all cases before Federal courts, there are many reasons the President may want to exert influence over judges.

However, the greatest abuse of power under H.R. 2 is that the President is assured of being able to make his rescission effective, as long as he has the support of one-third plus one of the Members in either the House or the Senate. This makes it highly unlikely that the Congress would be able to disapprove a Presidential rescission, except on rare occasions.

The substitute being offered strikes a more responsible balance of power between the President and the Congress. The substitute does two very important things. Like under current law, the substitute says a Presidential rescission cannot go into effect unless the Congress approves it.

Unlike current law, however, the substitute requires the Congress to vote on each and every rescission proposed

by the President. The proposal offered by the gentleman would require the appropriations committees to report a bill implementing a President's proposed rescission within 7 days, or be discharged from further consideration. The rescission approval bill would then be considered on the floor within 10 days.

This is a very reasonable alternative to H.R. 2. It also has a far better chance of being upheld by the courts. Under the substitute, Congress must fulfill its constitutional responsibility for appropriating revenues; the President's rescissions can only become effective by act of Congress.

However, under H.R. 2 the President can sign appropriations bills and tax bills into law in a form that Congress never passed. Each Member of this body should think very hard before voting to give up his constitutional responsibilities for the Federal purse.

On that point I would note that Assistant Attorney General Walter Dellenger challenged the constitutionality of H.R. 2 in testimony he gave last week before the Senate Judiciary Committee. Referring to authority in H.R. 2 that permits the President to veto targeted tax benefit, Mr. Dellenger said, and I quote:

> It does so by purporting to authorize the President to "veto" targeted tax benefits after they become law, thus resulting in their "repeal". * * * The use of the terms "veto" and "repeal" is constitutionally problematic. Article I, clause 7 of the Constitution provides that the President only can exercise his "veto" power before a provision becomes law. As for the word "repeal," it suggests that the President is being given authorization to change existing law on his own. This arguably would violate the plain textual provision of Article I, clause 7 of the Constitution, governing the manner in which federal laws are to be made and altered.

Clearly, H.R. 2 has major constitutional problems. If you are for the line-item veto, you should, therefore, vote for the Wise substitute. It gives the President the authority and flexibility he needs, and it allows Congress to fulfill its constitutional responsibilities to tax and appropriate Federal revenues.

I urge my colleagues to support the gentleman's amendment.

□ 1200

Mr. CLINGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I must rise in opposition to the amendment by my good friend, the gentleman from West Virginia [Mr. WISE], who is a very thoughtful and very helpful member of our committee.

President Clinton has asked us to send him the strongest possible line-item veto. This proposed substitute is not the strongest possible line-item veto. This amendment would replace what we have from H.R. 2 with little more than a very weak, in my view, nonfunctioning procedure. There is certainly no guarantee that the procedure would function, that which exists in current law and which has contributed to pass very wasteful spending.

An expedited rescissions procedure, which is the procedure encompassed within the Wise amendment, simply attempts to speed up the current approval process, but it does not do that very efficiently. In fact, I think it does it rather poorly.

The amendment would still permit a single House of Congress to kill the President's rescissions and force the release of moneys, which was the subject of the dialog with the gentleman from Virginia.

Although an expedited rescission process would at least on its surface require Congress to vote on the President's rescissions proposal and therefore improve current law, those assurances are illusory. The proposed expedited procedures are offered solely under the rulemaking authority of Congress and can be readily waived.

As we who have served in this body for some time know, the rules have been routinely waived on matters of this sort. So there is nothing in this amendment that would ensure us, provide the absolute assurance that we would have a vote on these rescissions.

In fact, that happened in 1992 when the requisite number of House Members sought to discharge appropriations of 96 rescissions. The rules were waived at that time to prevent the discharge, and Members were denied a vote on the President's rescissions proposal. In compliance with law the withheld funds were released, and wasteful spending occurred.

I think the same sort of event could happen here by virtue of just allowing the rules to be waived. We would not get the assurance of a vote.

While an expedited rescissions process attempts to ensure Members' chance to vote, nothing would prevent the Committee on Rules from once again waiving House rules and preventing a vote.

I want to commend the gentleman on his attempt at deficit reduction through the inclusion of a lockbox in this amendment. However, that benefit will really mean little on the process unlikely to produce substantial rescissions in the first place.

In other words, the lockbox is a good idea. In other words, we can get some sort of assurance that if rescissions take place, they will not then be subject to the authorizing committee using it for some other purpose, but would in fact go toward deficit reduction. I think that is a useful contribution.

But if there is no insurance we are actually going to get the rescissions, and I do not think there is one with this process, the lockbox really is sort of meaningless.

So because this amendment does little to improve our failed current system of impoundments and maintains the existing bias against spending cuts, I urge defeat of the amendment.

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

Mr. CLINGER. I yield to the gentleman from West Virginia.

Mr. WISE. Mr. Chairman, the gentleman made a couple of points, one of the same points the gentleman from Virginia [Mr. DAVIS] made. As I understand it, it is criticizing our approach on the grounds that a single House, if the President's rescission were defeated in the House, that it would not even go to the Senate.

But is it not also true that in the gentleman's proposal, one-third plus one in either House can deny a majority who would want to override the President's rescission?

Mr. CLINGER. That is right.

Mr. WISE. So the gentleman has a one-House veto, in effect, as well.

Mr. CLINGER. But both Houses would have initially voted by a majority.

Mr. WISE. That certainly is the case.

Mr. CLINGER. We have a guarantee you get a vote. There is no such guarantee in the gentleman's amendment, because it could be waived.

Mr. WISE. The President's rescission is handled as a bill with a guaranteed time within which there must be a vote in the first House it is introduced. If it is introduced in the House of Representatives, it has to be on the floor within 10 days, it must be voted on, up or down, as is the case with any bill. If it fails to get a majority vote, then, of course, the gentleman is correct, it does not go to the Senate.

As I understand the gentleman, at the end of the day, not the majority vote that sends it back to the President, but at the end of the day, assuming the President vetoes the resolution of disapproval, it is true, is it not, that one-third plus one in either House could defeat the will of the majority in both Houses?

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CLINGER] has expired.

(At the request of Mr. WISE and by unanimous consent, Mr. WISE was allowed to proceed for 3 additional minutes.)

Mr. CLINGER. Mr. Chairman, the gentleman is correct. But I think fundamentally we have a philosophic difference over how tight this provision should be. What we are saying is we want to make it as difficult as possible, as difficult as possible, for this House, which has proven in the past to not be able to restrain itself, to, in fact, deny the President the ability to cut spending.

Mr. WISE. If the gentleman will continue to yield for another question, I just wanted to make sure it was understood that in our substitute, you cannot be tied up in committee. That if

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the committee fails to act within 7 legislative days of having received the package, then it is automatically discharged and put on the calendar for the next appropriate time. So there has to be full consideration by the first House at least.

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

Mr. CLINGER. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I am just curious. I just thought I heard the gentleman say that the reason for this bill in this form was the inability of the Congress to control appropriated dollars. Is that accurate?

□ 1210

Mr. CLINGER. Mr. Chairman, reclaiming my time, I am suggesting that the Congress, and I think we can apportion the blame on both sides, there has been an inability under existing procedures, certainly under the existing empowerment procedure for us to really effect cuts in spending, reductions in the deficit.

Mr. SABO. Mr. Chairman, if the gentleman will continue to yield, I am curious. I heard my friend, the gentleman from Mississippi [Mr. TAYLOR], speak of this earlier. I am curious what the record is over the last 40 years in terms of requests for appropriated dollars versus what the Congress has appropriated.

If I am not wrong, Presidents have traditionally, both historically and in recent years, whether it be Reagan, Bush, or Clinton, they have all asked for more appropriated dollars than Congress has appropriated.

Am I not right?

Mr. CLINGER. Mr. Chairman, that may well be true, but I am suggesting to the gentleman that we are not blameless in this exercise of deficit reduction. As I indicated to the gentleman, we had an event in 1992, where an effort was made to try and deal with 1996 rescissions. We were not able to do that.

The procedures we have now do not let us deal in an expeditious way with the requests to reduce.

Mr. SABO. Mr. Chairman, if the gentleman will continue to yield, so I can understand this bill and the rationale for it here, to give unprecedented power to the President, is that the history is that Congress has appropriated less money than Presidents have asked for.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CLINGER] has expired.

(On request of Mr. SABO, and by unanimous consent, Mr. CLINGER was allowed to proceed for 2 additional minutes.)

Mr. SABO. Mr. Chairman, Congress has passed as much or more rescissions in total than Presidents have asked for, that in the budget process we have strict spending limits on appropriated dollars.

I am curious if the gentleman could tell me, clearly, where the large growth in Federal spending has occurred is entitlement programs. How does this bill deal with either existing, expanded, or new entitlement authority?

Mr. CLINGER. Reclaiming my time, Mr. Chairman, this bill does not attempt to solve the problem that the gentleman is referring to. I think we all recognize that entitlements indeed are a major cause of the deficit problem we have. But we are, in this bill, approaching discretionary spending. It is a modest start.

Clearly, the entitlement problem has to be addressed. It cannot be addressed in this bill, but I would join the gentleman in efforts to deal with what is clearly the burgeoning problem that we face in this country and the burgeoning problem that is creating the deficits we have which are the entitlement problem.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Wise amendment, and I know that my friends on both sides of the aisle who feel very strongly that for some reason we need a pure line-item veto, pure being defined as one-third plus one minority control, and there are those on both sides that feel that, I want to point out again that that is not what we are voting on in H.R. 2. This is not a pure line-item veto, because it is not being constitutionally imposed.

I respect those who believe that we need to have stronger language than what is perceived to be in the modified version that the gentleman from West Virginia [Mr. WISE] is offering at this moment. I sincerely respect those who believe that the only way we can make this language stronger is somehow to give a President one-third plus one minority. I could not more sincerely or strongly disagree with that.

What some have called a modified line-item veto or what we prefer to call expedited rescission procedure is the approach that many of us have always found preferable, both sides of the aisle. Under this scenario, a President still would be given the opportunity to propose cuts to individual spending or tax items. That is not in dispute with me. That is not in dispute with the substitute before us today. We all agree that any President may go into any bill, including all of the bills. I believe it ought to be entitlements. I believe it ought to be tax bills. I believe it ought to be everything. If we are going to do what we all want to do, and that is make it more difficult for us to spend money, that is, increase the deficit, we ought to, in fact, allow the President to have a more major role in doing so.

The only question is, how much power do you wish to cede to a President. That is it.

Under our scenario, within 10 legislative days after the President sent such a rescission package to the Congress, a vote on that package would be taken. We keep talking about the world as it has been. The world has changed. We are no longer operating under what we used to do.

I do not anticipate we are going to see supplemental bills this thick hurting people's hands when they are dropped on the table. That is not going to happen under the leadership on this side, I do not believe.

If a majority of Members voted to retain fundings—if, in fact, an individual Member chooses to differ with what a President suggests ought to be vetoed, I believe very strongly that an individual Member who differs with the President ought to have the opportunity to get an up and down vote on that individual item. The base bill was amended yesterday with the Thurman amendment to provide that that can happen. If it is a program of the gentleman from Texas [Mr. STENHOLM] in question, if I can get 49 of my colleagues to agree on a separate vote, it will be taken separately. That is now in both bills.

But if the remainder of the rescissions were approved by a simple majority of the House, the bill would then be sent to the Senate for consideration under the same expedited procedure.

I want to put a little historical perspective to this amendment, because I certainly do not want to stand here and take partisan credit on behalf of the Democratic side for this amendment. Because expedited rescission legislation embodies an idea which many Members, both Democrats and Republicans, have fought hard for over the years. Dan Quayle first introduced expedited rescission legislation in 1985. Tom Carper and the gentleman from Texas [Mr. ARMEY] did yeoman's work in promoting this legislation. On the Democratic side the gentleman from South Dakota [Mr. JOHNSON], Dan Glickman, Tim Penny, the gentleman from Virginia [Mr. PAYNE] have spent years, as have Lynn Martin, Bill Frenzel, the gentleman from New York [Mr. SOLOMON], the gentleman from Illinois [Mr. FAWELL], and others, made meaningful contributions to the language that we are now debating.

Of course, the language which we voted on last year was the Stenholm-Penny-Kasich amendment. The deficit reduction prowess of my two cohorts in that effort is almost legendary and deservedly so. Thanks to effort of these and other Members, the House overwhelmingly passed expedited rescission legislation in each of the past 3 years.

I do not in any way intend to imply that all Members have supported expedited rescission to the exclusion of, or

even in preference to, a pure line-item veto, although this proposal was described a few years ago by the gentleman from New York [Mr. SOLOMON] as a tremendous compromise that this House can support overwhelmingly on both sides of the aisle. My friend from New York has always made it clear that he prefers the one-third plus one approach. And again, I say to those who prefer giving the President that much power on any individual item in the budget, I respect that. But I differ strongly with that view.

The CHAIRMAN. The time of the gentleman from Texas [Mr. STENHOLM] has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 5 additional minutes.)

Mr. STENHOLM. What I am saying is that in an overwhelmingly bipartisan way, Members have stated, through their words and their votes, that the expedited rescission procedure is a very good one, and I believe much preferable to the base bill. We must bring greater accountability to the appropriations process and the tax benefits process so that individual items may be considered on their individual merits.

The current rescission process does not make the President or the Congress accountable. We all agree on that. Congress can ignore the President's rescissions. The President can blame the Congress, Congress can blame the President and nothing happens. But my friend from Massachusetts a moment ago, I believe, misunderstands H.R. 2. Because under H.R. 2, I will submit to my colleagues, there is not greater deficit reduction that will occur because under the base bill, if the President chooses to line-item veto *x* amount of spending and the Congress does nothing, that is, lets it take effect, the deficit is not removed because the caps on spending are not changed under the base bill.

□ 1220

Therefore, even though Members say it is much preferable, I believe a close examination of the language will show that the Wise amendment is much preferable if Members are interested in getting the deficit down by removing and lowering the caps.

Another area in which the Wise amendment is much superior to H.R. 2, if Members are concerned about getting the deficit down, is the fact that we only, on tax items, say that there is a 10-day period in which it must be acted upon. Any other spending, the President can do it at any time during the year, not within a short period of time immediately following the appropriations process.

If Members are really serious about getting the deficit down, which this Member is, it seems to me we would want to allow the President to go into these bills at any time and rescind at any point in time those spending measures. That seems to be preferable to only having to do it within a narrow window.

I do not understand how H.R. 2 can be submitted as being stronger than the Wise amendment when in both of these cases I think a fair examination would show that the Wise amendment is in fact much stronger, if Members are concerned about letting the President go in and veto the unnecessary spending items that we all agree need to be done. The general public is fed up with finger pointing.

I guess I would just like to say in conclusion, Mr. Chairman, the only area of major disagreement that I have, and I think the debate last night on the Skelton amendment suddenly focused a lot of people's attention on what we are talking about, do Members really want to give any President the right to go into any bill, line item, and then only have to get one-third plus one of the Members of this body to agree? Is that really what we want to do? Do we really want to change the separation of powers to that extent?

What we are saying in this substitute, let us let any President go into any bill, veto as much as he wishes to do, send it to us, and we must vote, we cannot duck, we must vote on those particular items. If it turns out to be one of our favorite programs, then we must get 49 of our colleagues to stand up and separate, so we vote on that individually. If it is CHARLIE STENHOLM's favorite project, and I cannot get 50 percent of my colleagues to agree that money ought to be spent, it is gone, period, teetotaled.

Therefore, I think it is very important that in this debate we understand and we read this legislation, because there is a gross misunderstanding of how strong H.R. 2 is for accomplishing the goals that we are all saying.

I believe, upon an honest examination, the work of people going back to Dan Quayle in 1985, and going through a bipartisan effort since 1985, will show that the language in the Wise amendment is much preferable if Members really and truly want to get on with line item vetoing individual appropriation bills, out of appropriation bills, and also going further in the area of tax and even into the area, perhaps some day, of entitlements, et cetera. That is not in the amendment before us.

Mr. Chairman, I ask Members again, do they really want to change the power of the Constitution regarding the separation of powers? That is the only honest-to-goodness argument my colleagues on this side have, and some of my friends on this side.

The only honest difference between the two is whether we want one-third or 50 percent. The rest of it gets pretty hazy. In fact, I will submit again and again, and be glad to discuss privately, why H.R. 2 is weaker than Wise if Members in fact want to accomplish the goal of lowering the caps and lowering expenditures by congressional action.

Mr. JOHNSON of South Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I thank the gentleman from Texas [Mr. STENHOLM] who has very ably explained the complication, the difficulty we have with the two-thirds vote.

If in fact this Congress appropriated specific funds for a weapons systems or for a defense appropriations purpose and the President line-item vetoed that expenditure, the President plus one-third and one vote would in fact overrun the will and the priorities of this Congress. The same could be said for any area of the Federal budget.

However, let me say that while all of us are here on the floor today ostensibly to talk about ways to reduce the size of the Federal budget deficit, it distresses me that as this discussion has gone on, it has become very apparent that there are those on the other side, on the Republican side, who have consistently said "Let's subject children's and veterans' and senior citizens' programs to reductions in spending," but have been unwilling to subject special tax favors that benefit largely the very wealthy contributors to Congress to the same kind of discipline. I think that is unfortunate.

Here we are again, talking about ways to save money, to reduce the size of the deficit, when in fact the tax favors contribute as much to the deficit as any of the spending programs. Therefore, I do see this as a one-sided debate. Even so, however, I think it is important that we go forward as best we can.

Mr. Chairman, one of the issues that it seems to me needs greater stress is this reference to the two-thirds vote as somehow being the stronger version. The two-thirds vote approach is not the stronger version, unless we are simply talking about enhancing the power of the President.

If we are talking about cutting spending, the Wise amendment is the stronger version. The two-thirds vote results in a massive shift of authority to the executive branch, of whichever party that President might be.

It will be used, as has often been the case at the State level, not to cut spending but in fact to enforce the budget agenda of the executive. I can imagine President Bush telling Members, individual Members of Congress, that "Either you support my increase in foreign aid, or you will lose every increase in foreign aid, or you will lose every project in your State." I can imagine President Clinton saying "Support my health care plan, or you will lose every project in your State."

It is vote extortion that the two-thirds rule permits and in fact encourages. Better that we have the majority vote so the President can lay individual spending items on the table, say "Congress, if you think this is a good thing to spend money on, you vote up-or-down. Go home and tell your constituents that you took a recorded rollcall vote that you thought that was a good thing to spend money on."

If the projects in my State are not meritorious enough to gain a majority vote, they should not be passed, but I do not think that a two-thirds vote is the proper shift of power. I think that it is something that this institution will rue for years to come.

The question is, what is pork? I think that is fundamental to this entire debate. Pork is not something, a budget expenditure, the Congress favors over the President. A pork item is a project that is nonmeritorious, that would not stand on its own two legs. It would not stand a majority vote.

What we are saying is let us cut them out. Let us have an opportunity for a recorded rollcall vote. Let us put the spotlight on them, so we reduce that kind of spending, and yet at the same time not give the authority to the executive branch, whether it be Republican or Democrat, to extort, to coerce votes out of the legislative branch. That is what is fundamental in this debate.

Mr. Chairman, what we have here is a debate partly on reducing the deficit, although I think all of us who have looked at the budget carefully understand that pork barrel spending, however it is defined, is a relatively modest part of the problem; although I think we also would agree that if we can save a dollar, we ought to save a dollar, and we need to set about doing that.

But the larger issue is congressional accountability: Will Congress be accountable to the people for its individual spending items? The Wise amendment does that.

The other approach, the two-thirds vote approach, does not result in accountability. It simply results in greater authority for the executive branch to coerce votes for its legislative agenda, rather than for saving money, and rather than for enforcing congressional accountability.

Mr. Chairman, I rise in strong support of the Wise amendment, and encourage bipartisan support for this effort, which I think will be a very positive step in the direction of greater congressional accountability, reducing the Federal budget deficit. This is the approach which passed last year, which stands a chance of passing in the other Chamber. I think it is a badly needed reform.

Mr. CLEMENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this has been a great debate. These are things that we have needed to talk about for a long time. Going into my eighth year, I have had the opportunity to vote on a line-item veto two times now.

We have passed it in the House of Representatives, but it was blocked in the U.S. Senate. I do not think we will ever have a better opportunity than now. We have our window of opportunity to pass a line-item veto, but which one are we going to pass? Are we going to pass the Wise-Stenholm-Spratt, which I support, or H.R. 2? In my opinion, the Wise amendment is the best one for us to consider and pass at this particular time.

Mr. Chairman, it took us all the way from George Washington to Ronald Reagan to accumulate a national debt of $1 trillion, and in two administrations, in the Reagan and Bush administrations, we tripled that debt from $1 trillion to $3 trillion.

□ 1230

We saw more spending, or more proposed spending than even what the Congress authorized in those two administrations. We have seen a lot of irresponsibility not only in the presidential administrations, whether they be Democrat or Republican, but we have seen it in the U.S. Congress. All of us are in agreement that we have got to have more discipline than we have had before. But how do we accomplish that?

In my opinion, the modified line-item veto is the answer to many of our problems. Every one of us as a Member of Congress has a laundry list of where we want to cut. Unfortunately, every one of us has a different list. Therefore, we do not cut anything.

Now we have an opportunity, where if we pass some legislation, it goes to the President, and then he has to contemplate, "Well, do I sign this particular bill or not?" At least if he finds an area where we have waste and mismanagement, he can send that particular part of that legislation back to the U.S. Congress where he does not have to veto the entire package, and where he can line item and veto a particular part of the legislation, send it back to us where we can then make a determination, are we going to pass it and override it with a simple majority override, or are we going to take a different direction?

But at least we can focus attention in that particular area, and the American people are going to come into the picture. Because even with a simple majority override, the American people are going to speak. They know. They keep up with us. They watch. They know what we are voting on, and they will be able to also influence whether we should vote for an override or not, whether this is waste or mismanagement, and move us toward a balanced budget.

We have already passed a balanced budget amendment in the House of Representatives. Now we have an opportunity to pass the line-item veto. We are doing some great things in the U.S. Congress that I have been trying to do ever since I have been here, long before I knew what it meant when we called it a Contract for America. I did not know what a Contract for America was. Many of those things I will support which I think are in the best interests of America.

Let us support the Wise-Stenholm-Spratt amendment. That is the best approach when it comes to having a modified line item veto, and what the American people need and want to bring about some fiscal discipline once and for all.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first I rise in support of the amendment offered by the gentleman from West Virginia [Mr. WISE], my distinguished colleague. But I recognize, as everyone in this Chamber recognizes, this amendment will fail, because that is not the nature of how this House is presently organized.

So my remarks will go to the result of what will happen here.

We are now in the final hours of our discussion and debate on the issue of the line-item veto. I would like to place this action in some kind of stark reality.

Mr. Chairman, what we are about to do today and on Monday is going to, for the balance of our lifetimes, every single person in this Chamber for the balance of our lifetimes, we are changing the nature of American Government. And more people are probably watching a murder trial at this very moment than are paying attention to what we are about to do to the very fragile notion of the balance of power that has made this Government a shining light of democracy throughout the world.

Mr. Chairman, first to the issue of vetoes generally.

When the Founding persons, the Framers of the Constitution, the people who discussed and debated night and day for weeks and months to come up with our form of government arrived at a discussion of the power of the President to use a veto, they never, Mr. Chairman, anticipated that the President would use the veto as an ongoing regular instrument of governance, but that the President would use the veto rarely, only on rare occasions when the President really believed that the fate of the Nation and that the health of the people was in some way endangered; and that when the President on those few occasions used the veto, it would require two-thirds of the body of the direct representatives of the people, the Congress, to overturn that.

When you read the Federalist Papers, you understand that the Framers did not want the President to use the veto on a regular basis because it would change the nature of our government.

You ask the American people: What is the basic principle of American democracy? It is majority rule, 50 percent plus 1. The sad reality is that many American people are not even aware of the fact that it takes two-thirds to override a veto. If you do not believe me, call some town meetings, and you will be shocked at the level of sophistication about this issue, when people said, "Wait a minute. You mean it takes two-thirds to override a veto?"

Absolutely. And if you have a combination, Mr. Chairman, of a President willing to aggressively use the veto as an instrument of governance, you can govern this country by what I refer to as the tyranny of the minority, because with a President willing to aggressively use the veto, one-third plus 1 can dominate the American political processes. Dominate it.

Now we are talking about a line item veto which guarantees that veto will be used as an ongoing instrument of governance. Ongoing. Vetoes would now be in our lives with even greater flair, greater drama, and greater impact, giving one-third plus 1, not a simple majority, the ability to shape policy, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. Mr. Chairman, we are now giving the President of the United States, irrespective of party, power far beyond that contemplated by the persons who framed the nature of this Government. Far beyond it.

But we are going to do this. As I understand the symbolism, we are going to do it by 2 p.m. on Monday, so that you give this legislation as a gift to a former President.

Here is the greater danger. Once you do it, Mr. Chairman, it is not going to ever be undone. The American people need to wake up to the reality that this Government is being changed at such an extraordinary, fundamental level that any reasonable thinking human being should be disturbed by what we are about to do.

Let me tell you why we will not change it. Two years from now, another group of people will come in here. Suppose someone says, "My God, we gave the President this enormous power. Let's write a bill to rescind it." Do you think any President will give back power once you have given it to that President? They will veto it. And guess what? One-third plus 1 can kill it again.

So understand, Members of the Committee you are changing American Government for all time. For all time.

Yesterday someone offered an amendment to put a sunset provision in the bill. Let us stop this madness in 5 years if it does not work.

□ 1240

Vote that down so you do not even have an instrument to recapture the beauty and the magnificence that made this Constitution and this Government as framed by the founding persons, immortalized in the Federalist Papers by what we are doing here. We are rushing to judgment because a campaign promise was made.

I believe in making campaign promises. I do not vilify them, but I have said before, and will repeat again today and tomorrow and after that, that when we move from campaign promise to legislative initiative that has this kind of extraordinary and dramatic potential impact on the form of this Government, and on the American people's lives, the fundamental contract to the people is that we enter into a thoughtful enough processes to look efficaciously at what it is we are doing.

What is so sacrosanct about 100 days when we are about to change the Government for 100 years? Whatever your politics, left, right, or center, that is not my argument here. I appreciate this system brings us here with different values and principles.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. So, Mr. Chairman, we can come and debate and engage each other substantively on the issues. We do not all have to think alike. That is frightening and dangerous anyway. What keeps the body politic honest and flowing healthy is when there are competing ideas. I can appreciate that.

But the one place where we ought to come together and stand shoulder to shoulder and hip to hip is any time we contemplate changing the Government that has brought us over 200 years to this moment.

Mr. Chairman, I know that my colleagues are going to do this thing, and my only hope, my only hope is that enough American people will awake even to the reality that their lives have been fundamentally altered, because their representatives, their responsibilities have been fundamentally changed, the Constitution has been fundamentally altered, the balance of power has been fundamentally altered, and if we ever want to establish an imperial Presidency and impotent Congress, wait until 2:30 on Monday, and that is exactly what we will have and it is frightening and disturbing.

I am happy to engage any Member on this floor in a debate on the critical nature of what we are doing.

Mr. MORAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have had a constructive debate, and many of the points that our colleague from California emphasized have been brought up in the course of amendments.

This side is disappointed that many of those, all of those amendments really were defeated. Many of them were not even fully considered by most of this body.

We just killed an amendment, the gentleman from South Carolina [Mr. SPRATT] and I had to apply the line item veto to tax bills as well as appropriation bills because those Members who have been around for any period of time, particularly in the last two terms, are aware that anything that is in an appropriations bill that could be considered pork gets subjected not only to the scrutiny of the Committee on Appropriations, but invariably we have to debate it and vote on it on this floor.

Not so with tax bills. Tax bills are replete with special provisions. Newsweek this week pointed out the fact that this is the biggest loophole, and yet a provision to subject tax bills to the same kind of scrutiny was killed in committee, and just this morning killed on the floor.

I offered an amendment to try to protect the separation of powers, reminding our colleagues that the people that served in this body in 1939, and it was an overwhelmingly Democratic Congress and obviously a Democratic President, passed a law designed to protect the judiciary. This line-item veto essentially repeals that law.

When President Roosevelt could not pack the Court and the Court would not go along with his New Deal, he started cutting out bailiffs' money, he started cutting the money for Court clerks, he took away their travel funds. He punished them. He used the power of the Presidency, which, in fact, was too much at that time in the view of the legislative branch, and so it passed a law saying that the executive branch has to pass through whatever request is made for the judiciary. The legislative branch, which does not litigate before the Supreme Court and thus does not have that conflict of interest, knowing that the Justice Department brings more than half of the cases before the Supreme Court and has a clear conflict of interest, it has to pass it on to the legislative branch, and the legislative Appropriations Committee does whatever is necessary.

We are talking about a very small amount of money. We are not talking about busting the budget, we are not even talking about any courthouse construction, just small items that allow the Supreme Court to function. But now all of these items are subject to line-item veto.

That was a mistake. When President Eisenhower called Chief Justice Warren and suggested to him it was not

time to desegregate the schools and Chief Justice Warren said well, I am going to do what I think is right, he had that independence because he knew there was no way that the President, the executive branch could punish him if he did differently than what the executive branch offered.

But now we are going to repeal that, we are going to give extraordinary power to the executive branch.

I worked for President Johnson, and for President Nixon, and I was on the staff of the Senate Committee on Appropriations during the terms of President Ford and President Carter.

I know that President Ford and President Carter would have observed the basic principle of separation of powers. They probably would not have abused the line-item veto. But let me tell my colleagues that President Nixon would have, in my opinion, and President Johnson, because he knew where everything was buried or he knew every project that had gotten through the Senate, every special tax provision, he would have abused it outrageously.

I think we ought to recognize the threat to the fundamental principles that our forefathers put into the Constitution, the fundamental principle of separation of powers.

That is why this kind of amendment is so important, this substitute amendment, because it preserves some balance. The bill that is invariably going to get enacted because this side is marching in lockstep now, does fundamental damage to the basic structure of this Government.

I would just conclude by saying one last thing.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. MORAN] has expired.

(By unanimous consent, Mr. MORAN was allowed to proceed for 1½ additional minutes.)

Mr. MORAN. Mr. Chairman, no one in the 21st century even, which is about to occur within another 5 years, no one is really going to remember our faces or our names or even the words that we utter here on the floor of the House. But they will remember what we did, because it will affect their lives.

We represent the most prosperous nation on Earth, the freest nation on Earth, the Nation that has the most respect for human rights, for civil rights, a legislative body that people all over the world are coming to study. All these emerging democracies come over here to see how we operate. We are a model for the world, we are a model for the 20th century. We should be going into the 21st century building upon our strength and not eroding it, as this bill does.

□ 1250

Mr. HOSTETTLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are in a crisis in this country, and that crisis is one of fiscal irresponsibility.

We talked about campaign promises, the gentleman from California did, and he is exactly right, because there are three constituents back in my district, my three children, that I have a great responsibility to now.

And we are hearing all sorts of rhetoric from the other side, but there are really two discussions going on on the other side, and I would just like to possibly get some clarification on those, the first of which is that this proposed line-item veto will give two-thirds majority veto power to the President, and that will be too much power. But in the campaign, as I ran against a Democrat incumbent, I was told through the media, through my opponent and from the Democrat Party in general that the reason why my children have such a burden on them is because of 12 years of Republican rule, because for 12 years Republican Presidents spent too much money.

So let us just back up one moment to the Constitution. The Constitution gives the appropriating powers to the U.S. Congress, and if the Congress chooses not to appropriate funds, those moneys are not spent.

So my question is this: As we hear that this will give the President too much power, is this more power than supposedly Ronald Reagan had, more power than supposedly George Bush had to control spending and, therefore, put my children's future in graver risk? Or was it incorrect on the campaign trail, which at times we all tend to get a little verbose on the campaign trail, but was it not true that it was the fault of the appropriating body, according to the Constitution? Was it the problem of the appropriating body that my children have this debt?

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

Mr. HOSTETTLER. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, it seems to me that anybody who was here at that time ought to admit that it was a failure of both institutions, the Congress and the President. But I would make quite clear, if the gentleman would bear with me, the fact is that since the Impoundment Act passed, or since the Budget Act passed, in 1974, the Congress has spent $20 billion less, less, than Presidents asked us to spend.

Mr. HOSTETTLER. Reclaiming my time once again, $20 billion less. But how much more in debt? How many times was the debt limit raised?

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HOSTETTLER] has expired.

(By unanimous consent, Mr. HOSTETTLER was allowed to proceed for 2 additional minutes.)

Mr. HOSTETTLER. Mr. Chairman, how many times was the debt limit raised as a result of a majority vote of this House?

Mr. OBEY. If the gentleman will yield further, I was here in 1981. I offered the major alternatives to both the Reagan budget and the Democratic budget, because I thought that both of them broke the bank. Our substitute, which a majority of Democrats voted for, borrowed less and spent less than any other alternative before the body.

I do not think it is useful to get into who shot John in the past. But if the gentleman wants to do that, the record is clear.

Mr. HOSTETTLER. No. But we have today shot John once again in the past. I am not running in lockstep, as you all know, with this side, but what we must do is we must give the President the power, since this body has proven time and time again that it cannot do that. We must give the President the power that was supposedly given to him, according to the campaign rhetoric that was there, and if that is the case, then we will bring fiscal responsibility to this Federal Government, and we will not continue down the same path. That is why we need to give this two-thirds power, not because we are giving overwhelming power to the President, but because we are in a crisis, a fiscal crisis.

Mr. OBEY. Mr. Chairman, I ask that the gentleman from Indiana [Mr. HOSTETTLER] be allowed 2 more minutes.

The CHAIRMAN. The gentleman from Indiana has time remaining.

Mr. HOYER. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana [Mr. HOSTETTLER] be granted an additional 5 minutes.

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

There was no objection.

Mr. OBEY. Mr. Chairman, if the gentleman will yield further, let me simply say I respect the gentleman. I respect the vote he cast last week.

But I want to tell you the same story I told in the Committee on Rules.

The reason that I believe it is so critically important to have majority rather than two-thirds decide this issue is because I think the most fundamental threat to the long-term liberty of this country lies in the unchecked use of Executive power, and I want to give you an example.

I told the Committee on Rules that when I was in the State legislature back in 1968 and I was passionately supporting Lyndon Johnson's reelection, I wrote a letter to the President and simply told him that, in my judgment, if he did not do something to end the Vietnam war, that he was going to lose the Wisconsin primary.

Hubert Humphrey came to town. I showed him the letter, and I told him I was about to send it to LBJ. Hubert said, "Let me give it to him myself."

He said, "I think you are right on the letter. I would like to show it to him." I said, "Look, I will mail it anyway, because I do not want you to get in a crack." He took a copy of it and presented it to the President.

A couple weeks later I get a call from a friend, "OBEY, what is this job you are being considered for in Washington?" I said, "What do you mean?" He said, "Well," he said, "we had a Federal guy by here asking questions about you."

To make a long story short, if you had Federal people asking questions about me, checking me out because I had the temerity to tell a sitting President he was going to lose his seat because of a very important public issue, now, if you have that kind of tendency on the part of any President to use whatever Executive power is around, what happens the next time we have a Mexican loan bailout before us and you have a two-thirds requirement to overturn a President's decision? And that President goes to you, or me, and says, "If you do not vote for that proposition, that $40 billion proposition, I am going to yank every single thing out of your State, and I have got one-third loyalists in this House, and, baby, you will not get a dime"; it will destroy the uniqueness of this Congress.

Mr. HOSTETTLER. Reclaiming my time, the point is that we are in a crisis; this body. You, sir, there is no doubt that you have the responsibility to the Constitution and to your constituents, but this body as a whole has shown time and time again it does not have that responsibility.

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

Mr. HOSTETTLER. I yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for yielding.

What we are trying to do is the Presidents, the early Presidents, had the right of a two-thirds majority to control that, that a bill came to them as a single bill. Now we have got hundreds of bills wrapped up into one. Jefferson and Lincoln and the Presidents had to have a two-thirds vote to override their veto, and that is all we are asking under this.

And, second, we have precedents by our Governors having the same kind of a thing, and it has been very successful.

Mr. KANJORSKI. Mr. Chairman, I move to strike the requisite number of words.

I would appreciate it if the gentleman from Indiana will stay, because I think he has brought up a tremendous question, a very, very important question, and I think it requires some analysis of history.

When you talk about the crisis that we are in, I am not sure that everyone can appreciate, or whether you appreciate, where we are relative to where we have been in the past. I know the gentleman from Indiana probably was not born at the end of the Second World War. I assume that.

Well, at the end of the Second World War, do you know what the debt of the United States was? Well, I mean, if we can just have a give and take.

Mr. HOSTETTLER. Proportionately it was much greater. You are right.

Mr. KANJORSKI. The debt at the end of the Second World War was $350 billion. Do you know what the present value of a 1994 dollar is relative to a 1945 dollar?

Mr. HOSTETTLER. Substantially higher.

Mr. KANJORSKI. It is about 8 cents. So that means the dollar has deflated by 12 times. So if you will multiply $350 billion by 12, you will find today that the debt of the United States is about equal in amount, in dollar amount, real value amount, as it was when we came out of the Second World War.

Now, I have been here for 10 years, and I have heard my friends on the other side talk about debt and dollars and failed to relate real dollars and real debt.

And I want to point out that the magnificence of what happened from 1945 to 1980 was that this country reduced the real debt of the United States by more than 60 percent, even though in 1980 the dollar debt of the United States was $800 billion. Its real value, relative to 1945 terms, was about $100 billion.

□ 1300

We brought that down 60 percent under a Democrat-controlled Congress from 1945 until 1980. Ronald Reagan entered the Presidency and sold the American people on a campaign that he could double defense expenditures, he could reduce taxation on the wealthy of this country, coming down from 70 percent to 28 percent ultimately during his administration, and he could balance the budget.

He did keep two of those promises. He doubled the defense expenditures of this country. Even though Russia in every study in the 1980's was shown as ready to collapse, we still doubled our military expenses. He also cut the income tax on the wealthiest corporations and the wealthiest individuals from 70 percent to 28 percent. He did make one little error, one little error: He took the debt of the United States from $800 billion to $4.2 trillion in his term of administration of office.

I hear people relating all these dollar terms, you talk about crisis. I want to make sure that you understand that the debt of the United States coming out of the Second World War was about $350 billion, about equal to our debt today. The only difference is that the population of the United States in 1945 was 120 million people and today the population of the United States is about 260 million people. The number of corporations and businesses existing in the United States in 1945 were less than one-fifth of what they are today. So when anyone in America today, and my conservative friends on that side are talking about dollars and dollars, 1995 dollars and 1945 dollars, they are talking about grapefruits and grapes in size. You cannot have an intelligent, intellectual discussion in finance or economics when you do not come down to real values. So if you say we are in crisis today when we have more than twice the population, we have five times as many eceonomic enterprises in the United States, then I cannot imagine what terms you would use in a description of 1945.

The fact of the matter is America is the wealthiest nation on Earth and up until the last 10 to 15 years its population has been benefiting from the increase in productivity in America, but it has stagnated. It has stagnated because of many situations, most of which is the advent of the global market.

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

Mr. KANJORSKI. I am happy to yield to the gentleman from Illinois.

Mr. LAHOOD. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Pennsylvania, I am afraid, like a number of other of his colleagues on that side, has been around here too long. What he has just said—listen, I am not trying to——

The CHAIRMAN. The gentleman will suspend.

The time of the gentleman from Pennsylvania [Mr. KANJORSKI] has expired.

Mr. KANJORSKI. I appreciate that the gentleman does not appreciate my tenure in office. But I oppose him making an ad hominem attack on the House floor.

(By unanimous consent, Mr. KANJORSKI was allowed to proceed for 5 additional minutes.)

Mr. KANJORSKI. Mr. Chairman, instead of an ad hominem attack on the floor, let us assume we are both freshmen here.

Mr. LAHOOD. Let me finish here, let me finish.

Mrs. COLLINS of Illinois. Mr. Chairman, regular order, regular order.

Mr. KANJORSKI. Let us talk about the facts and the figures that have been discussed.

Mr. LAHOOD. Is the gentleman going to yield?

Mr. KANJORSKI. I am happy to, but I would appreciate that we not get a personal attack because, quite frankly, I enjoy the individual as he represents his State and his constituents, and I think the comity of the House is that we rise here not for personal purposes or political purposes, but to do the people's business. As long as we talk in

terms of doing the people's business, I am very happy to yield to my friend.

Mr. LAHOOD. I thank the gentleman for yielding.

First of all, to the gentleman from Pennsylvania [Mr. KANJORSKI], I in no way meant to offend him. If I did, I apologize for doing that.

Mr. KANJORSKI. No offense.

Mr. LAHOOD. Here is my point, sir, here is my point. Those of us just elected in the last election came here with the idea that this institution has not had the discipline to balance its budget for too long and for many, many years.

Mr. KANJORSKI. OK, let us stop there, reclaiming my time. Let us go through the discussion. I will recall my time and respond to that. I know that the gentleman came here with that intention or that thought process. What I am indicating to him, unfortunately the facts of the economic history of the United States do not bear out this case.

Now, if we are really going to talk about what we are doing and what the fault of the Government is, what the fault of the position of the United States is, there is nothing wrong with discussing the true facts and real facts in trying to resolve good policy for the United States to be fiscally responsible. We want to do that on our side of the aisle, you want to do it your side of the aisle. But to constantly discuss grapefruits and grapes because we are talking about 1995 dollars and 1945 dollars or 1960 dollars and trying to lay down some indictment, as I have heard, 40 years of indictment; well, the 40 years that you are indicting, my friend, this side of the aisle presided over a 60-percent real reduction in the debt of the United States and it was only until the election of a President from your party back in 1980 that that was reversed, and it was reversed on a public relations gimmick. He promised the American people three facts and did not keep them.

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

Mr. KANJORSKI. I yield to the gentleman.

Mr. LAHOOD. I thank the gentleman for yielding.

Mr. Chairman, the results of the last election speak volumes. May I finish, sir? Thank you. The results of the last election speak volumes in terms of this particular issue. Many of us were elected on the idea that this institution has not had the discipline to balance its budgets for whatever reasons. Please let me finish, sir, make my point, and then you may continue, sir.

We believe the way to bring discipline to the institution is to pass a balanced budget amendment, to give the President the line-item veto so that when we have these monumental bills that some have called Christmas trees, where we all load up with our special projects—and it has gone on for years on both sides of the aisle, not just your side but on our side, too—that there is a mechanism in place to deal with it. That is my point.

Mr. KANJORKSI. I reclaim my time, and I will yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, let me make something very clear: I am going to offer an amendment here very quickly, I hope, that will enable us to get at every single project that was adopted last year. But I want to point out something to the gentleman: There is not a single earmark that was added under our congressional processes that has added one dime to the deficit because, as the gentleman very well knows, every subcommittee that comes out on this floor, every appropriations subcommittee comes out under a fiscal cap imposed by this institution under the 602(b) allocation.

The CHAIRMAN. The time is controlled by the gentleman from Pennsylvania [Mr. KANJORSKI], who needs to remain on his feet.

The gentleman may proceed.

Mr. OBEY. As I was trying to say, every single earmark, because of the fact that every single subcommittee comes to this floor under a fiscal cap, those earmarks are provided at the expense of other spending, but do not add one dime to the deficit. If you want to take a look at the root cause of the deficit—you can argue about the propriety of those earmarks, and I will share the gentleman's concern about many of them—but you cannot, with a straight face, suggest that they have added to the deficit because under the budget rules, which we all helped write, they do not do that. They do not do that. They simply come at the expense of other spending. That may not be good practice, but it does not make the gentleman's point.

Mr. WILLIAMS. Mr. Chairman, I move to strike the requisite number of words.

My colleagues, let me begin with the obligatory statement that I, too, support the line-item veto. I happen to support it in the manner in which it is before us now rather than in the basic bill. That is what I voted for a year or so ago and most of my colleagues in the House, both Republicans and Democrats, voted that way likewise.

My colleagues, if Rip Van Winkle fell asleep a couple of hundred years ago and then reawakened in this gallery anytime during the last 30 days, he would probably believe that he has awakened as a witness to America's second Constitutional Convention. He probably would not recognize this as a Congress legislating individual laws, but rather as a convention either mightily tinkering with or dramatically changing the basic law of the land. But it is not Rip Van Winkle's ghost I want to talk about for a couple of minutes; it is James Madison.

On that May 3d day 208 years ago, James Madison entered the city of Philadelphia, a city of 40,000 people back than, along with several, in fact, several dozen of his colleagues. Elbridge Gerry, whose descendant was standing in the corner just a few minutes ago, George Mason, Colonel Mason, and others. They were attacked by radicals of the day, led primarily by Patrick Henry.

□ 1310

Mr. Chairman, their work, when they finished it, the Constitution of the United States, is perhaps understandably still attacked today. It is attacked continually by the extreme left, by those who say that it excludes ordinary individuals from participation in their government.

Likewise, Mr. Chairman, it has been attacked, as it has been continually during the past 30 days, by the extreme right in this House because they believe that it has created a strong central government that stifles liberty.

Those are the same attacks that were leveled against Madison and his colleagues 200 years ago.

Most Americans understand what the Constitution of the United States is. It is a basic rule of law. It is not a treaty from which one party or the other can withdraw at their convenience. It is not a set of agreements which swing is the political wind and can be altered according to the latest polling results. It is our principles. It is the principles that have been duly established and carefully preserved; yes, on the floor of this House at the cost of the seats of some of the Members in the past who have fought to preserve it. It is to be changed in whole or in part with the greatest care and caution.

While I would not be arrogant enough to presume what James Madison would say were he allowed to stand in the gallery and give us his thoughts over this last month, I think he would say, "Be careful. Be careful because you are tinkering with the political law of gravity, and when you alter it, you risk throwing out of orbit those items of stability that have kept America connected, and at peace, and sound and whole."

Mr. Chairman, it is not our economic might; it is the simple set of principles on that piece of paper that continues the stability of this Nation. It is the center of our political gravity, and James Madison would probably look on a supermajority required to legislate; yes, even to overturn the power of a President; as changing that gravitational pull, one branch of government to the other.

As I said, I would not be arrogant enough to say what James Madison might say, so let me say to my colleagues what the gentleman from Montana [Mr. WILLIAMS] might say:

Be careful, be careful, be careful.

Mr. TAUZIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, members of the Committee, I traveled to Paris, France, once in my life—on my own ticket, by the way—and, as a Cajun in Paris, Mr. Chairman, I discovered something that I have had to remind myself about frequently in the course of my life. We Cajuns call a truck a trook. The Parisians call it a camionner. When a Cajun wants to agree with someone or indicate that someone has said something he agrees with, he says, "tu kar ray." It is just sort of a Cajun French-ized expression of "You're right." In French they say, "Vous avez raison."

I came to understand, as I struggled to communicate with my fellow Frenchmen in ancestry that, while we spoke the same language, we had a little trouble understanding each other in that same language, and so it is with the English language. Many of us rise today to support the concept of a line-item veto. We believe, as our Constitution provides, that a supermajority of the Members of this body ought to be had to override a President when he vetoes an act of Congress. That is in our Constitution right now, and we believe that that extraordinary authority ought to be extended when this Congress is irresponsible enough to overspend its budget.

So, Mr. Chairman, this amendment comes before us today, this bill comes before us today, in its present form that says the President can use the line-item veto now in extension of the veto authority given to him by the Constitution. "The line-item veto to reduce the deficit"; that is the language in the bill. In short it says, "If the Congress is irresponsible and does not balance the budget, the congressional grant of authority to the President is to use the line-item veto to enforce responsibility to bring that deficit down." The bill does not say, as do a few States of our Nation, that that authority belongs to the Governor or this President even when the Congress is responsible.

That is a serious change of law, a serious change of the balance of power between the Executive and the legislative branch.

I say to my colleagues, "We have checks and balances in our Constitution. If you extend the power of the President to line-item veto anything, even when the Congress has been responsible and balanced the budget, you no longer have checks and balances. You got checkmate and imbalance."

So, Mr. Chairman, I suggest to my colleagues that the question of whether they want the President to override the—I mean the Congress to override the line-item veto by a two-thirds majority or by a simple majority, as in the amendment before us, depends mightily upon whether or not the bill, in its final form, will remain a bill that gives the power to the President to line-item-veto items that constitute deficit spending, or whether my colleagues want to go further and give the President that power even when the Congress is responsible enough to balance the budget.

Later on in this debate I am going to suggest to the Congress an amendment to this bill that would further enforce that notion.

I must apologize. I confused a couple of analogies in this graph. Bear with me. It is called the glidepath amendment to this bill. It is called the glidepath amendment because like an airplane coming in for a landing it follows a glidepath, and that is what we are obliged to do to get to a balanced budget by the year 2002. If we stay on the glidepath, on the CBO-projected numbers each year of how much deficit we are allowed to incur, as we reach the balanced budget amendment date of the year 2002, Mr. Chairman, we will land safely. As to this football field, we score the touchdown. Hence my two analogies.

What I am going to suggest to my colleagues, and I hope that all of us really think about this, is that, if this bill is truly a bill to enforce responsibility on the Congress, if it is truly a bill as are the bills that were passed in 33 of the 43 States that give line-item authority to their Governors, then this amendment is vitally necessary. Why? Because in the 43 States which give line-item veto authority to their Governor, three out of four of those States say that authority is limited to the line-item vetoing of items that constitute deficit spending. In our case, unlike those 43 States, we cannot, and my colleagues know it, I know it, produce a balanced budget this year. We cannot do it without enormously destroying entitlement programs, many of which, like Social Security, none of us want to hurt.

□ 1320

So it will take us time. We all know it. That is why we passed the balanced budget amendment that gives us this glidepath to the touchdown at the year 2002.

If we know that and are honest and realistic about it, what is the responsibility of the Congress during the years in which we work toward that touchdown of a balanced budget? The responsibility is to stay under those CBO numbers. If we do not, we will not reach this goal. If we do, we have been responsible according to the balanced budget amendment we passed.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. TAUZIN] has expired.

Mr. TAUZIN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

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

Mr. SOLOMON. Mr. Chairman, reserving the right to object, and I probably will not object. Let me just take this opportunity to say to my good friend that I know we have been on this amendment for a number of hours now. We wanted to try to rise by 3 o'clock. There is a snowstorm coming. It is hitting out in the Midwest right now in the Chicago area and heaven knows where else.

We have a number of amendments we have to get through, no matter what time it takes. I will say to my good friend, the gentleman is debating his amendment which is going to come up a little later. We just have to move it. Participation on this side is necessary, but let us be as brief as we can and get to final passage of this amendment.

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

Mr. SOLOMON. I yield to the gentleman from Louisiana.

Mr. TAUZIN. Mr. Chairman, I am not yet debating this amendment. I am saying if we do not adopt this amendment later, we ought to vote for the majority override that is before us.

Mr. SOLOMON. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

Mr. TAUZIN. Mr. Chairman, the bottom line is if you are going to pass a bill that gives the President line-item veto, even when this Congress has been responsible, you are creating all of the problems that many have risen to the mike and spoken about today and yesterday. You are creating the problems of a President who has the authority to cajole, coerce, in some cases even politically blackmail Members of this body, even when the Congress has been responsible.

Now, if you want to give this Congress the same power legislators have to protect against that, and at the same time you want to use a line-item veto as a tool to enforce congressional responsibility, to enforce the balanced budget amendment we recently adopted, this kind of an amendment will do it.

On the other hand, if this bill is changed, as it may be changed, to go beyond deficit line-item reduction by line-item veto, to go beyond that point, then maybe you better consider the majority override. That is my point today.

I will support a two-thirds majority override as long as the line-item veto is like the three-quarters of our States provide, designed to protect against irresponsibility on the part of the legislature, designed to guarantee line-item veto authority to the Governor or the President for any deficit spending beyond the area of responsibility, as in

this case beyond the CBO numbers and eventually beyond the balanced budget requirements of the Constitution.

This will come up later. But I caution you, if this bill is changed from a deficit reduction line-item veto into something else, and I am told that amendment may be offered later, then I suggest that the majority override is the right way to go. Perhaps we should get some signal on that before we vote on the amendment pending before us.

Mr. SKAGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the question is, majority rule, or minority rule?

This is my voting card. Each of us is privileged to possess one of these. We worked hard for it. It represents a sacred trust, not just between us and our constituents, but between us and all who have come before us in this body and all who will follow.

I was not elected, figuratively or literally speaking, to clip about one-sixth off of this voting card, walk down Pennsylvania Avenue, and throw it over the White House fence. That would be an incredible breach of the sacred trust that every Member of this body should try to honor.

Our responsibility is to the Congresses of the future and to the future generations who will be looking to the Congresses of the future to provide the principal protection against overreaching by Presidents of the United States.

The gentleman from Montana and the gentleman from Wisconsin have given us real reasons to worry about that. This is not some illusory or academic point. The threats to liberty in this country have not arisen here, and they will not. But we should be mindful of the risk that we run by a wholesale transfer of power to the executive branch.

The issue here ought to be one of accountability. The amendment offered by the gentleman from West Virginia [Mr. WISE] meets that purpose. It will put us all on record when we need to be put on record with regard to particular items of spending.

But what we do not need to do in the cause of that accountability is commit an outrage against the Constitution in a wholesale transfer of power, entrusted to us by the Constitution, to the President of the United States.

Let me give one further example of what is really involved here. The budgets sent to this Congress by President Reagan, among other things, proposed, for example, a zeroing out of direct student loans, a zeroing out of aid to public libraries, a zeroing out of Federal-State vocational rehabilitation programs, a zeroing out of college work study, a zeroing out of funding for education for individuals with disabilities.

Had that President had this power, those programs would be gone, because that President would have had the support of a loyal and true one-third plus one, if not in this body, then across the building in the Senate.

This is not some imaginary worry. That is what is at issue here. And if we are to honor the Constitution and to honor our responsibilities and to adhere to our oath of office, the amendment offered by the gentleman from West Virginia [Mr. WISE] meets that responsibility and does not violate the Constitution.

The committee's bill represents a profound breach of our oath and our duty to ourselves and to the Constitution.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise as one who supported the constitutional amendment to balance the budget. It was the constitutional amendment that did not require, however, an extraordinary majority to pay for what we buy, unlike spending.

The gentleman from Illinois rose and said that he was elected and he thought the American public had responded to a fundamental issue that this body had been fiscally irresponsible. I believe that many voters have been misled to come to that conclusion, and I think it is a fundamental misunderstanding of the facts of the last 14 years in which, as the gentleman from Pennsylvania pointed out, we quadrupled the national debt.

We did so because the President of the United States wanted to buy his priorities, and the Congress of the United States wanted to buy its priorities. And neither the President nor the Congress made choices to bring within revenues its spending objectives.

The gentleman from Illinois again posited that we were here because of congressional irresponsibility and that this rescission bill obviously was a response to that.

It is important for us to remember that for the past 20 years Presidents have asked for $72 billion in rescissions. This Congress over the last 20 years has rescinded $92 billion, more than the Presidents have asked.

So I suggest to the gentleman from Illinois, to the Congress, and to the American public, in fact this Congress has been willing to do more than Presidents have asked in terms of rescissions.

Now, rescissions are just another way of line-item vetoes, but it does not carry the muscle, which is what the gentleman wants to add.

□ 1330

But his facts do not support it, or at least the facts do not support it.

I want to say also to my friend from New York, who is a very good friend of mine, we agree on much, disagree on some. He wants to move this bill along quickly. I respectfully suggest to him, this bill is not a birthday present. My friend from California referenced that. This is a very fundamental proposition that this Congress is considering.

The minority for the last 40 years in this House is now the majority, but I suggest to them they have not come to grips with majority rule because they, for two previous occasions in their rule on tax increases and on their constitutional amendment, suggest that it ought to be the minority, not the majority, that controls.

And this is the third time that they have proposed that the majority should not rule. That is unfortunate, in a country, as the gentleman from California so eloquently stated, that is the beacon for majorities throughout this world.

Katherin Drinker Bowen wrote of the miracle in Philadelphia in 1787, when the Founding Fathers came together and, like us, had differences. And I am sure that they had great suspicions of what the people might do. In fact, the U.S. Senate was juxtapositioned to the House of Representatives to try to leaven what the people's House might do in fits of passion.

But the fact of the matter is, the Stenholm-Spratt-Wise amendment responds to the concerns of the American public.

What were they? To some degree the gentleman is right. They believed that somehow we were out of control in terms of pork barrel projects. In fact, pork barrel projects are a relatively small portion of the budget, as any fair analysis of the budget will show. But they were concerned about that.

I remember the Lawrence Welk house, the birthplace of Lawrence Welk. Somebody had put in $500,000 to rehabilitate that house and set it aside as a national landmark. Most of us did not know it was in the bill. The American public found out about it and were outraged. We took it out.

I suggest to my colleagues, that is the reason that the line-item veto got a life.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. HOYER] has expired.

(By unanimous consent, Mr. HOYER was allowed to proceed for 2 additional minutes.)

Mr. HOYER. The American public wanted to say, Mr. President, if you see some projects in there that are not wise policy or not needed or inappropriate to be in appropriations bills, then take them out, Mr. President.

Now, the President of the United States said, "I don't have that authority. I would have to veto the entire bill."

And I think that was a good rationale. That is why I am supporting Wise-Stenholm-Spratt, because it says a President can, in fact, take that project out, take that expenditure out and highlight it to the American public and send it back to the House of Representatives in the full light of day, in

the open so that the American public can look at each one of us on this floor, 435 of us, and say, I do not believe that was justified or, yes, it was justified and ask us, again, in an accelerated way to vote on that item.

I think that accomplishes what the American public wants without, as the gentleman from California and so many others on this floor have articulated so well, undermining the very critical balance of power between the executive and the legislative branches of government.

Since 1789, no other government in the world, no other form of government in the world has stood as long and as well since that magic day in 1789, when this form of government was adopted and began.

Let us not in an attempt to respond to that relatively pointed concern skew the balance between the President and the Congress to undermine the people's House, the U.S. Senate and, more importantly, the power of the American people.

Mr. TAYLOR of Mississippi. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in the rush to pass bad legislation, in an attempt to, so-called, save the budget, again, I want to remind my colleagues that this House for the past 40 years has spent less money than the Presidents have asked us to spend. It has been brought to our attention that things get buried in bills that were never intended to be there. Well, who wrote the bills? And who is in power now? And who can change the system?

For the freshmen, it has not happened yet, but later on this year they will be given the chance to vote on the VA and the HUD appropriation together. I have a lot of veterans in my district; I support them. I do not particularly care for the HUD programs, but they are lumped together. So rather than approaching it and saying, maybe we should separate the bills and have more than just 13 appropriations bills, that let us solve the problem, we are saying, no, we are not smart enough, we are going to give it to the President of the United States.

Well, let me give my colleagues a for instance, since I am talking to my Republican colleagues, how would they like the idea of Bill Clinton on his own deciding whether or not we are going to build any more B-2's at $1 billion apiece? How would they like President Bill Clinton to say, I am going to veto the 20 B-2's in this year's defense budget and that frees up almost $20 billion and if you American people will stick with me, we will spend it on health care? Do they really think they are going to find two-thirds of the Members of this body to stand up to the senior citizens lobby and all the other lobbyists that will be asking for more health care? Because B-2's are built in one congressional district. There are folks that need health care in 435.

Aircraft carriers are built in one congressional district. They cost $4 billion apiece. Do we want to give Bill Clinton the authority to say, if we just kill the next aircraft carrier, I can expand health care by $4 billion. Once again, are we going to pit the gentleman from Virginia [Mr. SISISKY] against 434 other Congressmen, whose people are going to say, "Give us more health care"?

What Members are asking this body to do is to give the President of the United States the authority to dismantle the Defense Department line by line.

The Stenholm approach makes sense, because it makes sense that if a majority in this body thinks it makes sense to build an aircraft carrier, then a majority can put that carrier back in the budget. If a majority thinks it makes sense to put an amphibious assault ship in the budget, then we can put it back in.

But I can tell my colleagues right now, if they search their heart of hearts, they know that there are not two-thirds of the Members of this body who will stand up to the senior citizens lobby or any other lobby when it comes down between a defense program and themselves.

And what we have ensured by the passage of this, if we do not include the Stenholm amendment, is the dismantling of the American military industrial base and, in turn, the dismantling of the world's greatest fighting force.

Mr. SPRATT. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from West Virginia [Mr. WISE].

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

I would just like to say this that this has been a very full debate. I just want to signal to Members, it is my belief, while we are under the 5-minute rule and talking with our side, it is my belief that the gentleman from South Carolina [Mr. SPRATT], who is one of the cosponsors of the Wise-Spratt-Stenholm amendment, will be the concluding speaker, and Members probably should expect to vote within the next 5 to 10 minutes.

In conclusion, I would also like to say that please remember, I want to make sure that we focus on the fact that the Wise-Spratt-Stenholm substitute is a majority rule substitute, not a one-third plus one.

I think that is very significant and needs to be the point that is remembered.

□ 1350

Mr. SPRATT. Mr. Chairman, this is a creditable substitute. Three hundred and forty-two Members of this House said so resoundingly by voting for it. One hundred and sixty-nine of those who cast their votes "aye" were Republicans.

How did this provision, this substitute, attract 342 votes, three-fourths of the House? First of all, it works, and second, it is constitutional.

Let me take the second point first. Mr. Chairman, this bill, everyone will admit, is clearly constitutional. That ought to be an important consideration for any bill brought to this floor. We certainly cannot say as much for H.R. 2 as it is presently written.

Last night, Mr. Chairman, the last action we took was to vote on an amendment offered by the gentleman from Georgia, NATHAN DEAL, which will provide expedited review by courts of the constitutionality of this particular legislation. We would not put, and we rarely put such provisions in legislation, except when we have grave and urgent doubts about its constitutionality. Therefore, it is tantamount to admitting that we have abiding doubts about the validity of H.R. 2, its constitutionality. We know we are pushing the envelope. We are taking the delegation of powers doctrine to its outer limits in passing this bill.

Mr. Chairman, we know it, because we do not even know the answers to these basic questions. We will not until the Supreme Court has spoken. Therefore, what we have done, all the huffing and puffing, all the touting we have put into this particular piece of legislation may come to naught, Mr. Chairman, in the immediate future, because there could be a constitutional court challenge to it.

It could be enjoined. It will not even be used by this President. Then it could ultimately be rendered unconstitutional by the court. We do not know if the President can repeal or undo or disenact a spending law or a targeted tax benefit.

It was strongly suggested by the Supreme Court that it took an act of Congress signed by the President to repeal or undo or disenact a law that we have passed, but we are here saying he can do it without our intercession.

We know that Congress can delegate broad powers to the Congress, to the President, to carry out laws that we pass, to enact and execute policies and purposes that we have laid down legislatively. We know we can give him broad discretion to carry out the law, but can we give him, as we purport to do here, the power to cancel out our own purposes as stated in law?

We know we can tell him that he can execute our purposes and policies, but can he eradicate them, erase them, simply thwart them? We do not know the answers to these questions, but we do know this. The substitute before us is constitutional.

Furthermore, and this is vitally important, it works. It gives the President all of the powers to comb through spending legislation and taxing legislation and to cull and clean out things

that he disagrees with, that he thinks are unnecessary, unwise, unwarranted. H.R. 2 does this, but so does this bill, just as much.

Second, Mr. Chairman, this gives some additional scope to the President that H.R. 2 does not give him. This substitute goes even further. For example, it allows the President to take rescissions that he sends up and assign them to a deficit reduction account, a lockbox.

In the last election, in the last few months of the last session of Congress, one of the hot and topical issues here was a bill called A to Z. It had a feature in it called a lockbox. You could make spending cuts and have those spending cuts assigned to a permanent reduction in the discretionary spending limit.

For those who supported A to Z, for those who support the concept of a deficit reduction account, a lockbox account, here is you change to vote for it. It is in this bill. As Chairman CLINGER admitted, it is a plus for this bill that is not included in H.R. 2.

There is another huge advantage to this amendment, this substitute. It actually has a scope that is far broader than H.R. 2. That is because, Mr. Chairman, in H.R. 2 there is a very narrow time window for the President to act, 10 days.

This bill literally goes backward and forward. It allows the President to wield the additional item veto authority we are giving him, or rescission authority we are conferring upon him, at any time during the fiscal year, backward or forward at any time, and it will be guaranteed a vote within 10 days in this House and 10 days in the Senate when he sends it up here. Therefore, this particular substitute should not be diminished. It is a powerful tool for subjecting or resubjecting all discretionary spending, all targeted tax benefits, to public scrutiny.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. SPRATT] has expired.

(By unanimous consent, Mr. SPRATT was allowed to proceed for 1 additional minute.)

Mr. SPRATT. Mr. Chairman, this substitute moves cautiously, more cautiously, constitutionally, than does H.R. 2, I will admit that, because it leans toward the fundamental concept of our Government, majority rule over minority rule, but it takes us a long stride forward without stepping off a cliff and not knowing where we are going to land.

If we pass this substitute, we can give the President of the United States significant new powers to cull spending, to cut our targeted tax benefits, without tilting the balance of powers between the Congress and the President. Mr. Chairman, I urge my colleagues to support it for those reasons.

Mrs. ROUKEMA. Mr. Chairman, I rise in support of the Wise-Stenholm substitute, and I associate myself with the remarks of the gentleman from Texas [Mr. STENHOLM].

Mr. Chairman, at the outset I want to associate myself with the remarks of the gentleman from Texas [Mr. STENHOLM], an author of this amendment. He has very lucidly analyzed the essential elements of this proposal.

I take to the floor this afternoon as a former teacher of history and civics. A constitutionalist, if you will.

We all recognize the genius of the Framers. The Constitution they crafted has stood the test of time. And the foundation of that genius has been the separation of powers and the checks and balances of our three branches of government.

They did not want a king or a dictator or an oligarchy—rule of a few or the minority—controlling purse strings of this Nation unilaterally. So they developed a delicate system of checks and balances. A clear separation of powers. A balance of powers.

I am concerned that H.R. 2 would do serious damage to that balance of power and the principle of majority rule by granting important new powers to the President. And with those new powers come tremendous opportunity for mischief.

The underlying bill here would allow any President, operating in league with 34 Senators, to strip any provision from a bill.

To my Republican colleagues and at the risk of offending my Democratic friends. Can you imagine this power in the hands of a crafty and strong-willed President like Lyndon Johnson?

Mr. Chairman, we are not discussing a genuine line-item veto here today. If we were, we would be debating an amendment to the U.S. Constitution—requiring a two-thirds vote of the House and the Senate and three-quarters of the States. This is a dramatic change, a potential rewrite of the balance of powers and should be subjected to that higher standard of deliberation.

I will support the substitute offered by the gentleman from West Virginia [Mr. WISE]. While not perfect, it will prevent a minority of either Chamber from imposing its will and is perfectly consistent with our serious purposes while focusing responsibility, on the record, and accountability of the public on our spending policies.

The Wise substitute establishes an improved expedited recessions process that will allow each and every Member of Congress to stand up and publicly act on spending and taxing decisions. If that Member can convince 50-percent, plus one, of his or her colleagues of the merit of that item, the Member wins. If not, the President wins and the item is stricken.

From a practical point of view, let me say this to my Republican colleagues. Do we want to give a Democratic President the power to strike items from spending and tax bills when he can simply round up 34 Democratic votes in the Senate to prevail? Not that the President would do this, but what if he decided to strike only Republican priorities from a defense bill, or a tax bill, or an education bill, or a health care bill. He could succeed with the assistance of 34 Democratic Senators.

Also to my Republican colleagues, this line-item veto is virtually the only proposal in our Contract With America that President Clinton agrees with. Isn't that a sobering thought? Doesn't that tell you something sobering about the balance of powers and why Presidents want that power?

I would add that I am not the only Republican with similar concerns about this potential shift of power. The Senator from New Mexico, the chairman of the Senate Budget Committee, PETE DOMENICI, has expressed the same misgivings and has offered an amendment similar to the one we debate at this time. And he's not alone. It was Senator Dan Quayle who proposed this expedited recession measure a decade ago.

Mr. Chairman, do we actually want to grant the President the power to thwart the will of this institution, no, of this separate-but-equal branch of United States Government? I don't think so.

Vote for the Wise substitute.

Mr. VISCLOSKY. Mr. Chairman, I rise today in support of the Wise-Stenholm-Spratt substitute amendment to H.R. 2. I am voting for this plan because I believe it represents an improvement to the current rescissions process, while preserving the balance of powers that our Founding Fathers so carefully laid out in the Constitution.

The Wise-Stenholm-Spratt amendment requires that questionable spending items stand alone for an up-or-down vote. Projects would have to stand on their own merit and port would have no place to hide. If our goal is truly to eliminate unnecessary spending, I view this as a fundamental improvement to the way we do business.

Under current law, the President has the authority to request the rescission of specific line items. It is Congress' part of the process that is under scrutiny. Once a Presidential rescission is received by the Congress, we have the option of voting. If nothing is done within 45 days, the rescission dies. The Wise-Stenholm-Spratt substitute would fix this problem by requiring Congress to vote on Presidential rescissions within 10 days after their receipt. As a result, the President's hand would be strengthened to control spending, and Congress would be held accountable for our spending decisions.

I do want to caution, however, that the line-item veto issue is somewhat of a red herring. Proponents of a straight line-item veto say that we need it to eliminate wasteful spending. It sounds great, except for the fact that it is not true. The fact is that the Congress rescinds more spending on average than President's request. Indeed, between the years 1974 and 1995, $73 billion in Presidential rescissions have been requested, yet $93 billion worth of rescissions have been passed by the Congress.

Also, there is a fundamental danger in going too far to fix a system that can be improved, but is not broken. The line-item veto legislation encompassed in H.R. 2 goes too far. This bill would require a two-thirds supermajority of Congress to override Presidential line-item vetoes, thereby abrogating majority rule and investing all power in one individual, the President. As a legislator, I am not willing to provide a Democratic or Republican President with power that our Founding Fathers felt were unnecessary.

The Constitution assigned the power of the purse to the people's elected representatives in the Congress. Requiring a supermajority to override Presidential budgetary decisions would be a direct affront to this fundamental principle. It is not wise public policy to amass such discretionary power in one official.

Let's keep the power with the people and pass the Wise-Stenholm-Spratt substitute amendment to H.R. 2.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of the Wise-Stenholm-Spratt substitute. I voted for this measure last year and it passed the House by a wide margin. This procedure will achieve the same thing the line-item veto bill does, but it does so without providing a great shift in power to the executive branch.

I agree the President should have the authority to strike out wasteful and unnecessary spending items in one bill or another, but Congress is still charged with the responsibility of setting spending priorities and I think we should have the chance to vote on these proposed veto items. This amendment requires Congress to vote, on the record, on these proposed cuts. I think that provides a powerful incentive to prevent Members from putting special projects and other pork barrel spending items in these bills in the first place, because they know that the House and Senate could be asked to vote up or down on those items.

There is some question about whether the base provisions of this line-item veto bill are constitutional because they shift too much power to the executive branch. This substitute provides a much more workable alternative that will be a strong tool in controlling Federal spending in the future.

I urge support for the Stenholm-Wise-Spratt substitute.

Mr. RICHARDSON. Mr. Chairman, I rise in support of the substitute. Since the 104th Congress began its work on January 4, we have spent much of our time considering the impact of Government spending on the American people. We will likely spend much of the next 2 years doing the same thing. In repeated polls and town hall meetings, the public has been very clear that they want to eliminate wasteful spending that only helps a small segment of the population. The public does not want to see narrow special interests control Government spending.

Mr. Chairman, I strongly believe that the President should have the power to rescind wasteful spending. But it's also important that once the President flags wasteful line-items and targeted tax benefits, that Congress shares the role of acting on wasteful spending and acting quickly. Several appropriation bills can reach the President's desk at the same time. The President should be able to offer a package of rescissions at anytime and Congress should then act to quickly approve or disapprove of that package.

The approach offered by this substitute preserves the balance of power between the executive branch and the legislative branch, and that is what the public wants. The public wants an efficient government that moves quickly to eliminate wasteful spending. The public does not want a single person or one-third of Congress to be able to protect targeted spending.

I believe it is ironic that at a time when most of the public does not want Washington controlled by a select few with narrow interests, and our colleagues from the other side of the aisle keep talking about spreading power beyond the beltway, that they keep reverting to procedures within Congress that give enormous power to a minority of our Members. Let us do something that makes sense. I urge my colleagues to support the substitute.

Mrs. LINCOLN. Mr. Chairman, I rise today in support of the Wise-Stenholm-Spratt expedited rescission substitute. There's a valuable goal in the line-item veto—to eliminate the practice of burying wasteful spending projects in legislative packages where your only choice is to vote for the entire bill or nothing at all.

But the line-item veto would also give the President excessive power to influence every aspect of the legislative agenda and therefore shift the constitutional balance of power.

Expedited rescission, on the other hand, accomplishes the goal of the line-item veto without fundamentally changing the separation of powers designed by our Founding Fathers. If we pass expedited rescission, everyone in this room is going to have to go on record for or against pet projects. Pork is pork, and I for one have faith that Congress will recognize this when voting on specific spending proposals as expedited rescission would require.

Why should we question the Constitution's wisdom when we can eliminate pork barrel spending with expedited rescission? I strongly encourage my colleagues to support the Wise-Stenholm-Spratt substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from West Virginia [Mr. WISE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WISE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 167, noes 246, not voting 21, as follows:

[Roll No 90]

AYES—167

Ackerman
Baldacci
Barcia
Bellenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Burton
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Conyers
Costello
Cramer
DeFazio
DeLauro
Dellums
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gilman
Gonzalez
Gordon
Green
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Maloney
Manton
Markey
Mascara
Matsui
McDermott
McKinney
McNulty
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mollohan
Montgomery
Moran
Myers
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Porter
Poshard
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—246

Abercrombie
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Combest
Condit
Cooley
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Evans
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martinez
Martini
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meehan
Metcalf
Meyers
Mica
Miller (FL)
Minge
Mink
Molinari
Moorhead
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Pallone
Parker
Paxon
Peterson (MN)
Petri
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff

Seastrand	Talent	Wamp
Sensenbrenner	Tate	Ward
Shadegg	Tauzin	Watt (NC)
Shaw	Taylor (NC)	Watts (OK)
Shays	Thomas	Weldon (FL)
Shuster	Thornberry	Weldon (PA)
Skeen	Tiahrt	Weller
Smith (MI)	Torkildsen	White
Smith (NJ)	Torres	Whitfield
Smith (TX)	Traficant	Wicker
Smith (WA)	Upton	Wolf
Solomon	Vucanovich	Young (AK)
Souder	Waldholtz	Young (FL)
Spence	Walker	Zeliff
Stump	Walsh	Zimmer

NOT VOTING—21

Ballenger	de la Garza	Kelly
Bartlett	DeLay	Largent
Becerra	Deutsch	Moakley
Brewster	Fields (TX)	Sisisky
Collins (GA)	Gibbons	Stockman
Collins (MI)	Istook	Waters
Danner	Johnston	Waxman

□ 1404

The Clerk announced the following pairs:

On this vote:

Mr. Moakley for, with Mr. Deutsch against.

Mr. Becerra for, with Mr. Largent against.

Mr. Gibbons for, with Ms. Waters against.

Mr. Johnston for, with Miss Collins of Michigan against.

Mr. WARD changed his vote from "aye" to "no."

Ms. KAPTUR and Mr. STEARNS changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. KELLY. Mr. Chairman, it was necessary for me to undergo important dental surgery today and, in doing so, I missed two recorded votes on amendments to H.R. 2, the Line Item Veto Act.

Had I been present, I would have voted "no" on the Wise amendment.

In addition, had I been present, I would have voted "no" on the Spratt amendment.

PERSONAL EXPLANATION

Mr. LARGENT. Mr. Speaker, as part of my induction into the NFL Hall of Fame, the National Football League requires that I be available for all promotional events. On Sunday, February 5, 1995, I must attend a half-time promotional event at the Pro-Bowl in Honolulu, HI. Due to travel constraints, I was forced to leave Washington on the morning of Friday, February 3, 1995, to attend related events on Saturday and Sunday.

If I had been present for the following votes on Friday, February 3, 1995, I would have voted as follows:

Spratt amendment—"No"; adding tax incentives to the list of provisions the President may rescind.

Wise substitute amendment—"No"; requiring approval, rather than disapproval, from both Houses of Congress before any rescission takes effect, effectively turning the bill into an expedited rescissions proposal.

PERSONAL EXPLANATION

Mr. BALLENGER. Mr. Speaker, on February 3, 1995, I was absent for rollcall vote No. 90. Had I been present, I would have voted "no" to this substitute amendment that would have allowed a simple majority approval vote to override a Presidential line-item veto.

PERSONAL EXPLANATION

Mr. FIELDS of Texas. Mr. Speaker, I was unavoidably detained during one vote on H.R. 2 on February 3, 1995. Had I been here, I would have voted against the Wise substitute amendment (Roll No. 90).

LEGISLATIVE PROGRAM

(Mr. GEPHARDT asked and was given permission to speak out of order.)

Mr. GEPHARDT. Mr. Chairman, I ask to proceed out of order for the purpose of inquiring about the schedule for next week and the rest of the day.

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

Mr. GEPHARDT. Perhaps, Mr. Majority Leader, I could first ask about the schedule for the rest of today so Members will know when we are probably going to be leaving.

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

Mr. GEPHARDT. I yield to the gentleman from Texas.

Mr. ARMEY. We have one or possibly two more amendments we expect to be able to complete today. We are going to try to do that.

In any event, the Members should be advised that we will rise at 3 o'clock today, and hopefully with those amendments completed.

Mr. GEPHARDT. As I understand it, there is an Obey amendment and an Orton amendment that are likely to come next. Would these two gentleman be assured that if we do not finish their amendment by 3 o'clock that we could finish it when we come back on Monday?

Mr. ARMEY. They would, absolutely.

Mr. GEPHARDT. I thank the gentleman. Perhaps I could inquire about next week's schedule.

Mr. ARMEY. Again, if the gentleman will yield, let me first announce the meeting times for the House next week.

On Monday the House will meet at 12:30 for morning hour. Legislative business will begin at 2 o'clock and votes will occur immediately.

Let me also further advise all of the Members that they should expect that every Monday for the remainder of February we would keep to this schedule of 12:30 for morning hour and legislative business convening at 2 o'clock and votes likely to occur immediately, except for Presidents Day.

On Tuesday the House will meet at 10:30 for morning hour. Legislative business will begin at 12 o'clock.

On Wednesday the House will meet at 11 o'clock. On Thursday and Friday the House will meet at 10 o'clock.

On Monday we will return to complete consideration of H.R. 2, the line-item veto.

On Tuesday, subject to a rule, we will take up consideration of H.R. 665, the Victim Restitution Act. Depending upon how that legislation proceeds, we will also consider H.R. 666, the Exclusionary Rule Reform Act, subject again to a rule.

On Wednesday and the balance of the week we will, again, subject to rules being granted, consider H.R. 668, the Criminal Alien Deportation Act, and H.R. 667, the Violent Criminal Incarceration Act.

Again, we would expect to be able to keep our 3 o'clock departure time for the following Friday.

Mr. GEPHARDT. There are two questions or concerns that are being expressed by a lot of Members on this side. The first is by Members on the west coast who have been afforded the opportunity in the past to get here by 5 o'clock on Monday, and if the gentleman is saying we are going to be starting at 2 o'clock on every Monday in February, this really is a difficulty for many of them on being able to get here. I was wondering if perhaps we could plan to work later on Monday to accommodate their schedules?

Mr. ARMEY. I appreciate that observation and there is no doubt the concerns for the west coast Members have been taken into consideration. Nevertheless, we do have a big change and a heavy schedule. Hard work is required and, in our judgment, it is necessary to begin at 2 o'clock on Mondays whenever possible through February to complete that work.

The only solace I can offer is that the contract period is for a finite period of time, 100 days. When the 100 days is passed, certainly we would be able to give much more consideration to the west coast commuters.

□ 1410

Mr. FAZIO of California. Mr. Chairman, I appreciate the gentleman yielding.

I simply wanted to say it is not really a question of hard work. I think the Members want to be able to spend some of their time working hard in their districts. There are many of us who are going to have to leave and really give up our Sunday efforts in the district, and I know that will not necessarily be the impact on many of our colleagues.

So I wanted to see whether or not we could continue the practice that got us to this point which we felt was fair and equitable to the people west of the Rockies.

Mr. ARMEY. Well, I appreciate the gentleman's point. The fact of the matter is we have many Members who wish to talk on each and every amendment. We want to afford every opportunity for that. That takes a lot of time. Still, nevertheless, we have a clear timetable. Committees have worked very hard. You ask the members of the committees to get their work out of committee in time, so it can make the queue line for the floor schedule, and when we have bills on the floor, we

really must move those bills off so we can make room for the next bill.

Perhaps if we could find ways for some of us who have so many very important things to say on each and every one of these amendments to say it less often or more quickly we can compress the time requirements and get on.

Mr. FAZIO of California. I think the issue here is that when people feel the need to talk, and I am sure that there will be occasions when all of us in both parties will feel that need, one group of people is paying the price. One group, those of both parties who have the furthest to come, are going to be the ones to pay the price.

I am saying the gentleman is perhaps, from his partisan standpoint, correct. But why do we burden one group of Members because of the propensity of others of both parties from all across the country to speak at some length?

Mr. ARMEY. If the gentleman would yield.

Mr. GEPHARDT. I yield.

Mr. ARMEY. Let me first admire the deftness of the gentleman from California in translating a discussion about geography to one of partisan politics. You are to be admired for your deftness.

Let me acknowledge we all are aware, of course, there are no big talkers from the west coast. So if perhaps we can get some of our east coast talkers to be as respectful of time concerns of the Members as the west coast talkers are, but the fact is we do have a big legislative agenda. We do have a queuing order for each of the committees.

Each of the committees must be considered, and that means we must move the work off the floor.

Mr. FAZIO of California. What the gentleman is saying, I gather, is that we have a 100-day schedule. We have to meet it. And those people who are sacrificed simply have to live with it. Is that correct?

Mr. GEPHARDT. I would like to ask the majority leader another question. There is also a concern on this side, and I assume by many on your side, about the issue of predictability of schedule at night. I know that Members on both sides are sincere about making this a family-friendly Congress, and we have a bipartisan group that is meeting to try to see if we can reach solutions in that area.

A couple of times in the last 2 weeks we have thought that we were going to leave by a certain time in the evening, and then it ran well past that. I realize you are trying to get a schedule completed.

But do you believe that it might be useful to perhaps reconvene the family-friendly task force with you and myself to see if we can find some solutions to this? Members tell their families they are going to be home by a certain time, are able to meet them at a certain time, and they are not able to do that, and it is causing a good deal of difficulty.

Mr. ARMEY. If the gentleman will yield, I think the gentleman from Missouri makes an extremely important point, and I can tell you I would be more than happy for the two of us to get together with some of the people from that task force to see if we can encourage circumstances that will allow us to all get home to our families earlier in the evening.

Mr. GEPHARDT. I yield to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. I thank the gentleman for yielding. The question I have is, understanding the necessity and the urgency to get the work done, would it be possible to have the work continue from 2 o'clock on, but to wait until at least 5 o'clock and bunch the votes so that those of us who are on the west coast can at least be here for the votes?

Mr. ARMEY. The gentlewoman makes a very reasonable request. Unfortunately, within the context of the rules, you cannot, as it were, roll the votes when you are in the Committee of the Whole, so if we are going to meet and work in the Committee of the Whole, we must be prepared to vote immediately.

Mr. GEPHARDT. It is my understanding that we might entertain an idea of that kind in future rules, and if we are trying to avoid 2 o'clock startups for the rest of February, we would certainly be willing to do that. We could also do it by unanimous consent on Monday, and I do not know whether we could achieve that, but it would be worth a try, and we would offer to try to do that.

Mr. ARMEY. The gentleman is very generous and very respectful of all the rights of all the Members, and I would be happy to sit down and see what we can work out.

Mr. GEPHARDT. I would say to the gentleman we could offer such unanimous-consent requests later today before we finish at 3 o'clock, and I will try to work with the gentleman from New York [Mr. SOLOMON] and the majority leader in that regard.

Mr. ARMEY. If the gentleman will yield, I appreciate again the generosity of the gentleman from Missouri. The distinguished chairman of the Committee on Rules just tells me that at this point in this context that is not a workable alternative, and we will have to stay with the schedule.

Mr. GEPHARDT. I will be happy to talk further with the gentleman.

I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. I certainly support the majority leader's view that we have got a tough work schedule. But many of us have families back in our districts. I just checked with the Parliamentarian, and I have been informed that, by unanimous consent, even when the Committee of the Whole is sitting in this House, you can roll the votes until a later time, and so while we may not be able to do that on Monday, I wish that the majority leader would take that into consideration for those of us that have families back in the districts that we have not seen for a long time, if we could get back a few hours later, it would help us.

So I would just say that if there were unanimous consent, for instance, on a Monday, maybe not this next Monday, but on a Monday, we could roll the votes until 5 o'clock, and then we could still conduct the business in the Committee of the Whole.

Mr. GEPHARDT. The last question has to do with the corrections. I have read a report that there would be a corrections day, and I would just like to ask under what process would this legislation be considered, and would there be hearings and markups prior to floor consideration of these ideas?

Mr. ARMEY. If the gentleman would yield, corrections day is an innovation that is being discussed by the Speaker. We are not at this point ready to announce such an innovation in the calendar, and we would certainly, as we develop the notion into a new innovation in the calendar, we would welcome every opportunity to work with the minority in terms of defining the best parliamentary procedures for a new innovation like corrections day. So I think this is really something that we can be excited about, but we are not at the point yet where any announcement is ready to be made.

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

Mr. GEPHARDT. I yield to the gentleman from New York.

Mr. SCHUMER. I thank the gentleman for yielding.

If I might direct a question at the majority leader, two questions, relative to the crime bill next week or the crime bills. The gentleman mentioned the first four bills, but he did not mention 729, the Effective Death Penalty Act, or I believe it is H.R. 728, the Block Grants Act. Is it the intention of the majority to bring those up the following week? They would not be on the floor this next week? Is that correct?

Mr. ARMEY. If the gentleman will yield further, let me say to my friend, the gentleman from New York [Mr. SCHUMER], yes, you are exactly right. That is our intention.

Mr. SCHUMER. The second question, if I might, if the gentleman from Missouri would continue to yield to me, will the crime bill be considered under an open and unrestricted rule? I understand the chairman of the Committee on Rules, my good friend from New York, Mr. SOLOMON, made an announcement regarding the rules this

morning, but I believe it would be useful to clarify the majority's intention for the Members.

As you know, the crime bills have been divided. One crime bill was divided into six, which limits the amount of amendments, and we were told by the chairman of our committee, the gentleman from Illinois [Mr. HYDE], and the chairman of the subcommittee, the gentleman from Florida [Mr. MCCOLLUM], that it was the intention of the majority, and this is while we marked up the bills in committee, to bring those six bills under an open rule, that anything that was germane to the relatively narrow scope of each of those six bills would be available.

□ 1420

I would appreciate an answer, either from the chairman of the Committee on Rules or the majority leader.

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

Mr. GEPHARDT. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Chairman, let me just say that it is the intention of the Rules Committee to be as open and as fair and as accountable as we possibly can. We have every intention of proceeding with open rules. There could come a time when on the fifth and sixth bills in the crime package, at which time we might have to, because of time constraints we might have to limit the time of debate. That would not mean we would veer away from the 5-minute rule. It means that any amendment would be in order. If I could just briefly, for instance, if we were going to take up H.R. 729, the effective death penalty bill, it would be 1 hour on the rule, 1 hour general debate and perhaps 6 hours of amendments, 4 hours of walking time. That is about 12 hours on that bill.

Mr. SCHUMER. If it is on all six bills, the majority's intention, the Rules Committee intends to allow all amendments to be offered that are germane to each of those bills, is that correct?

Mr. SOLOMON. Within that timeframe, the gentleman is correct.

Mr. SCHUMER. The question I have is what does "within that timeframe" mean? Does it mean that after a certain point of time we cannot offer any amendments at all? Does it mean we would be able to offer those amendments and not debate them? Or does it mean that we could offer those amendments and have a limited amount of time to debate them? And then do the House's business and see where the votes are that way?

Mr. SOLOMON. If the gentleman would yield further, that decision has not been made. But if we were going to limit the time for consideration of amendments, we also have a priority, prefiling offer to you, and I would suggest to the gentleman if you have significant amendments that you ought to prefile those amendments. Within the 6 hours or whatever time we arrive at, you certainly would have ample opportunity to debate those amendments, absolutely.

Mr. SCHUMER. If the gentleman will continue to yield, what are those prefling requirements? That is the question I would have.

Mr. SOLOMON. There are no prefiling requirements at all. It is not a requirement.

It might include a provision giving priority and recognition to Members who prefile their amendments. You do not have to come and testify, you do not have to prefile.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentleman for yielding.

Mr. Chairman, I would just like to say that the chairman of the Rules Committee, he said the first four bills would not be restricted and the last two might. I believe that the sixth bill, the one that would redo the program and do the block grants is in fact one of the most important and in fact took the longest time in the Judiciary Committee. So I would hope that they would not be subjected to that kind of restriction simply, because it would not make sense just because that is the number in which they were ordered to take a more important bill and restrict it more just because it comes later rather than earlier on.

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

Mr. GEPHARDT. I yield to the gentleman from New York.

Mr. SCHUMER. I thank the gentleman.

Mr. Chairman, the first three bills, two of the three are completely noncontroversial, the third has very little controversy to it. The whole meat of the thrust of the crime bill we are debating is the fourth, fifth, and sixth bills. So I would ask the Rules Committee and the majority to do whatever they can to make those as open as possible. To only allow 6 hours of debate on the final bill, H.R. 728, which took up more time in committee to debate than the first four put together, would not be fair at all.

I would ask, given the commitments in the contract and everywhere else, that the rules be as open as possible. The Senate, as I understand it, and the gentleman can check me if I am wrong, the Senate is not going to get these bills for a month or two. We were told we would have this week and next week to finish the six bills, and I do not see why such a limitation as the gentleman is proposing would be necessary.

Mr. SOLOMON. I would just say to the gentleman that we would be more open and more fair than we have ever been when a crime package has been brought to this floor, and you can count on that.

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

Mr. GEPHARDT. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the leader for yielding.

Mr. Chairman, I inquire of the gentleman from New York, with whom we visited on this issue before, it was my understanding from the gentleman of New York—and you correct me if I am wrong—that on three bills, the bill on the block grant, on what we have passed, called the prevention programs, on the prison construction bill, and then on the habeas corpus bill, those three bills that the gentleman from New York—I cannot remember the exact words, and you correct me if I am wrong—this morning said that on those we do in one day. In other words, you would have a rule, discussion, debate, and then amendments. And when the time came to end on that day on that bill, that any amendments pending thereafter would no longer be in order. Is that correct?

Mr. SOLOMON. Over about a 12-hour period.

Mr. VOLKMER. Over whatever period. So that is basically a closed rule. It is; gentleman, it is a closed rule, gentleman. And you are telling people that even if you have an amendment in the RECORD by that time, if we would take 3 hours on a substitute and 4 hours on several amendments and there are other Members who have amendments that they feel are just as important as the other ones, you are saying that when the time runs out you do not get to offer your amendment, "I don't care who you are, I don't care how strongly you feel on your idea, you are not going to get to express your viewpoint." That is what I want you to think about.

Mr. SOLOMON. We will be glad to take the views of the gentleman into consideration. I have been pleading on this floor all day to expedite this bill. We want to make sure that we are going to be able to finish these six crime bills because of the time constraints.

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

Mr. GEPHARDT. I yield to the gentleman from Virginia.

Mr. WOLF. I thank the gentleman for yielding.

Mr. Chairman, I was in my office and heard the debate, and I ran over. As somebody who was asked by Mr. GINGRICH to be head of the Family Friendly Caucus, let me just make a coupe of comments and observations.

One, I would hope that the votes would be rolled. To ask somebody from California to come in by 2, I live here and I do not have to fly. I am a half-

hour from home. Frankly, I am tired. I just think that somehow we all know the ways of working these rules. There ought not be votes until 5 o'clock. No one should have to leave their family.

Second, if I may say two more things, second, we need—and I would ask Mr. ARMEY when we are finished and Mr. GEPHARDT—I heard your exchange about meeting on. Monday, I ask to determine a set hour, so that at a certain hour, whether it be midnight you told you wife or your kids or whether it be 7 o'clock, there are certain and set hours.

Third, speaking from this side, perhaps we cannot have open rules. Perhaps what we need are fair rules, whereby we give the leadership whatever amendments they see fit but it cannot continue to go on. Because one Member the other night said to me, and I am not going to say who, "I thought you said we were going to have a family friendly Congress." Then when I got back to my office, that Member was getting up and objecting and tying the place up.

I cannot make this a family friendly Congress, but we can, all work together, make it a family friendly Congress.

So we do not want to manipulate the rules. I think if we can develop a better spirit we can do it. First, no votes before 5, second, let us get a set time; or third, frankly, we are probably going to have to do away with the open rules and have rules, what I would call fair rules, so that we can then have set times. I hope we can do it.

Mr. GEPHARDT. Mr. Chairman, if I may reclaim my time, and this would be the last statement: I want to commend the gentleman from Virginia [Mr. WOLF]. When I was majority leader, he talked to me a lot about his concerns, which are sincere, about family life, personal life in this institution. I want to work, and I believe our Members want to work, with your Members, Mr. Majority Leader, to see if we can do that. Obviously, we have had some bad experiences early here with a lot of amendments, and we are going to go through a shakedown period here. But I think the minority is sincere in wanting to find an accommodation with regard to the kind of amendments, the time limits on amendments, so that we can make a more predictable schedule.

Before we leave today, I would like to sit down with the majority leader and chairman of the Committee on Rules and see if we can find a way as a start to begin our meeting on Monday at 5 o'clock and roll vote. I will talk to them in a moment.

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

Mr. GEPHARDT. I will.

Mr. ARMEY. I thank the gentleman.

Mr. Chairman, I point out to the chair it has taken us over 15 minutes to announce the schedule. That I suppose as much as anything else validates the need for the kind of schedule that I announced.

I want to thank the gentleman from Missouri [Mr. GEPHARDT] for his kind offer, and certainly we will try to find a way to work around that.

As the gentleman from Virginia [Mr. WOLF] said, with a bit of cooperation from all of us we can all have a more family friendly life.

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

Mr. GEPHARDT. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. I thank the gentleman for yielding.

Mr. Chairman, I am all for—if you want to complain about how far you have to go—I am leaving tonight. I will have to stay overnight in Los Angeles, get home tomorrow; leave Sunday night. I do not mind.

□ 1430

We are doing the business of Congress here.

Now the Constitution of the United States is being messed with here. I say to my colleagues, "Now you want to be family friendly? I'm all for family friendly, but don't anybody come and tell this Member that in the name of family friendly that we are not going to do our business in a proper fashion. Every Member here is entitled and obligated to take his or her concerns to this floor under the rules, and I don't want to see 1 second of one Member's obligation and duty compromised in any way, shape, or form."

Is this the 100-day rule, which is not in this Constitution, but in the contract that they signed and I did not sign? I say to my colleagues, "If it takes a thousand days, 10,000 days, that's what it takes to protect the Constitution of the United States, and that's what we take."

Mrs. COLLINS of Illinois. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Wisconsin [Mr. OBEY].

Mr. Chairman, I noted that the majority leader said that we were going to take up some amendments and that, regardless of where we were, we are going to be out of here, we are going to rise, at 3 o'clock. My concern is that the gentleman from Wisconsin [Mr. OBEY] may not have sufficient time to offer his amendment with the proper responses, so I want to ask Mr. OBEY if he feels he can offer his amendment along with the time that it will take to get a vote on that and be finished at 3 o'clock or if he feels his time would be compromised and the quality of his debate would be compromised by doing so.

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I cannot tell how much time it is going to take. I do feel a requirement to explain why I am doing this because so many Members have been asking me that. But it really is not up to me to determine how much time it is going to take. I just do not know.

Mr. CLINGER. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, if it would be helpful, I would like the gentleman to know that we have examined the gentleman's amendment, and if it would assist the gentleman from Wisconsin in determining how much time might be involved in consideration of his amendment, I would inform the gentleman that we think it is an excellent addition to what we are trying to do here, which is to get at those elements of pork, wherever they may exist and wherever they exist every year.

Mr. Chairman, we will support the amendment that will be offered by the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I only intend to take about 4 minutes to explain my amendment, and I do not know of anybody else who wants to speak.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment. It is No. 15.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. OBEY: At the end of section 2, add the following new subsection:

(d) SPECIAL RULE FOR FY 1995 APPROPRIATION MEASURES.—Notwithstanding subsection (a)(2), in the case of any unobligated discretionary budget authority provided by any appropriation Act for fiscal year 1995, the President may rescind all or part of that discretionary budget authority under the terms of this Act if the President notifies the Congress of such rescission by a special message not later than ten calendar days (not including Sundays) after the date of enactment of this Act.

Mr. OBEY. Mr. Chairman, as Members know, what I am doing is trying to ensure that, if we are going to pass this misguided proposal, that at least we will be able to give the President the ability to reach any and all projects in the 13 appropriation bills which passed last year.

I have in my hand a packet tagged by subcommittee which is entitled "Questionable Fiscal '95 Projects by Subcommittee," and I know that a number of Members do not like the fact that this is being offered. But I am offering it because I basically believe this bill is flawed.

First of all, I think it is based on the assumption that the Congress spends more than the President, and in fact history will show that in this last decade we have spent considerably less

than the President has asked for. When you take a look at specific Presidential requests for rescissions, since 1974, Mr. Chairman, Presidents have asked this Congress to rescind $73 billion in appropriations. This Congress has actually rescinded $93 billion in appropriations, 27 percent more than the President asked us to cut. Those are not my numbers. Those are the General Accounting Office's numbers.

We rescinded double the amount of spending that President Bush wanted us to rescind, and to date we have rescinded 33 percent more in spending than President Clinton has asked us to.

So, I think that record should be cleared up, and, as the ranking Democrat on the Committee on Appropriations, I feel an obligation to do so.

I say to my colleagues, I think, if you really want to get at spending, for instance, you will consider the Orton amendment, which comes next, which if it is not adopted will leave a huge loophole in the item veto process because it will apply only to appropriations and not contract authority, something which I think would be a national joke.

But I am also offering this for a second reason, because I simply believe it is fundamentally wrong for us to be making decisions based upon what one-third plus one in this place thinks ought to be public policy. I believe that this vehicle, as it stands now, is a disgraceful and gutless granting of gigantic Executive power by this institution, and I am ashamed, I am ashamed to see that kind of willing power transfer. Because I think this institution's primary responsibility under the Constitution is to protect the American people from the excessive abuse of Executive power. And in my view, as it stands now, this proposal invites the President to use his powers that are being granted under this proposal to greatly expand his ability to leverage additional spending into each and every bill that goes through this place.

Mr. Chairman, I will explain more when we debate the amendment to be offered by Mr. STENHOLM on Monday what I mean by that.

But if, nonetheless, this institution is hell bent on that kind of a reckless transfer of power, then I think we ought to make it apply to every single project which right now Members of this body and Members of the other body think are safely beyond the reach of Presidential veto, and that is why I am offering this, so that the President will have a 10-day window after the passage of this misguided proposal during which he can examine each and every tidbit in every appropriation bill last year.

□ 1440

Now, I think we did a good job on the Committee on Appropriations last year. We eliminated some 40 programs. We cut 408 programs below the previous year's spending level. And the earmarks that were provided were substantially reduced below the level of the previous year.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. OBEY] has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, it seems to me nonetheless that the record obviously is not perfect. We had to accept many "suggestions" from the other body, for instance. So I think if this is going to go into effect, Members ought not to be allowed to assume that their own specific projects are beyond presidential reach. We ought to know in concrete terms just what is at risk.

So I offer this amendment in that spirit and would hope that it would be accepted and adopted by this House.

Mr. CLINGER. Mr. Chairman, I rise in support to the amendment.

Mr. Chairman, as I indicated before the gentleman offered his amendment, we have examined the amendment and want to commend the gentleman, frankly, on his willingness to open up his own appropriations bills for this line-item veto, appropriations bills which were dealt with last year.

I think when the former chairman of the committee recognizes the need of a line-item veto and admits the benefits it provides in eliminating unnecessary spending, we should take note and thank him for his very good work in this regard.

I think I would ask the gentleman, if he has indicated he knows where the bodies are buried and where the skeletons are, that we would have that list as promptly as possible and perhaps we could rescind or eliminate that spending and save the President the need to exercise the line-item veto.

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

Mr. CLINGER. I yield to the gentleman from Wisconsin.

Mr. OBEY. I think all you have to do is take a look at every appropriations report, because they are fairly well spelled out. I am not suggesting that most of them are bad items. I think the vast majority of them are infinitely defensible and, in fact, in the national interest. But I just want Members to have very specific and concrete understandings beforehand of the kind of power the President is going to have.

Mr. CLINGER. Mr. Chairman, reclaiming my time.

As I say, Mr. Chairman, we are pleased to accept the amendment, and I yield back the balance of my time.

PARLIAMENTARY INQUIRY

Mr. ABERCROMBIE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ABERCROMBIE. Mr. Chairman, is it the Chair's understanding that a ruling was arrived at or an understanding was arrived at with respect to the votes on Monday and the 2 o'clock versus 5 o'clock time? Because that is not clear to me.

The CHAIRMAN. The Chairman of the Committee of the Whole is not in a position to rule on that question.

Mr. ABERCROMBIE. Mr. Chairman, a further parliamentary inquiry. How might I go about making that inquiry? My understanding is that issue was not settled.

The CHAIRMAN. The gentleman should inquire of the leadership who makes those decisions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The amendment was agreed to.

Mr. CLINGER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having assumed the chair, Mr. BOEHNER, Chairman 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. 2) to give the President item veto authority over appropriation acts and targeted tax benefits in revenue acts, had come to no resolution thereon.

NOTICE OF INTENT TO FILE PRIVILEGED RESOLUTION ON MONDAY NEXT

Mr. TAYLOR of Mississippi. Mr. Speaker, pursuant to rule IX, I hereby give notice of my intention to offer a resolution that raises a question of privilege of the House. The form of the resolution is as follows:

H. RES.—

Whereas rule IX of the Rules of the House of Representatives provides that questions of privilege shall arise whenever the rights of the House collectively are affected;

Whereas, under the precedents, customs, and traditions of the House pursuant to rule IX, a question of privilege has arisen in cases involving the constitutional prerogatives of the House;

Whereas section 8 of Article I of the Constitution vests in Congress the power to "coin money, regulate the value thereof, and of foreign coins";

Whereas section 9 of Article I of the Constitution provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law";

Whereas the President has recently sought the enactment of legislation to authorize the President to undertake efforts to support economic stability in Mexico and strengthen the Mexican peso;

Whereas the President announced on January 31, 1995, that actions are being taken to achieve the same result without the enactment of legislation by the Congress;

Whereas the obligation or expenditure of funds by the President without consideration by the House of Representatives of legislation to make appropriated funds available for obligation or expenditure in the manner proposed by the President raises grave questions concerning the prerogatives of the

House and the integrity of the proceedings of the House;

Whereas the exchange stabilization fund was created by statute to stabilize the exchange value of the dollar and is also required by statute to be used in accordance with the obligations of the United States under the Articles of Agreement of the International Monetary Fund; and

Whereas the commitment of $20,000,000,000 of the resources of the exchange stabilization fund to Mexico by the President without congressional approval may jeopardize the ability of the fund to fulfill its statutory purposes: Now, therefore, be it

Resolved, That the Comptroller General of the United States shall prepare and transmit, within 7 days after the adoption of this resolution, a report to the House of Representatives containing the following:

(1) The opinion of the Comptroller General on whether any of the proposed actions of the President, as announced on January 31, 1995, to strengthen the Mexican peso and support economic stability in Mexico requires congressional authorization or appropriation.

(2) A detailed evaluation of the terms and conditions of the commitments and agreements entered into by the President, or any officer or employee of the United States acting on behalf of the President, in connection with providing such support, including the terms which provide for collateral or other methods of assuring repayment of any outlays by the United States.

(3) An analysis of the resources which the International Monetary Fund has agreed to make available to strengthen the Mexican peso and support economic stability in Mexico, including—

(A) an identification of the percentage of such resources which are attributable to capital contributions by the United States to such Fund; and

(B) an analysis of the extent to which the Fund's participation in such efforts will likely require additional contributions by member states, including the United States, to the Fund in the future.

(4) An evaluation of the role played by the Bank for International Settlements in international efforts to strengthen the Mexican peso and support economic stability in Mexico and the extent of the financial exposure of the United States, including the Board of Governors of the Federal Reserve System, with respect to the Bank's activities.

(5) A detailed analysis of the relationships between the Bank for International Settlements and the Board of Governors of the Federal Reserve System and between the Bank and the Secretary of the Treasury, and the extent to which such relationships involve a financial commitment to the Bank or other members of the Bank, on the part of the United States, of public money or any other financial resources under the control of the Board of Governors of the Federal Reserve System.

(6) An accounting of fund flows, during the 24 months preceding the date of the adoption of this resolution, through the exchange stabilization fund established under section 5302 of title 31, United States Code, the manner in which amounts in the fund have been used domestically and internationally, and the extent to which the use of such amounts to strengthen the Mexican peso and support economic stability in Mexico represents a departure from the manner in which amounts in the fund have previously been used, including conventional uses such as short-term currency swaps to defend the dollar as compared to intermediate- and long-term loans and loan guarantees to foreign countries.

□ 1450

The SPEAKER pro tempore (Mr. LAHOOD). Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or place designated by the Speaker in the legislative schedule within two legislative days of its being properly noticed. The Chair will announce the Speaker's designation at a later time. In the meantime, the form of the resolution proffered by the gentleman from Mississippi will appear in the RECORD at this point.

The Chair is not at this point making a determination as to whether the resolution constitutes a question of privilege. That determination will made at the time designated by the Speaker for consideration of the resolution.

PARLIAMENTARY INQUIRES

Ms. KAPTUR. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. KAPTUR. Mr. Speaker, as an original cosponsor of this privileged resolution, I would like to inquire of the Chair at what point we might have that Speaker's ruling? At what point might this matter be scheduled for debate for the RECORD, please?

The SPEAKER pro tempore. That will be determined by the Speaker.

Ms. KAPTUR. What would be the maximum amount of time that the Speaker might allow before making that ruling?

The SPEAKER pro tempore. Under rule IX, that is 2 legislative days.

Ms. KAPTUR. Two legislative days. So that would mean that we would have some opinion from the Speaker by late on Tuesday at the very latest?

The SPEAKER pro tempore. That would appear to be correct.

Ms. KAPTUR. Mr. Speaker, a further parliamentary inquiry: In what form will the Speaker so inform the Members?

The SPEAKER pro tempore. The Speaker will consult with the Members as to when he makes his ruling.

Ms. KAPTUR. Consult with the cosponsors, the original cosponsors of the resolution?

The SPEAKER pro tempore. The Speaker will make sure that he gets the word to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TAYLOR of Mississippi. Mr. Speaker, I have researched this and feel very strongly that it indeed involves the privileges of the House, since this is a matter constitutional in nature that is mandatory for this body to fulfill.

It is my intention, should there be a ruling of the Chair that this is not a privileged resolution, to question the ruling of the Chair. Therefore, the timing of that ruling is of importance so that I can have the maximum number of Members who feel strongly about this issue on the floor.

Would it be possible for me to be notified in writing 24 hours in advance, giving me the time that I should expect such ruling?

The SPEAKER pro tempore. The Speaker will comply with rule IX.

Mr. TAYLOR of Mississippi. At what point during the legislative business on that second day will this be brought to a vote?

The SPEAKER pro tempore. The matter will be determined by the Speaker.

Mr. TAYLOR of Mississippi. Is the Speaker's intention to in any way inform the Members so as to give them advanced warning of this ruling?

The SPEAKER pro tempore. The current occupant of the chair cannot prejudge what the Speaker will do.

Ms. KAPTUR. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. KAPTUR. Mr. Speaker, in past such rulings, how has the Speaker notified the Members?

The SPEAKER pro tempore. The Speaker would notify the Members through the Parliamentarian or through the staff of the Speaker's office.

Ms. KAPTUR. Mr. Speaker, I thank the Chair.

THE MINIMUM WAGE

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

Mr. WISE. Mr. Speaker, I want to rise today to state my support of the President's proposal to raise the minimum wage from $4.25 to $5.15 in 45 cent increments.

Today in West Virginia a family of three making the minimum wage is below the poverty line, making $8,800 a year.

In the 1960's and 1970's, a family of three making the minimum wage was above the poverty line, but today they would be $3,500 below the official poverty line.

The minimum wage today is, in real dollars, $2.25 below the real value of the minimum wage in 1968. The income gap is only widening for West Virginia families. In fact, 17 percent of our families in West Virginia earn less than $5 per hour.

Mr. Speaker, we are asking, and rightly so, people to leave welfare. We

are trying to create jobs. We are telling people the most important thing is to work.

There must be a reward to work. One of the rewards is making sure that the minimum wage is not a truly poverty wage, as it is today.

I support the raising of the minimum wage.

ADJOURNMENT TO MONDAY, FEBRUARY 6, 1995

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

FURTHER SCHEDULING

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

Mr. GOSS. Mr. Speaker, I would like to underscore any confusion there has been about the time that we will be in session on Tuesday next. We will start morning business, Tuesday next, at 9:30. And we will start the House at 11.

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

Mr. GOSS. I yield to the gentleman from West Virginia.

Mr. WISE. Mr. Speaker, as I recall, it originally had been morning hours starting on Tuesday at 10:30, with the House beginning at noon. Now the gentleman is saying that the morning hour will begin at 9:30 with the House beginning at 11.

Mr. GOSS. Mr. Speaker, the gentleman is correct. There is no change. There was a misspeaking earlier. I am underscoring the correct time.

Mr. WISE. Mr. Speaker, if the gentleman will continue to yield, the more repetition, I think, on this, the better as far as Members and their schedules.

Mr. GOSS. Mr. Speaker, it is 9:30 for morning business and 11 for the House.

GOP'S CONTRACT ON AMERICA'S MINORITY ENTREPRENEURS

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute.)

Mrs. COLLINS of Illinois. Mr. Speaker, believe it or not my colleagues on the other side of the aisle see no need for continuing the vital efforts we in this body have made over the last two decades to diversify the ownership ranks in America's broadcast and cable industries.

Last week the House Ways and Means Oversight Subcommittee indicated its plans to do away with the Federal Communications Commission's [FCC] minority tax certificate program that has been instrumental in expanding the number of minority-owned and operated television, radio, and cable stations across our country and bringing more citizens into the great public policy debates of our time.

Despite the fact that diversity in the broadcast and cable industries has been constitutionally upheld as a vital goal of U.S. telecommunications policy, despite the fact that today only 2.9 percent of such firms are minority controlled, despite the fact that undercapitalization continues to be a major impediment to minority representation in these fields, the GOP sees the FCC's minority tax certificate program as a needless initiative.

Mr. Speaker, the information age is upon us but unfortunately those individuals and communities that are presently underserved and could potentially benefit most from advances in technology and access to the airwaves are still standing on the shoulder of the superhighway in the dust being kicked up by the megacorporations tooling down the road past them. Apparently, this suits the new majority party just fine. It sure is a new era in Washington.

□ 1500

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

URGING SUPPORT FOR RESOLUTION PRESERVING EARNINGS OPPORTUNITIES FOR THE BLIND

The SPEAKER pro tempore (Mr. FOLEY). Under a previous order of the House, the gentlewoman from Connecticut [Mr. KENNELLY] is recognized for 5 minutes.

Mrs. KENNELLY. Mr. Speaker, I rise today to introduce a resolution expressing the sense of Congress that the blind should continue to be able to earn as much as senior citizens under the Social Security earnings test. I will offer an amendment in the Ways and Means Committee when it marks up the Republican contract to continue the same earnings test for the blind as seniors will have under the Senior Citizen's Equity Act. This action will ensure that blind individuals can continue to be self sufficient, productive members of society.

In 1977, Congress established the same earnings exemption standard for the blind and retirees under the age of 70. In fact, this action was championed by the present chairman of the Ways and Means Committee, and provided blind individuals with incentives to contribute as members of the work force.

Blindness is often associated with adverse social and economic consequences. It is often difficult for blind individuals to find sustained employment or for that matter employment at all. Action by Congress in 1977 provided a great deal of hope and incentive for the blind population in this country.

The Republican Contract With America raises the earnings test for senior citizens from $11,160 a year to $30,000 in the year 2000. However, the bill specifically de-links blind workers from this increase in the earnings test.

It is my hope that the link between senior citizens and blind individuals can continue. Let's not remove the incentive to work that we were wise enough to offer the blind in 1977. Many in this country want to work and take pride in working and contributing to society.

I have always been a supporter of the blind. When I first came to Congress in 1982 I successfully offered an amendment as a member of the Public Works and Transportation Committee that gave the blind priority to provide vending machines at rests areas and safe areas on the National Interstate Highway System. Since that time nearly every State has passed similar State laws. This action has provided lucrative revenue opportunities for over 600 blind people throughout the country and has been considered by many as a major revenue source for the blind.

We in Congress have been successful in the past 20 years in providing opportunities for the blind to succeed. Let us not go back, let us move forward and extend the increase in the earnings exemption that we are providing to seniors to the blind.

I urge my colleagues to support this important resolution.

PRESERVING THE REPUTATION OF THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes.

Mr. VOLKMER. Mr. Speaker, I view the House of Representatives as one of the most respected bodies and institutions in this world, maybe not quite to the extent that I do my church and my home, but it reaches right up there with them.

This is the greatest institution for democracy in the world. It should never be sullied, should never be soiled by actions of any of its Members, yet today we have a stain on the U.S. House of Representatives. We have a cloud over its existence. That is the question of the Speaker's involvement with Rupert Murdoch over the book deal.

Mr. Speaker, only 2 weeks ago, finally we had a House Ethics Committee appointed. It has not met. Nothing has been done. Yet we all know from published reports of the meetings between the Speaker, Mr. Murdoch, his lobbyists, and others, we all know that the corporations that are controlled by Mr. Murdoch have matters pending before the Federal Communications Commission.

We all know that there is possible pending legislation that would benefit Mr. Murdoch and his holdings before this House of Representatives. We should have a thorough investigation. Yet, what it appears is going on now is, there is nothing going to be done, that that committee is not going to meet.

It is not just the committee in action that concerns me. It is the fact that everyone agrees; we just heard from Mr. Wertheimer of Common Cause, who says we need an adviser for ethics outside, independent counsel, to look into this. I agree. We cannot just rely on our old Ethics Committee to examine what occurred or what did not occur.

I'm not prejudging the Speaker, but I do think that it needs a complete airing so that that stain can be removed from this House, or the cloud can be lifted, so that we can proceed with our business.

The other matter I would like to talk about is one that relates directly to this House of Representatives that I love so well. That is the fairness of each individual Member to be able to propose and examine their ideas as far as legislation is concerned.

We have coming up in the next 2 weeks legislation put out by the Committee on the Judiciary so-called separate crime bills. Just today we hear that the majority proposes that on certain of those crime bills, those that are the most controversial, those that will take the longest, those that will have amendments, those that will have substitutes, they propose to limit the time that the individual Members of this body, whether Democrat or Republican, can even address the House and offer their amendments.

Mr. Speaker, I would suggest to the majority that they closely examine and rethink that proposal. I believe that if the majority wishes to proceed with their legislation under the 100-day calendar, if they wish to do so, to work with the minority, I am sure that you would find that many of these so-called crime bills, some, at least three or four, there is not much controversy about at all.

Those would be disposed of very rapidly, so that the time remaining could be devoted to those areas where there is diversity of opinion and not try to lump them all as the same.

I believe strongly, and as long as I am here will work to make sure that every Member, whether Democrat or Republican, has the opportunity to offer amendments to bills, to have that discussion, to have that idea brought up, and I don't believe anybody should be gagged by the majority just to expedite a matter.

REQUEST FOR PERMISSION TO POSTPONE RECORDED VOTES ON AMENDMENTS IN THE COMMITTEE OF THE WHOLE, AND TO REDUCE TO 5 MINUTES INTERVENING TIME BETWEEN VOTES

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 2, pursuant to House Resolution 55, the Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment, and that the Chairman of the Committee of the Whole may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device with intervening business, providing that the time for voting by electronic device on the first in any series of questions shall be not less than 15 minutes.

Mr. VOLKMER. Reserving the right to object, and I do not plan to object, Mr. Speaker, I would just like to know if this has been covered or at least discussed with the minority to make sure there is no objection to it. I think that is everything we were talking about earlier, so on Monday the votes could possibly be postponed until 5 o'clock.

□ 1510

Mr. ARMEY. If the gentleman will yield, yes, this and the ensuing unanimous-consent request I am about to read have both been cleared on both sides of the aisle.

Mr. VOLKMER. Can we hold that up for just a few minutes? Is it possible? I do not want to object, but will the gentleman withdraw at this time for just a few minutes?

The SPEAKER pro tempore (Mr. FOLEY). The request is considered as withdrawn.

CONCERN OVER USDA PROPOSED REORGANIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, this Member strongly supports efforts to create a leaner and more efficient Federal Government. Such efforts are long overdue. However, as the U.S. Department of Agriculture moves forward with its reorganization plans, it is critical to keep in mind that reorganization simply for the sake of reorganizing is inefficient, counterproductive, and often very costly.

The use of reorganization to achieve the appearance of change is certainly not new. This Member quotes from Petronius Arbiter in the year 210 B.C.:

> We trained hard * * * but it seemed that every time we were beginning to form up into teams, we would be reorganized. I was to learn later in life that we tend to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization.

This Member believes this observation of some 2200 years ago is especially relevant as the U.S. Department of Agriculture considers a reorganization plan for the new Natural Resource Conservation Service [NRCS]. This Member is specifically concerned about the proposed closing of the Mid-West Technical Center located in Lincoln, NE. This technical center has proven to be productive and well-located and this Member is extremely doubtful that the proposed changes are either cost-effective or will bring great efficiency.

In addition to the specific concern, this Member is also concerned that the currently proposed reorganization plan will severely and adversely impact the Natural Resources Conservation Service. The current schedule to finalize plans by May 1, 1995, with implementation of the reorganization set for October 1, 1995, needs to be placed on hold until a reevaluation is completed.

Mr. Speaker, this Member is concerned that the charge given to the U.S. Department of Agriculture to reduce administrative staff in the Washington, DC, office is being implemented in NRCS by moving many of their administrators to the six proposed regional offices. In order to make room in the budget to fund the new regional administrative staffs, the technical experts now located at the technical centers would then be sacrificed. It is this Member's belief that such a move would be very short-sighted and ultimately would undermine the technical capability and reputation of the agency.

The NRCS, formerly known as the Soil Conservation Service, has earned a richly deserved reputation as a highly professional and technically competent agency. Now there appears to be a clear, and not so subtle, trend to diminish the carefully nurtured technical competence of the Service. For example, the proposed plan gives lip service to the need for technical competence while at the same time destroying the very repositories of technical skill and the knowledge, the National Technical Centers [NTC's]. The

explanation for dismantling the collective technical expertise of the NRCS is not comforting. The plan calls for the duties of the NTC specialists to be taken over by the States. Yet, the States' budgets are being reduced and the State conservationists do not appear to be enthusiastic about assuming this responsibility.

Mr. Speaker, there are also suggestions to bolster technology by creating institutes of excellence at various locations throughout the country. This is a novel concept. However, in an age of integrated technology these miniature NTC's would lack synergy. This Member is afraid that in a few years someone will suggest reorganization that combines all the institutes into one or two units. They might even be called technical centers.

Mr. Speaker, this Member is also concerned about the proposed realignment of U.S. Forest Service regions to coincide with the NRCS regions because there is not that much commonality between their functions and responsibilities. This may seem like a reasonable idea for those at the undersecretary level, but it is not a good idea for the vitality and future of the NRCS. Colocation with the Forest Service would not be for the benefit of the citizen or for programs of mutual concern. The NRCS and the Forest Service clearly serve different constituencies. Because there is little overlap between the agencies' responsibilities and areas of focus, a regional division which makes sense for one of the agencies would not necessarily work for the other.

Furthermore, colocation of the NRCS with the Forest Service would, most likely, lead to the swamping of the NRCS and its programs by the larger agency. This Member believes there is a danger that the NRCS would eventually be absorbed into the larger Forest Service, rather than the two serving as coequal agencies. Also, since the Forest Service budget has been included in the Interior appropriations bill, this Member believes this is an added complication that may not have been thoroughly considered. The anticipated savings in administrative costs, as a result of colocation with the Forest Service, may also be a bit misleading since administration of the NTC's is usually a shared function between the NTC's and the State office of the NRCS.

If new administrative regions are a good idea, and they may be, then it would seem to make sense to utilize the facilities of the existing technical centers as a base of operation within the four proposed regions in which technical centers are now located. Historically, the SCS has shared locations with the ASCS, now part of the Consolidated Farm Service Agency [CFSA], because of mutual program components and for the convenience of the citizens that utilized the services. In fact, colocation of NRCS and CFSA is being required at the local level.

Finally, Mr. Speaker, this Member does not believe that the recently passed reorganization legislation was intended to change the mission of the old Soil Conservation Service. However, anonymous, but highly respected USDA employees have told me that NRCS officials have indicated that NRCS is no longer in the business of production agriculture! The SCS was born as a result of a calamity caused by nature and poor stewardship of the soil. The NRCS should be dedicated to assisting the private landowner in the production of food and fiber in a sustainable and conservation-friendly manner. Sweeping changes in the mission and basic structure of the NRCS should not be undertaken in haste and need the concurrence of Congress.

Mr. Speaker, this Member strongly urges the USDA to carefully reexamine the current proposal to reorganize the NRCS at the national, regional, and State levels. The proposed changes are, on balance, a very bad idea. I hope our distinguished former colleague, Dan Glickman, will send the USDA teams back to the drawing boards when he takes charge.

COMMERCIAL SPACE ACTIVITIES ON CALIFORNIA'S CENTRAL COAST

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentlewoman from California [Mrs. SEASTRAND] is recognized for 10 minutes as the designee of the majority leader.

Mrs. SEASTRAND. Mr. Speaker, I rise to discuss one of the most important opportunities before the United States of America today. That opportunity lies in the commercialization of space and the development of commercial spaceports. In the coming weeks I will introduce Federal spaceport legislation, but I want to take a few minutes at this time to discuss some of the important strides the State of California, and the central coast in particular, have made in fostering the growth of commercial space.

In recent years I have been a leading proponent of commercial space activities on the central coast of California. But, well before me, there was a group of enlightened men and women who looked into the future and saw an industry that was waiting to be discovered.

Following the tragic *Challenger* explosion, it became increasingly clear that the long-planned shuttle launch from Vandenberg Air Force Base would not take place. In addition, between 1965 and 1986, the Air Force had spent in excess of $5 billion for a military manned-space facility at Vandenberg. The Air Force ultimately canceled the Vandenberg shuttle program and the result was a loss of 4,000 high paying jobs. It was in this environment that a group of Lompoc community activists got together with a mission to transfer Vandenberg's shuttle facilities from Air Force to NASA control. This too failed.

The next logical step was to look forward and what they saw was the small satellite commercial space market so they applied to NASA for a center for commercial development of space at Vandenberg Air Force Base. This pursuit of NASA support and funding seemed to be the most logical way to preserve both local capabilities and the region's growing aerospace industry. Moreover, NASA was already supporting 16 commercial launch centers across the country to the tune of $1 million a year for each one. However, after 5 years of vigorous pursuit, it became clear that NASA had little interest in funding technology development west of the Rockies.

In 1991, with the assistance of then-Congressman Bob Lagomarsino, Vice President Quayle visited Vandenberg and saw first hand its commercial space capabilities. In addition, he significantly raised its profile. The Vice President commented that America had entered a new phase in space launches that would bring an increase in the importance of commercial launch.

In the subsequent months, the Air Force made a recommendation to Motorola that Vandenberg be used as the launch site for their Iridium satellites—a potential $2.3 billion project as it was originally outlined. Unfortunately, for a variety of reasons, Motorola concluded that Vandenberg would not be a suitable site and the United States was faced with a half-billion loss in booster sales to France.

Through the efforts of local activists, specifically a determined community, State, Air Force, and congressional lobbying campaign, Motorola reversed its decision on Vandenberg. They signed $1.1 billion in satellite and booster contracts with American companies Lockheed and McDonnell Douglas.

The decision by Motorola was a critical step on the road to turning what could have been a several billion dollar white elephant at Vandenberg Air Force Base into a commercial space launch facility with tremendous economic potential.

Mr. Speaker, when I was elected to the California State Assembly in 1990, I took an active role in promoting commercial space activities along the central coast of California. This included bringing these issues to the attention of Sacramento lawmakers. In 1993, I introduced legislation which designated the Western Commercial Space Center as the California Spaceport Authority. In addition, we supported the establishment of a commercial space office within the California Department of Transportation to serve as an advocate and watchful eye for available Federal resources. We also worked to obtain a sales tax exemption for qualified property used in launches from Vandenberg Air Force Base. Gov. Pete Wilson, a commercial space supporter, earmarked $350,000 in 1993 matching funds.

In 1994, I introduced legislation to expand the charter of the California Spaceport Authority to encompass responsibility for development of regional technology alliances, legislation, and determinations concerning

the commercial space business. Also in 1994, the State of California's earmarked matching funds rose to $550,000.

What worked for us in California was removing the issue of spaceport development from the larger issue of commercial space. We made a successful argument that the narrow issue of spaceport development was largely a transportation infrastructure issue. After all, if there is no facility from which to launch, there would be no launches.

The first thing was define a spaceport? A spaceport, in its best description, is a transportation center. It should be viewed in the same way as an airport or a seaport. A spaceport puts semi-trucks—rockets—on end and drives—launches—them into space. In the current environment this is an expensive proposition because these vehicles can only be used one time. It is my belief that commercial business will drive down these high costs and encourage developments in reusable launch vehicles.

It is important to recognize that facility development is separate from the overall commercial space industry. In the United States, the available parts of the market are launch bases, boosters, and satellites. The missing piece of the puzzle is a facility for the launches. Currently, launch facilities are controlled by the Air Force, but California is building the first commercial facility. What makes the California Spaceport special is the fact that it will be the first one capable of launching in polar orbit. Market reports and international competitors prove that polar orbit launches are the future of commercial space.

As with most things in life, timing is a very key issue. It is imperative that spaceport development progress quickly in order to maintain the other elements of the market. In the international arena, competition is fierce. This competition is currently headed by the European Space Agency [ESA] and propelled by the French. Other strong competitors are the Russians, Japanese, Chinese, and Canadians, while still others, including the Australians, are looking to get in.

Currently, the French now launch roughly 60 percent of the world's commercial satellites. From its first launch in December 1979, the spaceport in French Guiana has progressed rapidly. They have moved from 6 launches a year to a potential for 36 launches per year by the end of the decade.

The United States has many potential launch bases and two existing ones—the California and Florida spaceports. The question we must ask is, with existing spaceport facilities—plus all of the potential launch bases—and a healthy market for boosters and satellites, why isn't the United States in a better position to compete with our international competitors for a bigger share of the commercial launch market?

Mr. Speaker, in California we are no longer in the position of encouraging commercial space activity, we are there. A limited partnership between ITT and California Commercial Spaceport, Inc. puts to work $10 million in Federal and State grants and a $30 million investment by ITT toward the development of commercial space launches at Vandenberg.

This limited partnership, called Spaceport Systems International [SSI], is working hard to open the spaceport launch facility by 1996. They recently announced they will launch four Taurus vehicles in 1999. They had previously projected 15 launches by the end of 1997. Those payloads will include low Earth orbit [LEO], Earth observation, research, education, and government.

These customers will use the California Spaceport to launch LEO satellites into polar orbit—a unique ability that will generate significant business and jobs—400 to 500 for the construction phase and 700 to 1,000 when operational. However, the big jib numbers, in the tens of thousands, will be in the satellite manufacturing that will be drawn to this low-cost access to space provided by the California Spaceport.

The spaceport philosophy is a commitment to user-friendly environments, integrated launch services, and low-cost access to space. The economic potential for California and, more importantly, the Nation, is unlimited. In California the growth of spaceport helps in the revitalization of high-technology industries which have been hurt by defense cuts. This means more high paying jobs and improving local economies with new hotels, homes, shopping centers, education centers, and research facilities.

It is my hope that California can be used as a model for future spaceport development. We have stepped out of the box with a fresh perspective on space. Space is no longer the jurisdiction of little men in funny suits, Star Trek movies, or the Shuttle. The international commercial space industry is our highway into the 21st century and holds the promise of enormous economic benefits to our entire Nation.

□ 1520

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 2, LINE-ITEM VETO ACT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that during further consideration of H.R. 2 pursuant to House Resolution 55 the Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment, and that the Chairman of the Committee of the Whole may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than 15 minutes.

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

Mr. GEPHARDT. Mr. Speaker, reserving the right to object, and I will not object, but I want to inquire of the majority leader, it is my understanding that what we are trying to arrange here is a system for voting, in consideration of the rest of the line-item veto bill on Monday, so we can start at 2 p.m., have amendments with a 30-minute time limit for the amendments that are left, have an hour time limit on the substitutes that are left, that we would not begin the consideration of the Stenholm substitute until 5 o'clock, and that the order of voting when the voting would begin would be on the amendments first and then ending finally with the Stenholm substitute, and then on to final passage of the bill. Is that generally a correct statement?

Mr. ARMEY. If the gentleman will yield, the gentleman is absolutely correct.

Mr. GEPHARDT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

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

Mr. ROEMER. Mr. Speaker, reserving the right to object, I would just like to engage the distinguished majority leader in a short colloquy about the family-friendly nature of the schedule and also the productivity and effectiveness of the congressional schedule.

Many of us, as the gentleman from Texas knows, are frustrated with the current schedule, whether we have young children, whether we are on the east coast, the west coast, or in the Midwest. We see we are starting voting at 5 o'clock and 6 o'clock at night. We are all working 70 or 80 hours a week, but we are working many of these in the middle of the night where we never see our families. We are having votes overlap between committees on floor votes. Certainly the distinguished gentleman from Texas is as frustrated as anybody with this schedule, and while a bipartisan committee was appointed to work on this for the first 100 days, I did not sign that resolution on the bipartisan committee because I was afraid this would happen. It has happened. We have got angry and angrier families.

□ 1530

I am hopeful, if the majority leader would commit to working with us as he has in the past on improving this, if not immediately, then sometime in the next 90 days.

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

Mr. ROEMER. Further reserving the right to object, I yield to the gentleman from Texas.

Mr. ARMEY. The gentleman is absolutely correct about the frustrations. Certainly I felt it, too. I stand before you as a man who is a half-hour late already with a date that I have with the most beautiful woman I have known, and we feel these frustrations every day.

But I must say that, given what I have seen today as what I believe is a real breakthrough in relations with the work and the help of the minority leader and certainly the cooperation we have gotten from the distinguished ranking member of the committee on this effort, I believe we have got an opportunity to alleviate all of this tension and frustration in the future, and I am looking forward to moving on with the completion of this week, the beginning of next week under much more favorable conditions than we anticipated just a few short hours before, and I think more smoothly throughout the rest of this Congress.

Mr. ROEMER. Further reserving the right to object, so I can ascertain from the gentleman's remarks, that after the contract and the first 100 days is over, he is going to be working on spending more time with this beautiful lady after those 100 days and we can get that as a solid commitment?

Mr. ARMEY. Yes, if the gentleman will yield, not only that, you with your beautiful children and your wife as well.

Mr. ROEMER. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

Mr. GEPHARDT. Mr. Speaker, reserving the right to object, and I will not object, I wanted to say I misspoke in my explanation of the arrangement in saying all the amendments would have 30 minutes. It is my understanding that we are intending to have 1 hour for the Orton amendment alone.

Mr. ARMEY. Absolutely. That is correct. And I will have this in the request I am about to make.

Mr. GEPHARDT. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

ORDER OF OFFERING AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 2 ON MONDAY, FEBRUARY 6, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the Committee of the Whole House meets under the 5-minute rule next Monday to consider amendments to H.R. 2 that four amendments, if offered, will be considered, time to be divided equally between proponents and opponents of the amendment, with debate not to exceed the time allotted, in this case the gentleman from Utah [Mr. ORTON] for 1 hour, the gentlewoman from California [Ms. WATERS] for 30 minutes, the gentleman from Louisiana [Mr. TAUZIN] for 30 minutes, and the gentleman from Ohio [Mr. TRAFICANT] for 30 minutes; furthermore, that no amendments to the amendments may be offered, that two substitutes, if offered, will also be considered, time to be equally divided between the proponents and opponents, and debate not to exceed 1 hour each.

Those substitutes would be by the gentlewoman from New York [Ms. SLAUGHTER] and by the gentleman from Texas [Mr. STENHOLM], with the proviso that the gentleman from Texas [Mr. STENHOLM] will not begin to offer his substitute until 5 o'clock p.m.; and, finally, that no amendments to the substitutes may be offered.

The SPEAKER pro tempore. For clarification, the Chair will ask one question.

Is it the majority leader's request that the six named amendments, and none other, be in order for the balance of the consideration?

Mr. ARMEY. The Chair is correct in that.

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

There was no objection.

ORDER OF BUSINESS ON MONDAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. ARMEY] is recognized for 2 minutes.

Mr. ARMEY. Mr. Speaker, I hope that we have most of our Members that have now discerned from these two requests, and we will engage both majority and minority whip information system to inform all of our Members, that with these requests and with the generous cooperation of the minority, we are now able to advise Members that unless you have business on the floor that you need not anticipate a vote will be taken before 5 o'clock next Monday. Certainly those people with business on the floor and those people interested in debating the business on the floor will need to be here at 2, but Members not required to be on the floor for purposes of the debate may now be assured that votes will not occur before 5 o'clock, and very likely 5:30 on Monday next.

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

Mr. ARMEY. I yield to the gentleman from Missouri.

Mr. VOLKMER. It will take very little time, just to commend the gentleman and the gentleman from Missouri for working this out, and it is something I know will be beneficial to many Members, and I also think it is incumbent on staff now to notify those Members, a lot of whom are probably on their way home, and maybe it will make them feel better.

Mr. ARMEY. And again, one final point, the staff should be sure to notify the gentleman from California [Mr. DELLUMS], who is on his way to California to celebrate the birth of a new grandbaby.

OUR LEADERS SHOULD PUBLISH THEIR IDEAS AND WISDOM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from California [Mr. HUNTER] is recognized for 5 minutes as the designee of the majority leader.

Mr. HUNTER. Mr. Speaker, I would hope that the gentleman from Missouri [Mr. VOLKMER] would listen to my response to his special order a few minutes ago with respect to the Speaker of the House and the Speaker's intent to write a book.

I think the gentleman from Missouri, in continuing to raise accusations, clouds over the Speaker, because of the fact that he is preparing to write a book and publish that book, does a disservice to this House, and I think a disservice to the tradition that we want to have leaders in this Nation who not only have ideas and thoughts and wisdom and insight but also express those ideas and those thoughts and that wisdom and insight in books and make them available for the American people and for the people of the world.

I thought, as I walked down here, when I listened to the gentleman complain bitterly that the Speaker of the House might write a book, I thought about the great leaders in the West who have written books, and I thought about Winston Churchill, who wrote "The History of the English-Speaking Peoples," written when he was in office and who wrote following World War II "The History of World War II," a multivolume book, that has been the source of wisdom for many of those who came after him, and I thought of our great President, Teddy Roosevelt, who wrote many books, who wrote "The Winning of the West", "Trails of a Ranch Man", "The Naval War of 1812", "Through the Brazilian Wilderness", "The Strenuous Life", "The Rough Riders", who was a prolific writer and, you know, Teddy Roosevelt, of all of the, and I disagreed with the Speaker the other night when he said that Franklin Roosevelt may have been the biggest figure on the political stage in this century, the biggest political figure.

I think the other Roosevelt, Teddy Roosevelt, was the biggest political figure of this century, and Teddy Roosevelt left his energy and left his imprint on succeeding generations up to and including this generation of political leaders, because he wrote. He wrote, and he made his words available to the American people. He made his words available to Europeans and to Asians and to people around the world. I think in many ways Teddy Roosevelt's words and his books were such ambassadors of what this country is all about, as his speeches and his career.

Let me just say to my friend, the gentleman from Missouri, this Member, speaking for himself, says this: I want to have leaders who write books. I would like to see leaders on the Democratic side of the aisle write books. I think that whether you agree with it or do not agree with it, Vice President GORE's book that he wrote and received remuneration for provoked thought, provoked response, across the political spectrum, and for that reason was a very useful instrument in ginning up this mill of debate of the national forum.

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

Mr. HUNTER. I am happy to yield to my friend, the gentleman from California.

Mr. DORNAN. We are going to be expecting about 12 inches of snow starting late tonight, and I am going to dig my pal and classmate, AL GORE's, book out and read about global warming under those 12 inches of snow, especially if my fireplace gives out. I mean, it looks like we are getting colder, not warmer.

But it is still interesting to read the book, to get the other side. I like books. I have 4,000 at home. You have seen every one of them.

Mr. HUNTER. I am going to return his book. I have one of his MacArthur books that I promised to return for several years, and I promise, once again, that I will return that book soon.

Mr. DORNAN. We should have a carrier, the U.S.S. *Douglas MacArthur*.

Mr. HUNTER. I yield to my friend, the gentleman from Missouri, in just a second.

Let me just say with respect to remuneration, in terms of what you can do to make money in this world, there is probably nothing more democratic, nothing more open, nothing more populist than to make your words available to millions of people, and if a person wants to buy your book, he pays through the book-purchasing process $5 or $6 to the author, and there is nothing that is less of a special interest than an average American purchasing a book to read because he wants to see someone's ideas.

□ 1540

And I think it does a disservice to the House, and I will tell the gentleman that he is going to have leaders on his side of the aisle who want to share their ideas with the world.

PROS AND CONS OF PUBLIC FIGURES WRITING BOOKS

The SPEAKER pro tempore (Mr. FOLEY). Under the Speaker's announced policy of January 4, 1995, the gentleman from California [Mr. DORNAN] is recognized for 30 minutes as the designee of the majority leader.

Mr. DORNAN. Mr. Speaker, why should I yield to the gentleman from California [Mr. HUNTER]? Because he yielded to me? Why should I yield to the new conscience of the House who is pro-gun, pro-life, pro-guts, pro-defense and has been giving us a hard time and yelled at me the other day? Of course I yield to the gentleman from California if he will promise to yield to the distinguished gentleman and my pal from the great State of Missouri [Mr. VOLKMER].

Mr. HUNTER. I will. Just finishing my thought, I thank my friend for yielding.

Mr. DORNAN. He is pro-books, too.

Mr. HUNTER. Let me just say I hope the gentleman from Missouri writes a book. And I think as one Member when he writes it I am going to purchase that book and read it, and I will ask the gentleman from California to yield to him.

Mr. DORNAN. I am now controlling the time and loving every second of it. I yield to the gentleman from Missouri.

Mr. VOLKMER. The gentleman from California [Mr. DORNAN] has been a good friend, and we worked together for a good many years on many pieces of legislation, many of which we agree on. I agree, I have no disagreement with Members writing books. I think the gentleman from California [Mr. HUNTER] missed the point. The point that bothers me and I think we need to clear up because I have seen it in the media, I saw it the other night on TV, we need to clear it up: What influence did Rupert Murdoch have in relation to the writing of the book and to the book contract and how much the Speaker is going to get? I do not believe that Teddy Roosevelt, AL GORE, or anybody else had any types of contract with any types of person. Now there may not be anything wrong with that. I am just asking that let us get it cleared up so that we know there is nothing wrong with it. Let the Speaker go ahead and write a book, I have no objection to his writing a book. My only question is what remuneration is in that contract, did the things that Rupert Murdoch and his companies have in relation to the Federal Government as to the impact on writing that book.

Mr. DORNAN. Fair question. I yield to the gentleman from San Diego for a fair answer.

Mr. HUNTER. Let me just say to my friends almost every book that is published by a major figure is published through a major publishing house.

Mr. VOLKMER. Correct.

Mr. HUNTER. Most books that are published by a major publishing house are published with a book advance. I understand there is not going to be any advance. Most of them are published with an advance. I would say the gentleman is stating we should presume that there may be a problem because there may have been influence wielded because a Member of the House leadership has followed the American tradition of writing a book and publishing it with a publishing house, a fairly large well-known publishing house in the United States, somehow has something wrong with it, so that we should go out with absolutely no evidence of any impropriety and investigate that because someone is going to write a book.

Now I would say that the one thing that we deal with, our tools that we use in this business are words, written words and spoken words. There is nothing more natural for a public figure whether he is Democrat or Republican than to write a book. And so the idea that the gentleman has now established a new presumption of guilt for people whose stock in trade is words, that when they put these words into books and sell them to the public the relationships that they have with publishers have to be examined I think does a disservice to this House and to all public figures who would write. I want to give that person on the street a chance to buy that book, and if he pays $4 out of the $20 cost of that book to the person would wrote it, if that is the Speaker of the House, then I think that is not influence.

REMEMBERING THOMAS: GUILT, RESPONSIBILITY, AND THE CHILD WHO NEVER WAS

Mr. DORNAN. Reclaiming my time, if the gentleman will stay—the snow is not due until after midnight—through my special order, I am going to read an article appearing in America's No. 1 liberal political newspaper, the Washington Post, on abortion, by an excellent Washington Post staff writer, Phil McCombs. Now, if I were to write a book today it would be on the premiere core central issue of all the social issues, the issue that I believe is tearing apart families in our lower income categories and families in our higher income categories, and that is the destruction of innocent life in the womb. And if the gentlemen, Mr. HUNTER and Mr. VOLKMER, my good pro-life friends stay and hear this article, this column today that I am going to read, I think you will both realize that there are lots of subjects that still need to be written about in depth with great compassion and feeling.

I think that I hear Mr. VOLKMER's point clearly that if a publishing house has business before this great House and Chamber, then we have to look at those relationships. I think our dynamic Speaker is willing to do that.

Let me reclaim my time. May I ask the gentlemen to trade places because I want that lectern and then stay around if you want to comment later.

First of all, let me ask the gentleman from California [Mr. HUNTER], "What are you, about 6 foot 2?" I am so tired of people coming up to me and saying, "My Gosh, you are 5 inches taller than I thought you were." It goes on regularly. I do not know whether it is my voice sitting in for Rush Limbaugh or something about here. But a Member finally taught me something. He said, "I notice, Bob, that you will bring up the lectern, put the mike down," and I guess in that way I look like I am 5 foot 3. SONNY BONO is about 5 foot 4 and look how he comes across. They said, "If you drop it way down, pull the mike up, then you look like John Wayne, 6 foot 4." So from now on, low lectern, reading glasses, recapture my mother-given height. My mom's birthday would have been yesterday, 95 years old. She was a great Douglas MacArthur fan. She had gone on a vacation to the 1928 Olympics where my dad was an assistant boxing coach. They had already been engaged 5 or 6 years. They got married the next year. I hope that we will see a carrier named after Douglas MacArthur. Yes, give me back my book on MacArthur, "Remembrances."

Now, let me get deadly serious. In today's Style section of the Washington Post is a column called "Remembering Thomas." Above it, it says with an exclamation point and underlined, "Oh, Man," with an exclamation mark. And that is underlined. Then it goes on "Remembering Thomas, Responsibility, Guilt and a Child Who Never Was." By Phil McCombs, Washington Post staff writer.

This year's March for Life in which 45,000 abortion opponents picketed the Supreme Court, didn't have an emotional impact on me that these events often do. I was on my way out of town on business, and scarcely noticed.

Looking at the news report later, it seemed that everyone had been on his or her best behavior.

Now a footnote: One of the stations, I think it was ABC, reported 31 people were arrested during the march. They conceded to my daughter-in-law, Terri Ann Dornan, that they were mistaken. The arrests were at a different location and no part of the march. So the Washington Post columnist with a different objective here corrects that. Peaceful march. I was leading the march with the great Roger Cardinal Mahoney of Los Angeles.

The abortion opponents were making it plain that they oppose the use of violence to close clinics.

That was the principal thrust of my speech before those 45,000—I thought it was more, like 55,000–60,000 people. And it goes on:

And after counterdemonstrations by abortion rights advocates, as we're careful to call them, were rare.

It's all a little confusing to me. I do not know anyone who—in his or her heart—doesn't hate abortion. And it seems odd to see Christian conservatives so eager to force their will through the armed authority of the State when they already have at hand the far more powerful weapon of prayer.

Anyway, I like prayer. It is all I have left. And pain.

When the abortion was performed, I was out of town on business too. I made sure of that. Whatever physical, emotional and spiritual agony the woman suffered, I was not by her side to support her.

I turned my face away. My behavior was in all respects craven, immoral.

For some instinctual reason, or just imaginatively, I've come to believe that it was a boy, a son whom I wanted killed because, at the time, his existence would have inconvenienced me. I'd had my fun. He didn't fit into my plans.

His name, which is carved on my heart, was Thomas.

My feelings of responsibility and guilt are undiminished by the fact that the woman had full legal authority to make the decision on her own, either way, without consulting me or even informing me. In fact, she consulted in an open fashion reflecting our shared responsibility, and I could have made a strong case for having the child. Instead, I urged her along the path of death.

And skipped town.

It's not a lot of help, either—emotionally or spiritually—that the high priests of the American judiciary have put their A–OK on this particular form of what I personally have come to regard as the slaughter of innocents. After all, it's the task of government to decide whom we may or must kill, and not necessarily to provide therapeutic services afterward. In the Army I remember being trained at public expense in the "spirit of the bayonet," which is, simply put, "to kill." The spirit of abortion is the same, in my view, though the enemy isn't shooting back.

I feel like a murderer—which isn't to say that I blame anyone else, or think anyone else is a murderer.

It's just the way I feel, and all the rationalizations in the world haven't changed this. I still grieve for little Thomas. It is an ocean of grief. From somewhere in the distant past I remember the phrase from Shakespeare, "the multitudinous seas incarnadine."

When I go up to the river on vacation this summer, he won't be going boating with me on the lovely old wooden runabout that I can't bring myself to discard, either.

He won't be lying on the grass by the tent at night, looking at the starry sky and saying, "What's that one called, Dad?"

Because there was no room on the Earth for Thomas.

He's dead.

The latest numbers show abortions in America have been running at about 1.5 million annually. That's a lot of pain.

Secular men's groups have tended to be focused on the "no say, no pay" issue. "These men feel raped," says Mel Feit of the National Center for Men. "They lose everything they worked for all their lives. In many cases they had an agreement with the woman not to have a baby and when she changes her mind they call me up and say, 'How can she do this to me? How can she get away with it?" Feit plans to bring suit in federal court.

In more interested in the traumatic pain that many men, as well as women, often feel after an abortion. A healing process of recognition grieving and ultimately forgiveness is needed.

"There's a lot of ambivalence for men when they get in touch with their pain," says Eileen C. Marx, formerly communications director for Cardinal James A. Hickey of Washington and now a columnist for Catholic publications. "They didn't have the physical pregnancy, so often they feel they're not entitled to the feelings of sadness and anger and guilt and loss that women often feel."

She tells of one man, a friend, whose wife had an abortion. "He pleaded with her not to have it. He said his parents would raise the child, or they could put it up for adoption. The marriage broke up as a result of the abortion and other issues. He was really devastated by the experience."

Marx has recently written about a post-abortion healing ministry called Project Rachel, in which more men are becoming involved—husbands, boyfriends and even grandfathers. There are 100 Project Rachel branches, including one in Washington.

I found it helpful just talking with Marx, a caring person, on the phone, though it was a little tough when she mentioned being pregnant and hearing the heartbeat and feeling "this wonderful celebration of the life inside you."

She said not to be too hard on myself, that healing is about forgiveness and God forgives me.

I said sure, that's right, but some things are still hard.

Like looking in the mirror.

□ 1550

What a courageous column, Phil.

Mr. Speaker, I have a good friend, gone to his eternal reward, a good man. We were in the Watts riots together. Sixty-five, I bumped into him, 3 years later in Vietnam was a correspondent for CBS Radio. Gosh, am I going to forget his name? I guess I am—Bill—Bill Stout, Bill Stout. He told me that every time he drove up Hollywood Boulevard he looked up at the old medical building at the northeast corner of Highland and Hollywood Boulevard, right by the famous footprints in front of the Grauman's Chinese Theater, and he said, "On a certain floor my son died." When he wrote this column for the L.A. Times he said, "Twenty-two years ago," so now it must be 35 years ago. "I've never gotten over the pain. It wrecked my marriage, and I know my son died up there in the hands of some abortionist, on the floor, wherever." And Bill Stout was a proud mainstream liberal, as I am sure Phil McCombs is.

We are not going to get away from this abortion debate, Mr. Speaker. It will come back this summer. We are going to try to roll back all those obnoxious, in our face, Executive orders from Clinton on the very anniversary, the 20th anniversary, of the Roe versus Wade decision, a decision built on a lie, entrenched in a lie.

Norma McCorvey, the Jane Roe in that case, never had an abortion, never was raped, lied her way through it. Young Sarah Weddington, a brilliant red-haired lawyer that carried the case,

told her, "Don't tell the world you weren't raped."

Norma McCorvey has had three daughters. They still are estranged from the mother because she tried to kill all three and did not make it, had them all. She travels broken, on drugs, off drugs. She is out there being used by the pro-abortion, multibillion-dollar industry.

But guess what happened yesterday, Mr. Speaker? Yesterday morning, Clinton asked everyone at the prayer breakfast to pray for him, but he had put in our face within that very 1-day period an abortionist to replace the Surgeon General, Joycelyn Elders. This is a male version of Joycelyn Elders and worse. She was a doctor, but she never said she performed abortions, and guess what? I hope the Senate is going to not only reject Dr. Foster, Clinton's nomination, but will do what we already warned Clinton in writing we were going to do, roll the Surgeon General back into the Assistant Secretary for Health in Health and Human Services where it always was.

Our friend, Ronald Reagan, made a mistake, DUNCAN. He promised the Surgeon General job to two people. They said, "Mr. President, we already have a Secretary of Health, and it's the same job." So our friend, out of his simple honest mistake, split the Surgeon General away from the Assistant Secretary of Health and gave it to Dr. Koop. He did not shave his beard. He brought back the white uniform. And we had an Amish pseudo-admiral which is what he looked like. Koop then threw up his hands on pro-life, this brilliant Philadelphia surgeon who made a well-deserved, sterling reputation for separating twins, Siamese twins, some of them joined at the brain, and then became sort of brilliant on antismoking, but sort of an apologist for the so-called pro-choice movement because he said all was lost.

With columns like Mr. McCombs', Mr. Speaker, all is not lost.

Now, is Clinton going to be the President 2 years from now? No. I said that in a 1-minute this morning. No way.

Here is the book, "The Agenda." Read "Inside the White House," DUNCAN, and then read the new book that is on the front page of the Washington Post called "First in His Class."

□ 1600

If you read just these three books, you will see that sometime this summer, late summer, when the Watergate stories are exploding across America on alternative media; that is, radio and television talk shows, on the front page of our biggest newspapers, all the other 1,750-some papers, he cannot survive this. He will resign. And when the Post, the same paper that Mr. McCombs is a staff writer for, makes a calculated decision to bring down the White House again, as they did, for good or wrong with Nixon—he did it to himself—they are going to wreck this Presidency and they are not doing it to help us, Mr. HUNTER, they are doing it to get a big headstart on the Presidential season that is already beginning.

So the Post will have in the White House someone that they accept philosophically, and that way they will not see him bringing down the White House and adding another 20 Republicans from that side of the aisle over to this side of the aisle; people who will become Republicans.

Mr. HUNTER. I thank the gentleman for yielding.

I just want to say that I stayed on the floor because I really appreciate the words of the gentleman and the wisdom of the gentleman, my great friend from California. This is a house of mechanics, word mechanics. That is what legislation is. There is probably no one more proficient in reminding us that we are not just mechanics, but we are holders and transferrers, if you will, of values, the values of our constituents. And in this area, this area of pro-life, there is a great, great need for people who have voices as articulate as the gentleman who is speaking right now, the best speaker in the House of Representatives. I want to thank the gentleman.

I have to go back to our beloved State of California, but I want to thank the gentleman for all the time he has taken over many, many years in talking about this issue. I am also reminded when he put 40 hours in an airplane going to Somalia and back to give a full report to every family member who had a beloved one who had been killed in Mogadishu, and performed such a wonderful service in doing that. I have to take off, but your words are very eloquent today. I hope that Americans listen.

Mr. DORNAN. While 1,300,000,000 listeners and watchers of C-SPAN are watching us, I might use this opportunity to tell them something. The newly named National Security Committee—you and I preferred the old title, maybe both, Armed Services and National Security—has come down to 5 subcommittees. Our great chairman, Navy Capt. FLOYD SPENCE, of South Carolina, is no longer able to take a subcommittee. He will be a shepherd, shepherding his five Napoleonic marshals, his subcommittee chairmen. You have the most important preferred subcommittee, you are the chairman of the Subcommittee on Procurement. HERB BATEMAN, of Virginia, has the great area where the U.S.S. *Ronald Reagan* and U.S.S. *Harry Truman* will be built. He has the Readiness Subcommittee. He would have been chairman of Merchant Marine and Fisheries Subcommittee if we had not done away with it, which I agreed with. Then CURT WELDON, of the great Commonwealth of Pennsylvania, has R&D, which I am on, and you have been the ranking member in the past. I am chairman of the Personnel Subcommittee. JOEL HEFLEY, of Cheyenne Mountain, NORAD, that great part of the Colorado Air Force Academy, is the fifth marshal for installations.

The five of us, together with our two Committees on Intelligence that have national security responsibility, and I got first pick there, Chairman DORNAN of Technical and Tactical Intelligence, JERRY LEWIS, our colleague, the chairman of the other, including human intelligence, and the CIA. Of our seven national security subcommittees, who dreamed on the night of November 8 I would be chairman of two out of seven, and you would have the most important one, to modernize our service with Comanche, V-22, *Arleigh Burke* destroyers, and these new carriers.

We have a battle on our hands in an approaching bankrupt nation to live up to the preamble of the Constitution to provide for the common defense.

All five of us chairmen voted yesterday to take defense above $200 million out of a simple line-item veto. I noticed FLOYD SPENCE was with us and many of the members of Armed Services, now National Security. We have a tough fight ahead of us.

If you are not in a rush, just listen to this from Bob Woodward's book, "The Agenda." Because of the new rules protecting, not AL GORE, not the Supreme Court Justice, the Chief Justice or the Associates, but only the Presidency of the United States, I will be very careful how I read this on the House floor. I will use expletives deleted.

Here is page 287 in "The Agenda," "Inside the White House," by Bob Woodward, who really along with Carl Bernstein together as investigative reporters caused the resignation of the one and only President in American history, Richard Nixon. And I for one have never said Mr. Nixon had not created his own fate.

In the middle of page 287 it says, Clinton speaking to Mr. KERREY, KERREY says, "The Constitution gives you the option, but I wouldn't take it." And you will have to read the book to see what they are talking about.

Clinton again pleaded with KERREY that he needed his vote for the largest tax increase in all of recorded history of man and womankind.

"My Presidency is going to go down," he said sharply, by now shouting. KERREY shouted back, getting fed up, "I do not like the argument that I am bringing the Presidency down."

This is a man who joined the Navy Seals. That is like being a paratrooper like you, DUNCAN, being a fighter pilot, being a special forces sniper, a commando, or a marine going behind the enemy lines for weeks at a time. A Navy seal is the best of the best. It is like carrier landing at night. This is slightly built, thin panther like BOB

KERREY, who left a leg in Vietnam, and if he gets elected President can put himself in the gallery as a Medal of Honor winner and then can run down and talk about himself.

He says, yelling back, "I don't like the argument I am bringing the Presidency down." Clinton shouted, "Defeat would be precisely that," if that huge tax increase went down. KERREY could not flee from responsibility. KERREY bellowed, "I really resent your argument that somehow I am responsible for your Presidency surviving."

Clinton, with one of the most common, foul expletive deleted words in the English language, "expletive deleted you," Clinton yelled.

Bottom of the page, 287. I turned to 288 when I was reading this a few months back, and I expected to see Navy seal KERREY returning the compliment about engaging in activity with yourself. But KERREY felt he always tried to be respectful of the Commander-in-Chief. But he also wanted to defend himself. So he continued shouting back.

Clinton pressed only two things. He had to have KERREY's vote. "I need it," he said at one point plaintively. He said if KERREY denied him the vote, KERREY would wreak national havoc.

"I have got the responsibility for me," the Senator replied. "I have got my vote. My vote matters. I vote based on what I believe is right. Always have. I don't particularly in big issues like this like to shave my vote. So that is where it is."

"Fine," Clinton said bruisingly. "OK, if that is what you want, you go do it."

They both crashed their phones down. Clinton was irate. He turned to his advisers after the conversation and said, "It is going to be a no." Clinton was wrong. KERREY voted yes later. He made a speech on national television why he didn't want to bring the Presidency down, why he would vote yes. This is just the end of 1993.

And then Senator BOB KERREY extracted from the White House the promise to be made chairman of a commission on our impending fiscal disaster. He did a good job chairing that committee.

My colleague from southern California CHRIS COX, was on it. Ask Congressman COX about that commission. They just turned in their report. The media did not give that report proper attention. It got short shrift. The report said if this Chamber doesn't complete our Contract With America, stay focused on these fiscal issues while we still, after April or May, handle the serious cultural meltdown and the destruction of the American family, the garbage that Hollywood is pumping into our culture, I don't know what we can do about that except plead with their good common sense, but we can do all of this in this House. And if we don't, Senator KERREY said there will only be 3 line items on the budget in about 20 years. We will close down all the courts, let all the Federal judges go, including the Supreme Court. No more Federal marshals, no FBI, no Army, Navy, Marine Corps, Coast Guard, no antinarcotics program.

That will solve that debate. There will only be three things left in the budget, just three: Interest on the national debt, which will then be way over $10 trillion; Social Security, which will create a generational war, because only the people who have aged past my age a little bit will be reaping way beyond what they put in the system; and the third category is Medicare and Medicaid.

□ 1610

Health care, Social Security, interest on the debt. Is that where we are headed?

As I said this morning, Mr. Speaker, BOB KERREY carrying the banner of the great Democratic Party, the oldest in the Nation's history, Thomas Jefferson's party, the least government is the best government, that is why they still sit to the treasured right although we switched on committees, that party with BOB KERREY at its top is going to make an exciting campaign next year.

A THANK YOU TO THE STAFF

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

Mr. FOLEY. Mr. Speaker, I am proud today because 1 month ago I was sworn into the House of Representatives with 434 other American citizens.

I want to take a moment, though, to thank the men and women who make this process work: The Members' personal staffs, the staff of the committees, the members of the Clerk's office and the cloakroom, the pages and their families who have allowed them to participate in this great democracy.

These individuals arrive here at the Capitol very early in the morning and they leave very late to do the people's business. The Members get all the attention from the press and the media. The staff gets all the grief.

This 1 minute is dedicated sincerely and thankfully to those individuals who make this process work, those people who work for the U.S. Government. Yes, indeed, we are proud and fortunate to have each and every one of them working for this country.

RULES OF PROCEDURE FOR THE COMMITTEE ON BANKING AND FINANCIAL SERVICES FOR THE 104TH CONGRESS

(Mr. LEACH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LEACH. Mr. Speaker, pursuant to clause 2(a), rule XI, I submit the Rules of the Committee on Banking and Financial Services for the 104th Congress as adopted on January 12, 1995.

RULES OF THE COMMITTEE ON BANKING AND FINANCIAL SERVICES, ONE HUNDRED FOURTH CONGRESS

RULE I. GENERAL PROVISIONS

1. (a) The Rules of the House are the rules of the Committee and subcommittees so far as applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are nondebatable motions of high privilege in the Committee and subcommittees.

(b) Each subcommittee of the Committee is a part of the Committee, and is subject to the authority and direction of the Committee and to its rules so far as applicable.

2. The Committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the Committee under Rules X and XI of the Rules of the House during the Congress ending at noon on January 3 of such year.

3. The Committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE II. POWERS AND DUTIES

1. The powers and duties of the Committee are all those such as are enumerated or contained in the Rules of the House and the rulings and precedents of the House or the Committee.

2. For the purpose of carrying out any of its functions and duties under Rules X and XI of the Rules of the House, the Committee, or any subcommittee thereof, is authorized—

(a) to sit and act at such times and places with the United States, whether the House is in session, has recessed, or had adjourned, and to hold hearings; except as provided in Rule XI, clause 2 of the Rules of the House;

(b) to conduct such investigations and studies as it may consider necessary or appropriate, and (subject to the adoption of expense resolutions as required by clause 5 of Rule XI of the Rules of the House) to incur expenses (including travel expenses) in connection therewith. The ranking minority Member of the full Committee or the relevant subcommittee shall be notified in advance at such times as any Committee funds are expended for investigations and studies involving international travel; and

(c) to require, by subpoena or otherwise (subject to clause 3(a)), the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, in whatever form, as it deems necessary. The Chairperson of the Committee, or any Member designated by the Chairperson, may administer oaths to any witness.

Subpoenas

3. (a) A subpoena may be authorized and issued by the Committee or a subcommittee under clause 2(c) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the Members voting, a majority being present. The power to authorize and issue subpoenas under clause 2(c) may be delegated to the Chairperson of the Committee pursuant to such limitations as the Committee may prescribe. Authorized subpoenas shall be signed by the Chairperson of the Committee or by any Member designated by the Committee.

(b) Compliance with any subpoena issued by the Committee under clause 2(c) may be

enforced only as authorized or directed by the House.

Review of continuing programs

4. The Committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph, a government agency includes the organizational units of government listed in clause 7(c) of Rule XIII of the Rules of the House.

5. The Committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefore would be made annually.

Budget Act reports

6. The Committee shall, on or before February 25 of each year, submit to the Committee on the Budget—

(a) the Committee's views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions; and

(b) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within the Committee's jurisdiction which it intends to be effective during that fiscal year.

7. As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the Committee (after consulting with the appropriate Committee or Committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 or section 602 (in the case of fiscal years 1991 through 1995) of the Congressional Budget Act of 1974.

8. Whenever the Committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget in accordance with the Congressional Budget Act of 1974.

Oversight report

9. Not later than February 15 of the first session of a Congress, the Committee shall meet in open session, with a quorum present, to adopt its oversight plans for that Congress for submission to the Committee on House Oversight and the Committee on Government Reform and Oversight, in accordance with the provisions of clause 2(d) of Rule X of the Rules of the House. The Chairperson shall consult with the ranking minority Member on the formulation of the oversight plan, and the Committee may not meet to adopt the plan unless a copy of the plan has been provided to all Members not less than two days in advance of the Committee meeting.

RULE III. MEETINGS

Regular meetings

1. Regular meetings of the Committee shall be held on the first Tuesday of each month while the Congress is in session, and the Chairperson shall provide to each Member of the Committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice to that effect. Notwithstanding the preceding sentence, when the Chairperson believes that the Committee will not be considering any bill or resolution before the full Committee and that there is no other timely business to be transacted at a regular meeting, then no Committee meeting shall be held on that day. In such instances, the Chairperson shall not issue the notice of the regular meeting to the Members and the failure to receive such notice shall be treated by the Members as a cancellation of the regular meeting.

Additional and special meetings

2. (a) The Chairperson may call and convene, as the Chairperson considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purpose pursuant to that call of the chair.

(b) No bill or joint resolution shall be considered by the Committee unless (i) such measure has been made available to all Members at least two calendar days prior to the meeting accompanied by a section-by-section analysis of such measure; and (ii) the Chairperson has notified members of the time and place of the meeting at least two calendar days before the commencement of the meeting. The provisions of this paragraph may be suspended by the Committee by a two-thirds vote or by the Chairperson, with the concurrence of the ranking minority Member of the full Committee.

3. If at least three Members of the Committee desire that a special meeting of the Committee be called by the Chairperson, those Members may file in the office of the Committee their written request to the Chairperson for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the Committee shall notify the Chairperson of the filing of the request. If, within three calendar days after the filing of the request, the Chairperson does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the Committee shall notify all Members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

Open meetings

4. (a) Each meeting for the transaction of business, including the markup of legislation, of the Committee or each subcommittee thereof, shall be open to the public including to radio, television and still photography coverage, except when the Committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public because disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade or incriminate any person, or otherwise would violate any law or rule of the House; provided, however, that no person other than members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public.

(b) Each hearing conducted by the Committee or each subcommittee thereof shall be open to the public including to radio, television and still photography coverage except when the Committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would compromise sensitive law enforcement information or would violate any law or rule of the House. Notwithstanding the requirements of the preceding sentence, a majority of those present (there being in attendance the requisite number required under the Rules of the Committee to be present for the purpose of taking testimony—

(1) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or would compromise sensitive law enforcement information or violate clause 6 of Rule IV; or

(2) may vote to close the hearing, as provided in clause 6 of Rule IV.

No Member may be excluded from nonparticipatory attendance at any hearing of the Committee or a subcommittee, unless the House of Representatives shall by a majority vote authorize the Committee or a particular subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this paragraph for closing hearings to the public; provided, however, that the Committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

Broadcasting of committee meetings

5. Any meeting or hearing of the Committee or a subcommittee that is open to the public shall be open to coverage by television, radio, and still photography, subject to the requirements and limitations of clause 3 of Rule XI of the Rules of the House. The coverage of any meeting or hearing of the Committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the Chairperson of the Committee, the subcommittee Chairperson, or other Member of the Committee presiding at such meeting. The number of television or still cameras shall not be limited to fewer than two representatives from each medium except for legitimate space or safety considerations, in which case pool coverage shall be authorized.

Additional provisions

6. Meetings and hearings of the Committee or subcommittee shall be called to order and presided over by the Chairperson or, in the Chairperson's absence, by the member designated by the Chairperson as the Vice Chairperson of the Committee or subcommittee, or by the ranking majority Member of the Committee or subcommittee present.

7. No person other than a Member of Congress, Committee staff, or a person from a Member's staff when that Member has an amendment under consideration, may stand in or be seated at the rostrum area of the Committee unless the Chairperson determines otherwise.

RULE IV. HEARING PROCEDURES

1. The Chairperson, in the case of hearings to be conducted by the Committee, and the appropriate subcommittee Chairperson, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter at least one week before the commencement of that hearing. If the Chairperson, with the concurrence of the ranking minority Member, determines there is good cause to begin the hearing sooner, or if the committee or subcommittee so determined by majority vote, a quorum being present for the transaction of business, the Chairperson shall make the announcement at the earliest possible date. The clerk of the Committee shall promptly notify all Members of the Committee; the Daily Digest; Chief Clerk; Official Reporters; and the Committee scheduling services of House Information Systems as soon as possible after such public announcement is made.

2. (a) Each witness who is to appear before the Committee or a subcommittee shall file with the clerk of the Committee, at least 24 hours in advance of his or her appearance, 200 copies of the proposed testimony if the appearance is before the Committee, or 100 copies of the proposed testimony if the appearance is before a subcommittee; provided, however, that this requirement may be modified or waived by the Chairperson of the Committee or appropriate subcommittee, after consultation with the ranking minority Member, when the Chairperson determines it to be in the best interest of the Committee or subcommittee, and furthermore, that this requirement shall not be mandatory if a witness is given less than seven days notice of appearance prior to a hearing.

(b) The Chairperson may require a witness to limit the oral presentation to a summary of the statement.

3. Upon announcement of a hearing, the clerk and staff director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other materials) under consideration which shall be made available immediately to all Members of the Committee.

Calling and interrogation of witnesses

4. Whenever any hearing is conducted by the Committee on any subcommittee upon any measure or matter, the minority party Members on the Committee shall be entitled, upon request to the Chairperson by a majority of those minority Members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure matter during at least one day of hearing thereon.

5. Committee Members may question witnesses only when they have been recognized by the Chairperson for that purpose, and only for a 5-minute period until all Members present have had an opportunity to question a witness. the 5-minute period for questioning a witness by any one Member can be extended only with the unanimous consent of all Members present. The questioning of witnesses in both the full and subcommittee hearings shall be initiated by the Chairperson, followed by the ranking minority party Member and all other Members alternating between the majority and minority. In recognizing Members to question witnesses in this fashion, the Chairperson shall take into consideration the ratio of the majority to minority Members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the Members of the majority.

Investigative hearing procedures

6. The following additional rules shall apply to investigative hearings:

(a) The Chairperson, at any investigative hearing, shall announce in an opening statement the subject of the investigation.

(b) A copy of the Committee rules and Rule XI, clause 2 of the Rules of the House shall be make available to each witness.

(c) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(d) The Chairperson may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the Committee may cite the offender to the House for contempt.

(e) Whenever it is asserted that the evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person,

(i) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 4(b) of Rule III, if by a majority of those present, there being in attendance the requisite number required under the Rules of the Committee to be present for the purpose of taking testimony, the Committee determines that such evidence of testimony may tend to defame, degrade, or incriminate any person; and

(ii) the Committee shall proceed to receive such testimony in open session only if a majority of the Members of the Committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the Committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpoena additional witnesses.

(f) Except as provided in paragraph (e), the Chairperson shall receive and the Committee shall dispose of requests to subpoena additional witnesses.

(g) No evidence or testimony taken in executive session may be released or used in public session without the consent of the Committee.

(h) In the discretion of the Committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(i) A witness may obtain a transcript copy of his or her testimony given at a public session, or, if given at an executive session, when authorized by the Committee.

RULES V. REPORTING OF BILLS AND RESOLUTIONS

1. (a) It shall be the duty of the Chairperson of the Committee to report or cause to be reported promptly to the House any measure approved by the Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(b) In any event, the report of the Committee on a measure which has been approved by the Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the Committee a written request, signed by a majority of the Members of the Committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the Committee shall transmit immediately to the Chairperson of the Committee notice of the filing of that request.

2. No measure or recommendation shall be reported from the Committee unless the quorum requirement of clause 1(a) of Rule VI is satisfied.

Committee reports

3. The report of the Committee on a measure which has been approved by the Committee shall include—

(a) a cover page, which must show that supplemental, minority and additional views (if any), the estimate and comparison prepared by the Director of the Congressional Budget Office, and the recommendations of the Committee on Government Reform and Oversight (whenever submitted), are included in the report;

(b) the amendments adopted by the Committee;

(c) a section-by-section analysis of the bill as reported, whenever possible;

(d) an explanation of the legislation, if the Chairperson decides one is necessary;

(e) with respect to each role call vote on a motion to report any measure, and on any amendment offered to the measure, the total number of votes cast for and against, or present not voting and the names of those Members voting for and against, or present not voting;

(f) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the Rules of the House separately set out and clearly identified;

(g) the statement required by section 308(a)(1) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority, new spending authority described in section 401(c)(2) of such Act, new credit authority, or an increase or decrease in revenues or tax expenditures, except that the estimates with respect to new budget authority shall include, when practicable, a comparison of the total estimated funding level for the program (or programs) to the appropriate levels under current law;

(h) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the Committee;

(i) a summary of the oversight findings and recommendations made by the Committee on Government Reform and Oversight under clause 4(c)(2) of Rule X of the Rules of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the Committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the Committee's deliberations on the measure;

(j) for a bill or joint resolution of a public character reported by the Committee, a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy;

(k) a statement in accordance with section 5(b) of the Federal Advisory Committee Act;

(l) any supplemental, minority, or additional views, if submitted in accordance with clause 5;

(m) the Ramseyer document required under clause 3 of Rule XIII of the Rules of the House; and

(n) the estimate and comparison of costs incurred in carrying out the bill or resolution, as may be required by clause 7 of Rule XIII of the Rules of the House.

4. The report of the Committee, when filed with the House, shall be accompanied by three copies of the bill or resolution as introduced and one copy of the bill or resolution as amended.

5. (a) If, at the time of approval of any measure or matter by the Committee, any Member of the Committee gives notice of intention to file supplemental, minority, or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that Member, with the clerk of the Committee. All such views so filed by one or more Members of the Committee shall be included within, and shall be part of, the report filed by the Committee with respect to that measure or matter. No report shall be filed until the Chairperson has notified, with opportunity for discussion, the ranking minority Member of the Committee and the Chairperson of the subcommittee from which the legislation emanated or would have emanated. The report of the Committee upon that measure or matter shall be printed in a single volume which—

(i) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(ii) shall bear upon its cover a recital that any such supplemental, minority, or additional views and any material submitted under paragraphs (h) and (i) of clause 3 are included as part of the report.

(b) This clause does not preclude—

(i) the immediate filing or printing of a Committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided paragraph (a); or (ii) the filing by the Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error or omission in a previous report made by the Committee upon that measure or matter.

Hearing prints

6. If hearings have been held on any such measure or matter so reported, the Committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House except as otherwise provided in clause 2(l)(6) of Rule XI of the Rules of the House.

RULE VI. QUORUMS

1. (a) A quorum, for the purpose of reporting any bill or resolution, shall consist of a majority of the Committee actually present.

(b) A quorum, for the purpose of taking any action other than the reporting of a bill or resolution, shall consist of one-third of the Members of the Committee.

(c) A quorum, for the purpose of taking testimony and receiving evidence, shall consist of any two Members of the Committee.

Proxies

2. No vote by any Member of the Committee or any of its subcommittees with respect to any measure may be cast by proxy.

RULE VII. SUBCOMMITTEES—JURISDICTION

1. There shall be in the Committee on Banking and Financial Services the following standing subcommittees:

Subcommittee on Housing and Community Opportunity;

Subcommittee on Financial Institutions and Consumer Credit;

Subcommittee on Domestic and International Monetary Policy;

Subcommittee on Capital Markets, Securities and Government Sponsored enterprises; and

Subcommittee on General Oversight and Investigations;

each of which shall have the jurisdiction and related functions assigned to it by this rule; and all bills, resolutions, and other matters relating to subjects within the jurisdiction of this Committee shall be referred to such subcommittees at the discretion of the Chairperson. Subcommittee jurisdictions are as follows:

Subcommittee on Housing and Community Opportunity

(a) The jurisdiction of the Subcommittee on Housing and Community Opportunity extends to and includes:

(i) all matters relating to housing (except programs administered by the Department of Veterans Affairs), including mortgage and loan insurance pursuant to the National Housing Act; rural housing; housing and homeless assistance programs; all activities of the Government National Mortgage Association; private mortgage insurance; housing construction and design and safety standards; housing-related energy conservation; housing research and demonstration programs; financial and technical assistance for nonprofit housing sponsors; housing counseling and technical assistance; regulation of the housing industry (including landlord/tenant relations); real estate lending including regulation of settlement procedures;

(ii) matters relating to community development and community and neighborhood planning, training and research; national urban growth policies; urban/rural research and technologies; and regulation of interstate land sales;

(iii) all matters relating to all government sponsored insurance programs, including those offering protection against crime, fire, flood (and related land use controls), earthquake and other natural hazards; and

(iv) the qualifications for and designation of Empowerment Zones and Enterprise Communities (other than matters relating to tax benefits).

Subcommittee on Financial Institutions and Consumer Credit

(b) The jurisdiction of the Subcommittee on Financial Institutions and Consumer Credit extends to and includes:

(i) all agencies which directly or indirectly exercise supervisory or regulatory authority in connection with, or provide deposit insurance for, financial institutions, and the establishment of interest rate ceilings on deposits;

(ii) all auxiliary matters affecting or arising in connection with the supervisory and regulatory activities of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Federal Reserve System, the Office of Thrift Supervision, and the National Credit Union Administration, together with those activities and operations of any other agency or department which relate to both domestic or foreign financial institutions;

(iii) With respect to financial institutions and the department and agencies which regulate or supervise them, all activities relating to and arising in connection with the matters of chartering, branching, mergers, acquisitions, consolidations, and conversions;

(iv) with respect to financial institutions and the agencies which regulate them, all activities relating to and arising in connection with the sale or underwriting of insurance and other noninsured instruments by financial institutions and their affiliates other than securities;

(v) all activities of the Resolution Trust Corporation;

(vi) all matters relating to consumer credit, including the provision of consumer credit by insurance companies, and further including those matters in the Consumer Credit Protection Act dealing with truth in lending, extortionate credit transactions, restrictions on garnishments, fair credit reporting and the use of credit information by credit bureaus and credit providers, equal credit opportunity, debt collection practices, and electronic funds transfers;

(vii) creditor remedies and debtor defenses, Federal aspects of the Uniform Consumer Credit Code, credit and debit cards and the preemption of State usury laws;

(viii) all matters relating to consumer access to financial services, including the Home Mortgage Disclosure Act and Community Reinvestment Act;

(ix) the terms and rules of disclosure of financial services, including the advertisment, promotion and pricing of financial services, and availability of government check cashing services;

(x) issues relating to consumer access to savings accounts and checking accounts in financial institutions, including lifeline banking and other consumer accounts; and

(xi) all matters relating to the business of insurance, other than government sponsored insurance programs.

Subcommittee on Domestic and International Monetary Policy

(c) The jurisdiction of the Subcommittee on Domestic and International Monetary Policy extends to and includes:

(i) all matters relating to all multilateral development lending institutions, including activities of the National Advisory Council on International Monetary and Financial Policies as related thereto, and monetary and financial development as they relate to the activities and objectives of such institutions;

(ii) all matters within the jurisdiction of the Committee relating to international trade, including but not limited to the activities of the Export-Import Bank;

(iii) the International Monetary Fund, its permanent and temporary agencies, and all matter related thereto;

(iv) international investment policies, both as they relate to United States investments for trade purposes by citizens of the United States and investments made by all foreign entities in the United States;

(v) all matters relating to financial aid to all sectors and elements within the economy, all matters relating to economic growth and stabilization, and all defense production matters as contained in the Defense Production Act of 1950, as amended, and all related matters thereto;

(vi) all matters relating to domestic monetary policy and agencies which directly or indirectly affect domestic monetary policy, including the effect of such policy and other financial actions on interest rates, the allocation of credit, and the structure and functioning of domestic and foreign financial institutions;

(vii) all matters relating to coins, coinage, currency and medals, including commemorative coins and medals, proof and mint sets

and other special coins, the Coinage Act of 1965, gold and silver, including coinage thereof (but not the par value of gold), gold medals, counterfeiting, currency denominations and design, the distribution of coins, and the operations and activities of the Bureau of the Mint and the Bureau of Engraving and Printing; provided, however, that the Subcommittee shall not schedule a hearing on any commemorative medal or commemorative coin legislation unless the legislation is cosponsored by at least two-thirds of the Members of the House and has been recommended by the U.S. Mint's Citizens Commemorative Coin Advisory Committee in the case of a commemorative coin. In considering legislation authorizing Congressional gold medals, the subcommittee shall apply the following standards:

(A) the recipient shall be a natural person;

(B) the recipient shall have performed an achievement that has an impact on American history and culture that is likely to be recognized as a major achievement in the recipient's field long after the achievement;

(C) the receipient shall not have received a medal previously for the same or substantially the same achievement;

(D) the recipient shall be living or, if deceased, shall have been deceased for not less than five years and not more than 25 years; and

(E) the achievements were performed in the recipient's field of endeavor, and represent either a lifetime of continuous superior achievements or a single achievement so significant that the recipient is recognized and acclaimed by others in the same field, as evidenced by the recipient having received the highest honors in the field.

Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises

(d) The jurisdiction of the Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises extends to and includes:

(i) all matters relating to depository institution securities activities, including the activities of any affiliates, except for functional regulation under applicable securities laws not involving safety and soundness;

(ii) all matters related to bank capital markets activities;

(iii) all matters related to the activities of financial institutions in financial markets involving futures, forwards, options and other types of derivative instruments;

(iv) all matters relating to secondary market organizations for home mortgages including the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation;

(v) all matters related to the Office of Federal Housing Enterprise Oversight; and

(vi) all matters related to the Federal Housing Finance Board and the supervision and operation of the Federal Home Loan Banks.

Subcommittee on General Oversight and Investigations

(e) The Subcommittee on General Oversight and Investigations shall have the responsibility of reviewing and studying, on a continuing basis:

(i) the application, administration, execution, and effectiveness of the laws within the jurisdiction of the Committee, and the organization and operation of the Federal agencies and entities which have responsibility for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated;

(ii) any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the Committee (whether or not any bill or resolution has been introduced with respect thereto), and present any such recommendations as deemed necessary to the appropriate subcommittee(s) of the Committee;

(iii) forecasting and future oriented research on matters within the jurisdiction of the Committee, and shall study all reports, documents and data pertinent to the jurisdiction of the Committee and make the necessary recommendations or reports thereon to the appropriate subcommittee(s) of the Committee; and

(iv) the impact or probable impact of tax policies affecting subjects within the jurisdiction of the Committee; provided, however, that the operations of the Subcommittee on General Oversight and Investigations shall in no way limit the responsibility of the other subcommittees of the Committee on Banking and Financial Services from carrying out their oversight duties.

Subcommittees—Referral of Legislation

2. The Chairperson shall notify each subcommittee Chairperson of all bills referred to any subcommittee on a bi-monthly basis. Upon notice, any subcommittee Chairperson may question a referral by giving written notice to the Chairperson of the full Committee and to the Chairperson of each subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by the Chairperson, or by a majority vote of the majority Members of the Committee for the Committee's direct consideration or for reference to another subcommittee.

3. In carrying out this rule with respect to any matter, the Chairperson shall designate a subcommittee of primary jurisdiction; but also may refer the matter to one or more additional subcommittees, for consideration in sequence (subject to appropriate time limitations), either on its initial referral or after the matter has been reported by the subcommittee of primary jurisdiction; or may refer portions of the matter to one or more additional subcommittees (reflecting different subjects and jurisdictions) for the consideration only of designated portions; or may refer the matter to a special ad hoc subcommittee appointed by the Chairperson with the approval of the Committee (with members from the subcommittees having jurisdiction) for the specific purpose of considering that matter and reporting to the Committee thereon; or may make such other provisions as may be considered appropriate.

RULE VIII. SUBCOMMITTEES—POWERS AND DUTIES

1. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it or under its jurisdiction. Subcommittee Chairpersons shall set dates for hearings and meetings of their respective subcommittees after consultation with the Chairperson and other subcommittee Chairpersons and with a view toward avoiding simultaneous scheduling of full Committee and subcommittee meetings or hearings whenever possible.

2. Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the Committee, the Chairperson of the subcommittee reporting the bill, resolution, or matter to the full Committee, or any Member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the Committee. It shall be the duty of the Chairperson of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take steps or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

3. No bill or joint resolution approved by a subcommittee shall be considered by the Committee unless such measure, as approved, has been made available to all Members at least two calendar days prior to the meeting, accompanied by a section-by-section analysis of such measure. The provisions of this paragraph may be suspended by the Committee by a two-thirds vote or by the Chairperson, with the concurrence of the ranking minority Member of the full Committee.

4. All Committee or subcommittee reports printed pursuant to a legislative study or investigation and not approved by a majority vote of the Committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report.

"This report has not been officially adopted by the Committee on Banking and Financial Services (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its Members."

5. Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed on the agenda of the Committee as of the time they are reported and shall be considered by the full Committee in the order in which they were reported unless the Chairperson after consultation with the ranking minority Member and appropriate subcommittee Chairperson, otherwise directs; provided, however, that no bill reported by a subcommittee shall be considered by the full Committee unless each Member has been provided with reasonable time prior to the meeting to analyze such bill, together with a comparison with present law and a section-by-section analysis of the proposed change.

6. No bill or joint resolution may be considered by a subcommittee unless such measure has been made available to all Members at least two calendar days prior to the meeting, accompanied by a section-by-section analysis of such measure. The provisions of this paragraph may be waived following consultation with the appropriate ranking minority Member.

7. All Members of the Committee may have the privilege of sitting with any subcommittee of which they are not a Member, during the subcommittee's hearings or deliberations and may participate in such hearings or deliberations after Members of the subcommittee have been given an opportunity to participate, but no such Member who is not a Member of the subcommittee shall vote on any matter before such subcommittee. The Chairperson and ranking minority Member of the Committee shall be ex officio, nonvoting members of each subcommittee of the Committee.

RULE IX. SUBCOMMITTEES—SIZE AND RATIOS

1. To the extent that the number of subcommittees and their party ratios permit the size of all subcommittees shall be established so that the majority party Members of the Committee have an equal number of subcommittee assignments; provided, however, that a majority Member may waive his or her right to an equal number of subcommittee assignments on the Committee.

2. The following shall be the sizes and ratios for subcommittees: (a) Subcommittee on Housing and Community Opportunity: Total 22—Majority 12, Minority 10.

(b) Subcommittee on Financial Institutions and Consumer Credit: Total 22—Majority 12, Minority 10.

(c) Subcommittee on Domestic and International Monetary Policy: Total 20—Majority 11, Minority 9.

(d) Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises: Total 20—Majority 11, Minority 9.

(e) Subcommittee on General Oversight and Investigations: Total 10—Majority 6, Minority 4.

RULE X. BUDGET AND STAFF

1. The Chairperson, in consultation with other Members of the Committee, shall prepare for each Congress a budget providing amounts for staff, necessary travel, investigations and other expenses of the Committee and its subcommittees and shall present same to the Committee.

2. (a) Except as provided in paragraph (b), the professional and investigative staff of the Committee shall be appointed, and may be removed, by the Chairperson and shall work under the general supervision and direction of the Chairperson.

(b) All professional and investigative staff provided to the minority party Members of the Committee shall be appointed, and may be removed, by the ranking minority Member of the Committee and shall work under the general supervision and direction of such Member.

3. (a) From funds made available for the appointment of staff, the Chairperson of the Committee shall, pursuant to clause 5(d) of Rule XI of the Rules of the House ensure that sufficient staff is made available to each subcommittee to carry out its responsibilities under the rules of the Committee, and, after consultation with the ranking minority Member of the Committee, that the minority party of the Committee is treated fairly in the appointment of such staff.

(b) Except as provided in paragraph (c), the Chairperson shall fix the compensation of all professional and investigative staff of the Committee.

(c) The ranking minority Member shall fix the compensation of all professional and investigative staff provided to the minority party Members of the Committee.

4. From the amount provided to the Committee in their primary expense resolution adopted by the House of Representatives, the Chairperson, after consultation with the ranking minority Member, shall designate an amount to be under the direction of the ranking minority Member for the compensation of the minority staff, travel expenses of minority Members and staff, and minority office expenses. All expenses of minority Members and staff shall be paid for out of the amount so set aside.

5. It is intended that the skills and experience of all members of the Committee staff be available to all Members of the Committee.

RULE XI. TRAVEL

1. All travel for any Member and any staff member of the Committee in connection with activities or subject matters under the general jurisdiction of the Committee must be authorized by the Chairperson. Before such authorization is granted, there shall be submitted to the Chairperson in writing the following:

(a) the purpose of the travel;

(b) the dates during which the travel is to occur;

(c) the names of the States or countries to be visited and the length of time to be spent in each; and

(d) the names of Members and staff of the Committee for whom the authorization is sought.

2. In the case of travel outside the United States of Members and staff of the Committee, such Members or staff shall submit a written report to the Chairperson on any such travel including a description of their itinerary, expenses, activities, and pertinent information gained as a result of such travel.

3. Members and staff of the Committee performing authorized travel on official business shall be governed by applicable laws, resolutions, and regulations of the House and of the Committee on House Oversight.

RULE XII. RECORDS

1. There shall be kept in writing a record of the proceedings of the Committee and of each subcommittee, including a record of the votes on any question on which a roll call is demanded. The result of each such roll call vote shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and the names of those Members absent or present but not voting. A record vote may be demanded by any one Member of the Committee or subcommittee.

2. Access by any Member, officer or employee of the Committee to any information classified under established national security procedures shall be conducted in accordance with clause 13 of Rule XLIII of the Rules of the House.

3. The transcript of any meeting or hearing shall be a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks involved.

4. All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as Chairperson of the Committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

5. The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with Rule XXXVI of the Rules of the House. The Chairperson shall notify the ranking minority Member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of that rule, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on the written request of any Member of the Committee.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. KELLY (at the request of Mr. ARMEY) for today, on account of dental surgery.

Mr. STOCKMAN (at the request of Mr. ARMEY) after 11 a.m. today, on account of the death of his mother.

Mr. MCNULTY (at the request of Mr. GEPHARDT) for today after 2 p.m., on account of personal business.

Mr. SISISKY (at the request of Mr. GEPHARDT) for today, on account of official business.

Mr. BARTLETT of Maryland (at the request of Mr. ARMEY) for today, on account of attending a family funeral.

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. WISE) to revise and extend their remarks and include extraneous material:)

Mrs. KENNELLY, for 5 minutes, today.

Mr. VOLKMER, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

(The following Member (at the request of Mr. GOSS) to revise and extend his remarks and include extraneous material:)

Mr. FOX of Pennsylvania, for 5 minutes, on Monday, February 6.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. ARMEY, for 2 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. WISE) and to include extraneous matter:)

Mr. ACKERMAN in two instances.

Mr. BONIOR.

Mr. NEAL of Massachusetts.

Mrs. MEEK of Florida.

Mr. HAMILTON.

Mrs. LINCOLN in two instances.

Ms. DANNER.

Mr. VISCLOSKY.

Mr. HILLIARD.

(The following Members (at the request of Mr. GOSS) and to include extraneous matter:)

Mr. BRYANT.

Mr. PACKARD.

Mr. CLINGER.

Mr. SHAYS.

Mr. SOLOMON.

(The following Members (at the request of Mr. DORNAN) and to include extraneous matter:)

Mr. LARGENT.

Mrs. LINCOLN.

Mr. STENHOLM.

Mr. BAKER of Louisiana.

Mrs. KELLY.

Mr. SKELTON.

Mr. LAFALCE.

ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 13 minutes p.m.)

under its previous order the House adjourned until Monday, February 6, 1995, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

286. A letter from the Chairperson, National Council on Disability, transmitting the Council's report entitled, "The Americans with Disabilities Act: Ensuring Equal Access to the American Dream," pursuant to 29 U.S.C. 781(a)(8); to the Committee on Economic and Educational Opportunities.

287. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification regarding the proposed transfer of major defense equipment valued at $14 million or more to the Government of Spain, pursuant to section 3(d) of the Arms Export Control Act; to the Committee on International Relations.

288. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-370, "Youth Facilities Drug Free Zone Amendment Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

289. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-371, "Small Claims Service of Process Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

290. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-373, "Chiropractic Licensing Amendment Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

291. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-374, "July Trial Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

292. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-375, "Public Safety and Law Enforcement Support Amendment Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

293. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-376, "Insurers Service of Process Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

294. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-377, "Budget Spending Reduction Amendment Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

295. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-378, "District of Columbia Compressive Plan Act of 1984 Land Use Amendment Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

296. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-379, "Contractors Guarantee Association Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

297. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 10-380, "Domestic Violence in Romantic Relationships Act of 1994," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

298. A letter from the Executive Director, National Capital Planning Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1994, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

299. A letter from the Secretary of the Treasury, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1994, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

300. A letter from the Chairman, U.S. Merit System Protection Board, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1994, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

301. A letter from the Chief Justice, Supreme Court of the United States, transmitting a copy of the report of the proceedings of the Judicial Conference of the United States held on September 20, 1994, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

302. A letter from the Secretary, Department of Transportation, transmitting a report on the feasibility of using segregated ballast tanks for emergency transfer of cargo and storage of recovered oil, pursuant to 46 U.S.C. 3703 note; to the Committee on Transportation and Infrastructure.

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. BAESLER:

H.R. 813. A bill to authorize the Secretary of Agriculture to establish a pilot program to evaluate the feasibility of county-based rural development boards, develop a strategy for adopton of national rural goals and objectives, establish a training program for local county board leaders, providing roles and responsibilities for State rural development councils, substate regional organizations, and 1862 and 1890 land grant institutions, and establish a grant program for financing various rural and small community development initiatives, and for other purposes; to the Committee on Agriculture.

By Mr. BAKER of Louisiana (for himself, Mr. MCCOLLUM, Mr. DREIER, Mr. CASTLE, Mr. KING, Mr. LAFALCE, Mr. FRANK of Massachusetts, and Mr. FLAKE):

H.R. 814. A bill to enhance competition in the financial services sector, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Commerce, 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. WYDEN (for himself, Mr. GEPHARDT, Mr. BROWN of Ohio, Ms. DELAURO, Mrs. SCHROEDER, Mr. BRYANT of Texas, Mr. KLINK, Mr. HASTINGS of Florida, Mr. FROST, Mr. WARD, Ms. LOWEY, and Mr. DURBIN):

H.R. 815. A bill to provide that the Bureau of Labor Statistics may not change, during the 104th Congress, the method of calculating the consumer price index if it would result in higher taxes unless the change has been approved by law; to the Committee on Ways and Means, 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. HAYES:

H.R. 816. A bill to amend title 28, United States Code, with respect to the treatment of certain transportation and subsistence expenses of retired judges; to the Committee on the Judiciary.

By Mr. HEFLEY:

H.R. 817. A bill to authorize the Secretary of Energy to lease lands within the naval oil shale reserves to private entities for the development and production of oil and natural gas; to the Committee on National Security, and in addition to the Committee on Resources, 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. HINCHEY (for himself, Mr. OBERSTAR, Mr. PALLONE, Ms. VELAZQUEZ, Mr. RANGEL, Mr. MCDERMOTT, Mr. GUTIERREZ, Mr. SERRANO, Mr. ACKERMAN, Mr. ENGEL, Mr. MANTON, Ms. SLAUGHTER, Mr. SCHUMER, and Mr. MCNULTY):

H.R. 818. A bill to amend title XIX of the Social Security Act to lower the maximum Federal medical assistance percentage that may be applied with respect to any State under the Medicaid Program and to increase such percentage with respect to all States under such program; to the Committee on Commerce.

By Mrs. JOHNSON of Connecticut:

H.R. 819. A bill to amend title IV of the Social Security Act to provide welfare families with the education, training job search, and work experience needed to prepare them to leave welfare within 2 years, to increase the rate of paternity establishment for children receiving welfare benefits, to provide States with greater flexibility in providing welfare, and to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security; to the Committee on Ways and Means, and in addition to the Committee on Economic and Educational Opportunities, 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 Mrs. LINCOLN (for herself, Mr. UPTON, Mr. SCHAEFER, Mr. BOUCHER, Mr. MANTON, Mr. GILLMOR, and Mr. TAUZIN):

H.R. 820. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that act for certain recycling transactions; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, 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. MCINTOSH:

H.R. 821. A bill to reform the regulatory process, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committees on the Judiciary, and 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. MILLER of Florida (for himself, Mr. MINGE, Mr. ALLARD, Mr. BARCIA, Mr. BARRETT of Wisconsin, Mr. CALVERT, Mr. CONDIT, Mr. COOLEY, Mr. COX, Mr. DEAL of Georgia, Mr. DEUTSCH, Mr. ENGLISH of Pennsylvania, Mr. FORBES, Mr. FOX, Ms. FURSE, Mr. GOODLATTE, Mr. GOSS, Mr. HANCOCK, Ms. HARMAN, Mr. HERGER, Mr. KLUG, Mrs. LINCOLN, Mr. PETERSON of Minnesota, Mr. POSHARD, Mr. ROYCE, Mr. SANFORD, Mr. SAXTON, Mr. SCHAEFER, Mr. STEARNS, Mr. STENHOLM, and Mr. ZIMMER):

H.R. 822. A bill to provide a fair, nonpolitical process that will achieve $45 billion in budget outlay reductions each fiscal year until a balanced budget is reached; to the Committee on Government Reform and Oversight, and in addition to the Committees on Rules, and the Budget, 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. MILLER of Florida (for himself and Mr. MINGE):

H.R. 823. A bill to provide a fair, nonpolitical process that will achieve $45 billion in budget outlay reductions each fiscal year until a balanced budget is reached; to the Committee on Government Reform and Oversight, and in addition to the Committees on Rules, and the Budget, 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. OBEY (for himself, Mr. DURBIN, and Mr. STENHOLM):

H.R. 824. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act and other laws to return primary responsibility for disaster relief to the States, to establish a private corporation to insure States against risks and costs of disasters otherwise borne by the States, and to provide for reimbursable Federal assistance to States for activities in response to disasters, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committees on Banking and Financial Services, Small Business, and Agriculture, 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. STEARNS:

H.R. 825. A bill to amend the Internal Revenue Code of 1986 to allow taxpayers to designate $1 of their income tax liability and some or all of their income tax refunds, and to contribute additional amounts, for purposes of rehabilitation and treatment in combating the war on drugs; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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. WILSON:

H.R. 826. A bill to extend the deadline for the completion of certain land exchanges involving the Big Thicket National Preserve in Texas; to the Committee on Resources.

By Mr. STEARNS:

H.J. Res. 67. Joint resolution proposing an amendment to the Constitution of the United States relating to voluntary prayer in public schools; to the Committee on the Judiciary.

By Mr. KENNEDY of Rhode Island (for himself and Mr. SCHUMER):

H. Con. Res. 22. Concurrent resolution affirming the purpose and value of senior nutrition programs created under the Older Americans Act; to the Committee on Economic and Educational Opportunities.

By Mrs. KENNELLY (for herself, Mr. ROSE, Mr. BISHOP, Mr. KLECZKA, Mr. HAYWORTH, Mr. RAHALL, Mr. JACOBS, Mr. PETERSON of Minnesota, Mr. MCDERMOTT, and Mr. PASTOR):

H. Con. Res. 23. Concurrent resolution expressing the sense of the Congress that the current link between the levels of earnings allowed for blind individuals entitled to disability insurance benefits and the exempt amounts allowed for purposes of the Social Security earnings test for individuals who have attained retirement age should be maintained; to the Committee on Ways and Means.

By Mr. TAYLOR of Mississippi (for himself, Ms. KAPTUR, Ms. DANNER, Mr. DEFAZIO, Mr. HUNTER, Mr. KLINK, Mr. SANDERS, Mr. VISCLOSKY, Mr. TAYLOR of North Carolina, Mr. DUNCAN, and Mrs. THURMAN):

H. Res. 57. Resolution to preserve the constitutional role of the House of Representatives to provide for the expenditure of public money and ensure that the executive branch of the U.S. Government remains accountable to the House of Representatives for each expenditure of public money; to the Committee on Banking and Financial Services.

By Mr. FOLEY (for himself, Mr. GOSS, Mr. JACOBS, Ms. RIVERS, Mr. REGULA, Mr. FRANK of Massachusetts, Mr. CHRISTENSEN, Mr. COBURN, Mr. TIAHRT, Mr. SOUDER, Mr. ENSIGN, Mr. CHRYSLER, Mr. BROWNBACK, Mr. GUNDERSON, Mr. SANFORD, and Mr. BAKER of California):

H. Res. 58. Resolution requiring that copies of the United States Code for any Member of the House of Representatives be paid for from the appropriate official allowance of the Member; to the Committee on House Oversight.

By Mr. YATES:

H. Res. 59. Resolution to emphasize the importance of understanding the history of President Franklin Delano Roosevelt and to recognize the opening of the Roosevelt Memorial and for other purposes; to the Committee on Resources.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON of Indiana:

H.R. 827. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for the vessel *Alpha Tango*; to the Committee on Transportation and Infrastructure.

H.R. 828. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for the vessel *Old Hat*; to the Committee on Transportation and Infrastructure.

By Mr. TORKILDSEN:

H.R. 829. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Chrissy*; 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. 28: Mr. STEARNS.

H.R. 65: Mr. GOSS, Mr. CUNNINGHAM, Mr. DAVIS, Mr. CALLAHAN, Mr. STEARNS, and Mr. NORWOOD.

H.R. 70: Mr. TORRES, Mr. BREWSTER, and Mr. FLANAGAN.

H.R. 94: Mr. FLANAGAN, Mr. CALVERT, and Mr. PAYNE of Virginia.

H.R. 103: Mr. SOLOMON.

H.R. 109: Mr. GOSS, Mr. DAVIS, Mr. TEJEDA, Mr. STEARNS, and Mr. NORWOOD.

H.R. 174: Mr. GUTIERREZ.

H.R. 218: Mr. PETERSON of Minnesota.

H.R. 246: Mr. BARTLETT of Maryland, Mr. PORTER, Mr. KNOLLENBERG, and Mr. HANCOCK.

H.R. 297: Mr. SHAYS.

H.R. 303: Mr. GOSS, Mr. STEARNS, and Mr. NORWOOD.

H.R. 325: Mr. UNDERWOOD, Mr. LEWIS of Kentucky, Mr. HAYWORTH, Mr. CHAMBLISS, Mr. KINGSTON, Mr. FUNDERBURK, and Mr. GILMAN.

H.R. 333: Mr. LIPINSKI, Mr. SPRATT, and Mr. SAXTON.

H.R. 335: Mr. FLANAGAN, Mr. PORTER, Mr. FARR, and Mr. KANJORSKI.

H.R. 370: Mr. GUTKNECHT, Mr. CAMP, Mr. HOEKSTRA, Mr. CRAMER, Mr. NUSSLE, Mr. FRANKS of Connecticut, Mr. LAHOOD, Mr. MICA, Mr. BEREUTER, Mr. REGULA, Mr. MILLER of Florida, and Mr. SMITH of Michigan.

H.R. 462: Mr. WOLF, Mr. DAVIS, Ms. NORTON, Mr. HINCHEY, Mr. HILLIARD, and Mr. SENSENBRENNER.

H.R. 469: Mr. CALLAHAN.

H.R. 548: Mr. FOX, Mr. FROST, and Mr. ACKERMAN.

H.R. 549: Mrs. MEEK of Florida, Mr. NEY, Mr. FROST, Mr. UNDERWOOD, Mr. KNOLLENBERG, Mr. FRAZER, Mr. RANGEL, Mr. JACOBS, and Mr. JOHNSTON of Florida.

H.R. 555: Mr. DEUTSCH.

H.R. 593: Mr. NORWOOD.

H.R. 645: Mr. HASTINGS of Florida, Mr. MORAN, Mr. DIXON, Mr. KENNEDY of Rhode Island, Mr. MARTINEZ, Ms. FURSE, Mr. TORRICELLI, Ms. COLLINS of Michigan, Mr. POSHARD, Mr. RICHARDSON, Mr. JOHNSON of South Dakota, Mr. BARRETT of Wisconsin, and Mr. LAFALCE.

H.R. 663: Mr. FRISA, Mr. NORWOOD, and Mr. FUNDERBURK.

H.R. 677: Mr. OLVER, Mr. FRANK of Massachusetts, Mr. PETERSON of Minnesota, Mr. FROST, and Mr. MOAKLEY.

H.R. 682: Mr. CAMP, Mr. KOLBE, Mr. BARRETT of Nebraska, Mr. LATOURETTE, Mr. GENE GREEN of Texas, and Mr. MOORHEAD.

H.R. 697: Mr. BARRETT of Wisconsin, Mr. WELDON of Pennsylvania, Mr. LATHAM, Mrs. SEASTRAND, Mr. STEARNS, Mr. ZELIFF, Mr. FARR, Mr. WOLF, Mr. ANDREWS, Mr. MOORHEAD, Mr. COOLEY, and Mr. STENHOLM.

H.R. 700: Mrs. WALDHOLTZ, Mr. BACHUS, Mr. BAKER of Louisiana, Mr. BLILEY, Mr. COBLE, Mr. COX, Mr. DICKEY, Mr. DUNCAN, Mr. GOSS, Mr. INGLIS of South Carolina, Mr. ROTH, Mr. STEARNS, Mr. SMITH of New Jersey, Mr. MCCOLLUM, Mr. LATOURETTE, Mr. RAMSTAD,

Mr. LARGENT, Mr. GUTKNECHT, Mr. NEUMANN, Mrs. SMITH of Washington, Mr. MICA, Mr. MARTINI, Mr. BASS, Mr. FOX, Mr. MCHUGH, Mr. HASTERT, Mr. ISTOOK, Mr. BURTON of Indiana, Mr. MILLER of Florida, Mr. MINGE, Mr. SENSENBRENNER, Mr. BLUTE, Mr. KLUG, Mr. GRAHAM, Mr. FORBES, Mr. FIELDS of Texas, Mr. UPTON, Ms. HARMAN, Mr. DOOLITTLE, Mr. HAYES, Mr. MEEHAN, Mr. BRYANT of Tennessee, Mr. JACOBS, Mr. SHAYS, Mr. SHADEGG, Mr. HORN, Mr. WYDEN, Mr. MANZULLO, Mr. SAXTON, Mr. SOUDER, and Mr. THORNBERRY.

H.R. 708: Mr. UNDERWOOD, Mr. SAXTON, Mr. HANCOCK, Mr. CRAMER, Mr. GREENWOOD, Mr. BILBRAY, Mr. FOX, Mr. NEAL of Massachusetts, Mr. STEARNS, Mr. GENE GREEN of Texas, Mr. FROST, and Mr. EMERSON.

H.R. 733: Mr. CONYERS, Mr. HOEKSTRA, Mr. ENGEL, and Mr. KILDEE.

H.R. 734: Mr. CONYERS, Mr. HOEKSTRA, Mr. ENGEL, and Mr. KILDEE.

H.R. 764: Mr. GENE GREEN of Texas, Mr. SABO, and Mr. MARTINEZ.

H.R. 768: Mr. THOMPSON, Mr. HILLIARD, Mr. FRAZER, and Mr. KAPTUR.

H.R. 783: Ms. DUNN of Washington, Mr. MCDADE, Mr. EMERSON, and Mr. BONILLA.

H.R. 785: Mr. ENGEL, Mr. PASTOR, Mr. DURBIN, Mrs. MALONEY, Mr. MANTON, and Mrs. COLLINS of Illinois.

H.R. 789: Mr. PETRI, Mr. KLUG, and Mr. KLECZKA.

H.J. Res. 65: Mr. PETERSON of Florida.

H. Con. Res. 10: Mrs. MEYERS of Kansas, Mr. GENE GREEN of Texas, Mr. KING, Mr. WELLER, Mr. MCHALE, and Mr. WILSON.

H. Con. Res. 12: Mr. PORTER and Mr. GREENWOOD.

H. Con. Res. 13: Mr. MILLER of California, Mr. FROST, Ms. LOFGREN, Mr. OLVER, Mr. DEUTSCH, Ms. NORTON, Ms. JACKSON-LEE, Mr. NEAL of Massachusetts, Mr. CONYERS, Ms. ESHOO, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. FURSE, Mr. SCOTT, Mr. WATT of North Carolina, Mr. MORAN, Mr. TORKILDSEN, Mr. VENTO, Mr. FILNER, Mr. BERMAN, Mr. HINCHEY, and Mr. GUTIERREZ.

H. Res. 40: Ms. MCKINNEY, Mr. BEILENSON, Mr. TORRES, Mr. FROST, Mr. FRANK of Massachusetts, Mr. BROWDER, Mr. GENE GREEN of Texas, and Mr. STUPAK.

H. Res. 45: Mr. SCHUMER, Mr. GENE GREEN of Texas, and Mr. WYDEN.

H. Res. 54: Mr. MINETA.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2

OFFERED BY: MR. STENHOLM

AMENDMENT NO. 35: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Line Item Veto Act".

TITLE I—LINE ITEM VETO

SEC. 101. LINE ITEM VETO AUTHORITY.

(a) IN GENERAL.—Notwithstanding the provisions of part B of title X of The Congressional Budget and Impoundment Control Act of 1974, and subject to the provisions of this section, the President may rescind all or part of the dollar amount of any discretionary budget authority specified in an appropriation Act or an accompanying committee report or joint explanatory statement accompanying a conference report on that Act or veto any targeted tax benefit which is subject to the terms of this Act if the President—

(1) determines that—

(A) such rescission or veto would help reduce the Federal budget deficit;

(B) such rescission or veto will not impair any essential Government functions; and

(C) such rescission or veto will not harm the national interest; and

(2) notifies the Congress of such rescission or veto by a special message not later than ten calendar days (not including Sundays) after the date of enactment of an appropriation Act providing such budget authority or a revenue or reconciliation Act containing a targeted tax benefit.

(b) DEFICIT REDUCTION.—In each special message, the President may also propose to reduce the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974 by an amount that does not exceed the total amount of discretionary budget authority rescinded by that message.

(c) SEPARATE MESSAGES.—The President shall submit a separate special message for each appropriation Act and for each revenue or reconciliation Act under this paragraph.

(d) SPECIAL RULE.—For any rescission of budget authority, the President may either submit a special message under this section or under section 1012 of the Impoundment Control Act of 1974. Funds proposed to be rescinded under this section may not be proposed to be rescinded under section 1012 of that Act.

SEC. 102. LINE ITEM VETO EFFECTIVE UNLESS DISAPPROVED.

(a)(1) Any amount of budget authority rescinded under section 101 as set forth in a special message by the President shall be deemed canceled unless, during the period described in subsection (b), a rescission/receipts disapproval bill making available all of the amount rescinded is enacted into law.

(2) Any provision of law vetoed under section 101 as set forth in a special message by the President shall be deemed repealed unless, during the period described in subsection (b), a rescission/receipts disapproval bill restoring that provision is enacted into law.

(b) The period referred to in subsection (a) is—

(1) a congressional review period of twenty calendar days of session, beginning on the first calendar day of session after the date of submission of the special message, during which Congress must complete action on the rescission/receipts disapproval bill and present such bill to the President for approval or disapproval;

(2) after the period provided in paragraph (1), an additional ten days (not including Sundays) during which the President may exercise his authority to sign or veto the rescission/receipts disapproval bill; and

(3) if the President vetoes the rescission/receipts disapproval bill during the period provided in paragraph (2), an additional five calendar days of session after the date of the veto.

(c) If a special message is transmitted by the President under section 101 and the last session of the Congress adjourns sine die before the expiration of the period described in subsection (b), the rescission or veto, as the case may be, shall not take effect. The message shall be deemed to have been retransmitted on the first Monday in February of the succeeding Congress and the review period referred to in subsection (b) (with respect to such message) shall run beginning after such first day.

SEC. 103. DEFINITIONS.

As used in this title:

(1) The term "rescission/receipts disapproval bill" means a bill or joint resolution which only disapproves, in whole, rescissions of discretionary budget authority or only disapproves vetoes of targeted tax benefits in a special message transmitted by the President under this Act and—

(A) which does not have a preamble;

(B)(i) in the case of a special message regarding rescissions, the matter after the enacting clause of which is as follows: "That Congress disapproves each rescission of discretionary budget authority of the President as submitted by the President in a special message on ", the blank space being filled in with the appropriate date and the public law to which the message relates; and

(ii) in the case of a special message regarding vetoes of targeted tax benefits, the matter after the enacting clause of which is as follows: "That Congress disapproves each veto of targeted tax benefits of the President as submitted by the President in a special message on ", the blank space being filled in with the appropriate date and the public law to which the message relates; and

(C) the title of which is as follows: "A bill disapproving the recommendations submitted by the President on ", the blank space being filled in with the date of submission of the relevant special message and the public law to which the message relates.

(2) The term "calendar days of session" shall mean only those days on which both Houses of Congress are in session.

(3) The term "targeted tax benefit" means any provision of a revenue or reconciliation Act determined by the President to provide a Federal tax deduction, credit, exclusion, preference, or other concession to 100 or fewer beneficiaries. Any partnership, limited partnership, trust, or S corporation, and any subsidiary or affiliate of the same parent corporation, shall be deemed and counted as a single beneficiary regardless of the number of partners, limited partners, beneficiaries, shareholders, or affiliated corporate entities.

(4) The term "appropriation Act" means any general or special appropriation Act, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations.

SEC. 104. CONGRESSIONAL CONSIDERATION OF LINE ITEM VETOES.

(a) PRESIDENTIAL SPECIAL MESSAGE.—Whenever the President rescinds any budget authority as provided in section 101 or vetoes any provision of law as provided in 101, the President shall transmit to both Houses of Congress a special message specifying—

(1) the amount of budget authority rescinded or the provision vetoed;

(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

(3) the reasons and justifications for the determination to rescind budget authority or veto any provisions pursuant to section 101;

(4) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the rescission or veto; and

(5) all actions, circumstances, and considerations relating to or bearing upon the rescission or veto and the decision to effect the rescission or veto, and to the maximum extent practicable, the estimated effect of the rescission upon the objects, purposes, and programs for which the budget authority is provided.

(b) TRANSMISSION OF MESSAGES TO HOUSE AND SENATE.—

(1) Each special message transmitted under section 101 shall be transmitted to the House

of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the appropriate committees of the House of Representatives and the Senate. Each such message shall be printed as a document of each House.

(2) Any special message transmitted under section 101 shall be printed in the first issue of the Federal Register published after such transmittal.

(c) INTRODUCTION OF RESCISSION/RECEIPTS DISAPPROVAL BILLS.—The procedures set forth in subsection (d) shall apply to any rescission/receipts disapproval bill introduced in the House of Representatives not later than the third calendar day of session beginning on the day after the date of submission of a special message by the President under section 101.

(d) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—(1) The committee of the House of Representatives to which a rescission/receipts disapproval bill is referred shall report it without amendment, and with or without recommendation, not later than the eighth calendar day of session after the date of its introduction. If the committee fails to report the bill within that period, it is in order to move that the House discharge the committee from further consideration of the bill. A motion to discharge may be made only by an individual favoring the bill (but only after the legislative day on which a Member announces to the House the Member's intention to do so). The motion is highly privileged. Debate thereon shall be limited to not more than one hour, the time to be divided in the House equally between a proponent and an opponent. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(2) After a rescission/receipts disapproval bill is reported or the committee has been discharged from further consideration, it is in order to move that the House resolve into the Committee of the Whole House on the State of the Union for consideration of the bill. All points of order against the bill and against consideration of the bill are waived. The motion is highly privileged. The previous question shall be considered as ordered on that motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. During consideration of the bill in the Committee of the Whole, the first reading of the bill shall be dispensed with. General debate shall proceed without intervening motion, shall be confined to the bill, and shall not exceed two hours equally divided and controlled by a proponent and an opponent of the bill. No amendment to the bill is in order, except any Member may move to strike the disapproval of any rescission or rescissions of budget authority or any proposed repeal of a targeted tax benefit, as applicable, if supported by 49 other Members. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion.

(3) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives to the procedure relating to a bill described in subsection (a) shall be decided without debate.

(4) It shall not be in order to consider more than one bill described in subsection (c) or more than one motion to discharge described in paragraph (1) with respect to a particular special message.

(5) Consideration of any rescission/receipts disapproval bill under this subsection is governed by the rules of the House of Representatives except to the extent specifically provided by the provisions of this title.

(e) CONSIDERATION IN THE SENATE.—

(1) Any rescission/receipts disapproval bill received in the Senate from the House shall be considered in the Senate pursuant to the provisions of this title.

(2) Debate in the Senate on any rescission/receipts disapproval bill and debatable motions and appeals in connection therewith, shall be limited to not more than ten hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motions or appeal in connection with such bill shall be limited to one hour, to be equally divided between, and controlled by the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of the bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days not to exceed one, not counting any day on which the Senate is not in session) is not in order.

(f) POINTS OF ORDER.—

(1) It shall not be in order in the Senate to consider any rescission/receipts disapproval bill that relates to any matter other than the rescission of budget authority or veto of the provision of law transmitted by the President under section 101.

(2) It shall not be in order in the Senate to consider any amendment to a rescission/receipts disapproval bill.

(3) Paragraphs (1) and (2) may be waived or suspended in the Senate only by a vote of three-fifths of the members duly chosen and sworn.

SEC. 105. REPORTS OF THE GENERAL ACCOUNTING OFFICE.

Beginning on January 6, 1996, and at one-year intervals thereafter, the Comptroller General shall submit a report to each House of Congress which provides the following information:

(1) A list of each proposed Presidential rescission of discretionary budget authority and veto of a targeted tax benefit submitted through special messages for the fiscal year ending during the preceding calendar year, together with their dollar value, and an indication of whether each rescission of discretionary budget authority or veto of a targeted tax benefit was accepted or rejected by Congress.

(2) The total number of proposed Presidential rescissions of discretionary budget authority and vetoes of a targeted tax benefit submitted through special messages for the fiscal year ending during the preceding calendar year, together with their total dollar value.

(3) The total number of Presidential rescissions of discretionary budget authority or vetoes of a targeted tax benefit submitted through special messages for the fiscal year ending during the preceding calendar year and approved by Congress, together with their total dollar value.

(4) A list of rescissions of discretionary budget authority initiated by Congress for the fiscal year ending during the preceding calendar year, together with their dollar value, and an indication of whether each such rescission was accepted or rejected by Congress.

(5) The total number of rescissions of discretionary budget authority initiated and accepted by Congress for the fiscal year ending during the preceding calendar year, together with their total dollar value.

(6) A summary of the information provided by paragraphs (2), (3) and (5) for each of the ten fiscal years ending before the fiscal year during this calendar year.

SEC. 106. JUDICIAL REVIEW.

(a) EXPEDITED REVIEW.—

(1) Any Member of Congress may bring an action, in the United States District Court for the District of Columbia, for declaratory judgment and injunctive relief on the ground that any provision of this title violates the Constitution.

(2) A copy of any complaint in an action brought under paragraph (1) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House of Congress shall have the right to intervene in such action.

(3) Any action brought under paragraph (1) shall be heard and determined by a three-judge court in accordance with section 2284 of title 28, United States Code.

Nothing in this section or in any other law shall infringe upon the right of the House of Representatives to intervene in an action brought under paragraph (1) without the necessity of adopting a resolution to authorize such intervention.

(b) APPEAL TO SUPREME COURT.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under paragraph (1) of subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Any such appeal shall be taken by a notice of appeal filed within 10 days after such order is entered; and the jurisdictional statement shall be filed within 30 days after such order is entered. No stay of an order issued pursuant to an action brought under paragraph (1) of subsection (a) shall be issued by a single Justice of the Supreme Court.

(c) EXPEDITED CONSIDERATION.—It shall be the duty of the District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

TITLE II—EXPEDITED CONSIDERATION OF PROPOSED RESCISSIONS AND TARGETED TAX BENEFITS

SEC. 201. EXPEDITED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS AND TARGETED TAX BENEFITS.

(a) IN GENERAL.—Section 1012 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 683) is amended to read as follows:

"EXPEDITED CONSIDERATION OF CERTAIN PROPOSED RESCISSIONS

"SEC. 1012. (a) PROPOSED RESCISSION OF BUDGET AUTHORITY OR REPEAL OF TARGETED

TAX BENEFITS.—The President may propose, at the time and in the manner provided in subsection (b), the rescission of any budget authority provided in an appropriation Act of repeal of any targeted tax benefit provided in any revenue Act. If the President proposes a rescission of budget authority, he may also propose to reduce the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974 by an amount that does not exceed the amount of the proposed rescission. Funds made available for obligation under this procedure may not be proposed for rescission again under this section.

"(b) TRANSMITTAL OF SPECIAL MESSAGE.—

"(1) The President may transmit to Congress a special message proposing to rescind amounts of budget authority or to repeal any targeted tax benefit and include with that special message a draft bill that, if enacted, would only rescind that budget authority or repeal that targeted tax benefit unless the President also proposes a reduction in the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974. That bill shall clearly identify the amount of budget authority that is proposed to be rescinded for each program, project, or activity to which that budget authority relates to the targeted tax benefit proposed to be repealed, as the case may be. A targeted tax benefit may only be proposed to be repealed under this section during the 10-legislative-day period commencing on the day after the date of enactment of the provision proposed to be repealed.

"(2) In the case of an appropriation Act that includes accounts within the jurisdiction of more than one subcommittee of the Committee on Appropriations, the President in proposing to rescind budget authority under this section shall send a separate special message and accompanying draft bill for accounts within the jurisdiction of each each subcommittee.

"(3) Each special message shall specify, with respect to the budget authority proposed to be rescinded, the following—

"(A) the amount of budget authority which he proposes to be rescinded;

"(B) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

"(C) the reasons why the budget authority should be rescinded;

"(D) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect (including the effect on outlays and receipts in each fiscal year) of the proposed rescission;

"(E) all facts, circumstances, and considerations relating to or bearing upon the proposed rescission and the decision to effect the proposed rescission, and to the maximum extent practicable, the estimated effect of the proposed rescission upon the objects, purposes, and programs for which the budget authority is provided.

Each special message shall specify, with respect to the proposed repeal of targeted tax benefits, the information required by subparagraphs (C), (D), and (E), as it relates to the proposed repeal; and

"(F) a reduction in the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974, if proposed by the President.

(4) For any rescission of budget authority, the President may either submit a special message under this section or under section 101 of the Line Item Veto Act. Funds proposed to be rescinded under this section may not be proposed to be rescinded under section 101 of that Act.

"(c) PROCEDURES FOR EXPEDITED CONSIDERATION.—

"(1)(A) Before the close of the second legislative day of the House of Representatives after the date of receipt of a special message transmitted to Congress under subsection (b), the majority leader or minority leader of the House of Representatives shall introduce (by request) the draft bill accompanying that special message. If the bill is not introduced as provided in the preceding sentence, then, on the third legislative day of the House of Representatives after the date of receipt of that special message, any Member of that House may introduce the bill.

"(B) The bill shall be referred to the Committee on Appropriations or the Committee on Ways and Means of the House of Representatives, as applicable. The committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of that House after the date of receipt of that special message. If that committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

"(C) During consideration under this paragraph, any Member of the House of Representatives may move to strike any proposed rescission or rescissions of budget authority or any proposed repeal of a targeted tax benefit, as applicable, if supported by 49 other Members.

"(D) A vote on final passage of the bill shall be taken in the House of Representatives on or before the close of the 10th legislative day of that House after the date of the introduction of the bill in that House. If the bill is passed, the Clerk of the House of Representatives shall cause the bill to be engrossed, certified, and transmitted to the Senate within one calendar day of the day on which the bill is passed.

"(2)(A) A motion in the House of Representatives to proceed to the consideration of a bill under this section shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate in the House of Representatives on a bill under this section shall not exceed 4 hours, which shall be divided equally between those favoring and those opposing the bill. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit a bill under this section or to move to reconsider the vote by which the bill is agreed to or disagreed to.

"(C) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a bill under this section shall be decided without debate.

"(D) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a bill under this section shall be governed by the Rules of the House of Representatives. It shall not be in order in the House of Representatives to consider any rescission bill introduced pursuant to the provisions of this section under a suspension of the rules or under a special rule.

"(3)(A) A bill transmitted to the Senate pursuant to paragraph (1)(D) shall be referred to its Committee on Appropriations or Committee on Finance, as applicable. That committee shall report the bill without substantive revision and with or without recommendation. The bill shall be reported not later than the seventh legislative day of the Senate after it receives the bill. A committee failing to report the bill within such period shall be automatically discharged from consideration of the bill, and the bill shall be placed upon the appropriate calendar.

"(B) During consideration under this paragraph, any Member of the Senate may move to strike any proposed rescission or rescissions of budget authority or any proposed repeal of a targeted tax benefit, as applicable, if supported by 14 other Members.

"(4)(A) A motion in the Senate to proceed to the consideration of a bill under this section shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate in the Senate on a bill under this section, and all debatable motions and appeals in connection therewith (including debate pursuant to subparagraph (C)), shall not exceed 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

"(C) Debate in the Senate or any debatable motion or appeal in connection with a bill under this section shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control of the passage of a bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

"(D) A motion in the Senate to further limit debate on a bill under this section is not debatable. A motion to recommit a bill under this section is not in order.

"(d) AMENDMENT AND DIVISIONS PROHIBITED.—Except as otherwise provided by this section, no amendment to a bill considered under this section shall be in order in either the House of Representatives or the Senate. It shall not be in order to demand a division of the question in the House of Representatives (or in a Committee of the Whole) or in the Senate. No motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House to suspend the application of this subsection by unanimous consent.

"(e) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—(1) Any amount of budget authority proposed to be rescinded in a special message transmitted to Congress under subsection (b) shall be made available for obligation on the day after the date on which either House rejects the bill transmitted with that special message.

"(2) Any targeted tax benefit proposed to be repealed under this section as set forth in a special message transmitted by the President shall not be deemed repealed unless the bill transmitted with that special message is enacted into law.

"(f) DEFINITIONS.—For purposes of this section—

"(1) the term 'appropriation Act' means any general or special appropriation Act, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations;

"(2) the term 'legislative day' means, with respect to either House of Congress, any day of session;

"(3) the term "targeted tax benefit" means any provision of a revenue or reconciliation Act determined by the President to provide a Federal tax deduction, credit, exclusion, preference, or other concession to 100 or fewer beneficiaries. Any partnership, limited partnership, trust, or S corporation, and any subsidiary or affiliate of the same parent corporation, shall be deemed and counted as a single beneficiary regardless of the number of partners, limited partners, beneficiaries, shareholders, or affiliated corporate entities; and

"(4) the term 'beneficiary' means any taxpayer or any corporation, partnership, institution, organization, item of property, State, or civil subdivision within one or more States. Any partnership, limited partnership, trust, or S corporation, and any subsidiary or affiliate of the same parent corporation, shall be deemed and counted as a single beneficiary regardless of the number of partners, limited partners, beneficiaries, shareholders, or affiliated corporate entities.".

(b) EXERCISE OF RULEMAKING POWERS.—Section 904 of the Congressional Budget Act of 1974 (2 U.S.C. 621 note) is amended—

(1) in subsection (a), by striking "and 1017" and inserting "1012, and 1017"; and

(2) in subsection (d), by striking "section 1017" and inserting "sections 1012 and 1017"; and

(c) CONFORMING AMENDMENTS.—

(1) Section 1011 of the Congressional Budget Act of 1974 (2 U.S.C. 682(5)) is amended by repealing paragraphs (3) and (5) and by redesignating paragraph (4) as paragraph (3).

(2) Section 1014 of such Act (2 U.S.C. 685) is amended—

(A) in subsection (b)(1), by striking "or the reservation"; and

(B) in subsection (e)(1), by striking "or a reservation" and by striking "or each such reservation".

(3) Section 1015(a) of such Act (2 U.S.C. 686) is amended by striking "is to establish a reserve or", by striking "the establishment of such a reserve or", and by striking "reserve or" each other place it appears.

(4) Section 1017 of such Act (2 U.S.C. 687) is amended—

(A) in subsection (a), by striking "rescission bill introduced with respect to a special message or";

(B) in subsection (b)(1), by striking "rescission bill or", by striking "bill or" the second place it appears, by striking "rescission bill with respect to the same special message or", and by striking ", and the case may be,";

(C) in subsection (b)(2), by striking "bill or" each place it appears;

(D) in subsection (c), by striking "rescission" each place it appears and by striking "bill or" each place it appears;

(E) in subsection (d)(1), by striking "rescission bill or" and by striking ", and all amendments thereto (in the case of a rescission bill)";

(F) in subsection (d)(2)—

(i) by striking the first sentence;

(ii) by amending the second sentence to read as follows: "Debate on any debatable motion or appeal in connection with an impoundment resolution shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event that the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee.";

(iii) by striking the third sentence; and

(iv) in the fourth sentence, by striking "rescission bill or" and by striking "amendment, debatable motion," and by inserting "debatable motion";

(G) in paragraph (d)(3), by striking the second and third sentences; and

(H) by striking paragraphs (4), (5), (6), and (7) of paragraph (d).

(d) CLERICAL AMENDMENTS.—The item relating to section 1012 in the table of sections for subpart B of title X of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

"Sec. 1012. Expedited consideration of certain proposed rescissions and targeted tax benefits.".

SENATE—*Friday, February 3, 1995*

(Legislative day of Monday, January 30, 1995)

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

PRAYER

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

Let us pray:

My grace is sufficient for thee, for my strength is made perfect in weakness.—II Corinthians 12:9.

Gracious Heavenly Father, often when we need Thee most, we find it hardest to come to Thee. Sometimes we do not come because we are impressed with our strength and do not feel any need. Sometimes we do not come because we have failed or sinned and refuse to admit our need. Either way, it is pride which deprives us of Thy favor. Forgive us, Lord, for finding it so difficult to understand the meaning of grace, that grace means the unmerited favor of God.

Help us see that the one condition grace requires is admission of need; that it is our weakness which qualifies us for Thy strength; that it is our lack of wisdom which qualifies us for Thy light and truth; that it is our failure and sin which qualify us for Thy love, forgiveness, and renewal.

Loving God, we have no secrets from Thee. Thou knowest us far better than we know ourselves. Help us to humble ourselves before Thee and find in Thy grace a very present help in time of trouble. Touch every person in the Senate with grace and love and healing. Forgive and restore wherever there is need—in heart and office and home.

We pray in the name of Him whose grace is always more than sufficient, however great our need. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

Mr. LOTT. I thank the Chair.

SCHEDULE

Mr. LOTT. Mr. President, this morning the time for the two leaders is reserved, and there will now be a period for the transaction of morning business until the hour of 10 a.m., with Senators permitted to speak for up to 10 minutes each, with the following Senators permitted to speak for the designated times: Senator BOND 10 minutes and Senator HUTCHISON 10 minutes. At 10 a.m., the Senate will resume consideration of House Joint Resolution 1, the constitutional balanced budget amendment.

I should advise Members we do expect that an amendment will be laid down this morning for debate only.

Mr. President, I yield the floor.

MORNING BUSINESS

Mr. BOND addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Missouri.

Mr. BOND. Mr. President, I thank the Chair.

THE FUTURE OF FEDERAL HOUSING POLICY AND HUD'S BUDGET CRISIS

Mr. BOND. Mr. President, I rise today to discuss the future of Federal housing and community development policy and the financial and management crisis currently facing the U.S. Department of Housing and Urban Development.

Last November, the American people declared their anger and frustration with inefficient, ineffective, and wasteful Government programs of the past and demanded change. This new Congress must deliver on that mandate, not with more promises and debates, but with specific action and workable solutions. I emphasize that this mandate has provided the House and Senate with a real opportunity to revitalize Federal housing policy; namely, to redirect Federal housing and community development policy from HUD micromanagement to a policy of consolidation based on State and local decisionmaking.

I look forward to working with my colleagues, including my new ranking member, Senator BARBARA MIKULSKI, our new chairman of the Banking Committee, Senator D'AMATO, Senator SARBANES, and the new chairman of the Housing Opportunities Subcommittee, Senator MACK, and my friends across the aisle, to find the appropriate reforms and meaningful approaches to address the many housing and community needs of this country.

Primarily, I seek to sound an alert to my colleagues to the budgetary crisis at HUD and use this opportunity as a call to action. HUD has been likened to a massive bureaucratic and budgetary *Titanic* drifting inexorably on the shoals of spending reductions and a balanced budget amendment. We can't stop it, and we can't turn it around on a dime. No doubt some of our colleagues would just as soon fiddle with the deck chairs, and others would simply scuttle the vessel.

Moreover, I share many of those concerns. Despite my reservations about the great difficulty of finding real and meaningful solutions to the budgetary and management crisis facing the Department of Housing and Urban Development, I accepted the responsibilities of chairman of the Senate VA-HUD Appropriations Subcommittee for the 104th Congress.

In order to reach a better understanding of the HUD budgetary crisis, I began on January 19, 1995, a series of three hearings on HUD management, program status, program reform, and HUD funding before the VA-HUD Appropriations Subcommittee. We have completed these three initial hearings and the subcommittee has heard compelling testimony from a number of sources, including HUD Secretary Cisneros, the National Academy of Public Administration, the General Accounting Office, Ms. Susan Gaffney, the HUD inspector general, the Congressional Budget Office, the FHA Commissioner, Nicolas Retsinas, as well as testimony from witnesses representing housing organizations, and State and local officials.

I hope that these hearings will help both me and my colleagues in the weeks and months ahead to formulate, craft, and implement the changes—in some cases profound changes—which are necessary to sustain the Department and to serve the needs of our communities.

First, these hearings clarified that HUD programs as they currently stand cannot be sustained in this era of a freeze on discretionary spending. But if we are to preserve the billions of dollars of prior investment in the assisted housing inventory, and provide hope to millions of lower income families, senior citizens, the disabled, and the communities in which they reside, then we must chart a new course, and put steady and firm pressure at the helm.

I believe it important that I highlight and share some of the key issues we have identified and discussed over the last several weeks.

HUD, with an estimated $22 billion in annual outlays in fiscal year 1994, is one of the largest Federal agencies in terms of domestic discretionary spending with almost 12 percent of the federalwide total.

HUD is also one of the fastest growing Departments in terms of domestic

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

discretionary spending, increasing at a rate of 9 percent per year.

Moreover, HUD has amassed over $225 billion in unexpended budgetary authority, more than the entire Department of Defense and dwarfing all other Federal agencies. In fact, even were HUD abolished in fiscal year 1995 and no additional budget authority appropriated, HUD's outlays—actual dollars spent—for fiscal year 1996 would still go up.

Finally, in addition to substantial evidence of organizational, management, and program deficiencies, HUD faces a thicket of complex problems of enormous magnitude, including: First, the need to minimize mortgage loan defaults and address the physical inadequacies of insured multifamily properties, an area of critical importance since HUD expects to lose some $10 billion in multifamily loan defaults over the next 6 years; second, the need to resolve the billions of dollars of backlogged housing rehabilitation needs, increased vacancy rates, and declining tenant incomes for public housing residents; and third, the need to address the spiraling costs of providing Federal housing subsidies to lower income families.

Despite these problems, I emphasize that previously enacted limitations on discretionary spending do not allow any increase in current appropriations, even for inflation. In fact, the most recent analysis indicates that even with a hard freeze on overall discretionary spending, current budget caps will be breached by a total of $15 billion in budget authority and $11 billion in outlays over the next 3 fiscal years.

Nevertheless, the notion of a hard freeze is totally incompatible with HUD's projection of program needs. The HUD budget baseline, for example, suggests that we will increase budget authority by almost $70 billion and outlays by $26 billion over the next 5 fiscal years. The Department has indicated that the President's budget will reduce this increase down to an estimated $20 billion in budget authority and $13 billion in outlays. I again stress that these funding requirements are still substantial increases over the current rates of spending. Not only are we in the dark on how the Department plans to make these reductions and meet these projections, but, if accepted, Congress must find this $20 billion in budget authority and $13 billion in outlays from other programs over the next 5 years.

I want to make it clear about the extent of the HUD problems and the costs associated with these problems. Resolving them is a particularly difficult task since HUD has grown from an agency with some 50 programs in 1980 to an agency with the responsibility for over 200 programs currently. Therefore, I will address two broad categories of programs with which we are all familiar—the public housing program and the section 8 program. While I describe these programs in the singular, I remind my colleagues that there are many subsets of programs within each program.

Public housing: As for the public housing program, there are currently some 13,200 public housing developments, administered by 3,200 PHA's. These developments contain some 1.4 million units, with 92 percent occupancy as of 1991, providing shelter for more than 3.4 million low-income, public housing residents, 40 percent of whom are elderly or disabled.

Public housing has become, in general, housing of last resort; the assisted housing stock that tends to warehouse the poorest of the poor. In particular, median income in public housing is approximately 16 percent of the local area median income, down from 33 percent in 1980. The average income of nonelderly public housing residents is less than $7,000.

Operating subsides continue to cost about $2.7 billion per year. Yet, much of this stock is in physical distress and aging, with modernization needs that exceed $20 billion. Moreover, many of the older public housing developments are in neighborhoods that are distressed. Nearly all 700,000 nonelderly public housing households live in areas that are characterized by extreme poverty and high crime rates. Nevertheless, the public housing program continues to stagnate, strangled by bureaucratic redtape and unworkable legislative mandates.

Section 8: The Section 8 Rental Assistance Program is a microcosm of the budgetary crisis facing the Department. About 2.8 million lower income families receive assistance under the section 8 program. To be blunt, HUD estimates that by fiscal year 1996 the total cost of renewing section 8 tenant-based assistance known as vouchers and certificates will exceed $9.5 billion in budget authority, whereas the current appropriation is less than $3.3 billion. This budget estimate assumes a HUD shortening of contract term renewals from a traditional 5 year period to a 3-year contract term. By the year 2000, the annual cost of these section 8 contract renewals would approach $20 billion in budget authority. In the current fiscal climate, the Federal budget cannot begin to meet these renewal commitments; thus threatening hundreds of thousands of families currently receiving assistance with eviction or dramatic rent increases.

The cost of section 8 project-based assistance similarly is reaching crisis proportions. Some 940,000 units were developed under the section 8 new construction and substantial rehabilitation contracts of the 1970's and 1980's. Most of these units have been financed with section 8 project-based contracts that exceed the local fair market rents or the rents of comparable units, and in many cases these contracts represent 140 percent or more of the fair market rent. The budget authority for these contracts was appropriated to cover contract costs for 20- to 40-year periods, and many of these section 8 project-based contracts are now starting to come up for renewal.

These section 8 project-based contracts represent another hard decision and another high cost for the Government. However, these projects continue to house poor families, with some 47 percent of the units occupied by the elderly. Many of these projects are insured by the Department or financed with direct loans by the Department. Estimates show that approximately 390,000 of these projects, or 41 percent are insured or held by the Department. Another 240,000, or 25 percent, constitute section 202 elderly and disabled projects. The majority of the remaining one-third of the inventory are projects financed by State housing finance agencies.

Finally, there is the issue of the prepayment program first initiated in the 1987 Housing Act and permanently authorized as part of the 1990 National Affordable Housing Act where Congress authorized incentives for certain owners of HUD-insured projects not to prepay their mortgages and keep their units affordable for low-income tenants. Owners of some 400,000 rental units are, or soon will be, eligible to apply for these financial incentives, including equity take-out loans. In these cases, the Government will pay increased section 8 assistance to owners to cover the cost of the incentives. The HUD IG Susan Gaffney recently identified this program as a "rip-off" to the American taxpayer. In fact, the costs for these additional subsidies will run into the billions of dollars.

As I have indicated these are issues that require congressional attention and responsible action. It took decades of neglect, through many Congresses and several administrations, both Democratic and Republican, to create a problem of this enormous magnitude and complexity. HUD cannot be fixed overnight, or by simply passing a law with the word "reform" in its title. I stress that we need to redirect Federal housing and community development policy from Federal micromanagement to the consolidation of programs with an emphasis on State and local decisionmaking.

We need to get away from the one-size-fits-all mentality and provide flexibility at the State and local level—we need to do this by making housing more affordable through approaches such as public-private partnerships, employment incentives for low-income families, mixed income projects, and the demolition of substandard housing where the demolition makes sense.

Mr. President, I raise these issues now because it is important that all of my colleagues and those in the administration and those who are concerned about housing focus on the difficult problems we face and help us develop the drastic solutions that we need to continue our commitment to housing, yet to do so without bankrupting the budget or taking away from other very needed programs.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Texas is recognized to speak for up to 10 minutes.

UNFUNDED MANDATES

Mrs. HUTCHISON. Mr. President, last week the Senate approved landmark legislation to protect States and communities from unfunded Federal mandates, and yesterday, the House followed suit. When the President signs this legislation, we will witness a sea change in the relationship among Federal, State, and local government.

Let me remind my colleagues, however, that when we consider the staggering load of unfunded mandates the Federal Government imposes on State and local governments, southern border States such as Texas bear a huge share of the burden.

Last year, I asked Congress to allocate $350 million to the affected States for incarcerating illegal alien felons. Congress took a significant step in rectifying this situation when it appropriated $130 million for the purpose. This was the first time in history the Federal Government has ever acknowledged its fiscal obligation to States directly impacted by Federal policies—and failures.

But that appropriation was merely an initial installment on what is actually a huge, crippling debt incurred by the Federal Government.

This year I am calling on President Clinton to include that $350 million allocation in his budget proposal—to move closer toward Federal acknowledgment of the true magnitude of the costs of illegal immigration to this country.

Illegal aliens, who enter our States and take up permanent, unlawful residence, are there as a result of the Federal Government's failure to carry out one of its most important functions—the securing of our borders. Texas, California, Arizona, New Mexico, and even Florida, absorb the brunt of these costs.

My State and others similarly affected are required by Federal law and Federal courts to pay for incarcerating illegals who commit crimes and also for the costs of education, welfare, medical services, and a host of other government-funded programs serving illegal aliens.

The Federal Government underwrites very little of these expenditures. But under the threat of penalty imposed by Federal law State and local taxpayers are coerced into footing the bill.

Texas, alone, must spend more than $60 million a year to keep illegal alien felons in prison—California nearly $400 million.

Texas also spends more than $60 million annually on unreimbursed Medicaid services to illegal aliens.

Texas like other States—is experiencing a seemingly insoluble school funding crisis, due in part to the presence of illegal alien children which the Federal courts have ruled must be educated.

In several Texas school districts, close to 50 percent of the students enrolled are the children of illegal aliens. In some cases, children cross the border from Mexico every day to attend school in Texas.

In La Joya, a small lower Rio Grande Valley town near Brownsville, a third of the school district's enrollment comes from Mexico. Yet school officials are forbidden to ask students for proof of residency—in their school district.

A study by Rice University in Houston estimates that Texas pays, all told, $1.4 billion a year to provide federally mandated services to illegal immigrants.

This is $1.4 billion a year we do not have, or, if we did, could be put to better use for Texas taxpayers.

For instance, that $1.4 billion would more than make up for the funding shortfall in Texas schools.

The situation has become intolerable—and resulted unfortunately in a backlash against all immigrants such as we witnessed in California during the debate over proposition 187. I am thankful the situation in Texas has not yet reached this point.

But the unfunded mandates situation has reached the crisis stage in its impact on our State and local budgets.

To put it plainly, the Federal Government is shifting the responsibility for these mandated expenditures onto the backs of Texas taxpayers. Texans are being forced to provide social benefits to individuals who have broken our laws, jumping ahead of those who play by the rules—while the Federal Government looks the other way. Illegal immigrants ought not be entitled to State taxpayers' money for simply crossing the border—and breaking our laws in the process.

In the past, I have supported the assignment of more Border Patrol agents to make our border areas more secure. The immigration reform bill I introduced in the 103d Congress would have put 6,000 more agents in the field to stop this flagrant and habitual violation of U.S. law.

Now my colleague, Senator GRAMM, has introduced another illegal immigration bill which would put even more new agents on the border, realizing that we are going to have to get serious about stopping the influx of people who are illegal into out country.

One of the reasons I am a strong advocate of the unfunded mandate legislation is that it will enforce a kind of truth-in-lawmaking we have not seen in Washington for decades—putting a clear price tag on programs and policies when they are foisted onto the States.

This correction in our country's course is long overdue.

THE BALANCED BUDGET AMENDMENT

Mrs. HUTCHISON. Mr. President, we have seen the debate this week in the Senate on the balanced budget amendment.

I am very pleased that the House of Representatives has taken this step already, and now it is up to the Senate to decide if Americans finally will have the opportunity for their legislatures to vote to adopt a very important amendment to our Constitution. It is an amendment that will make the difference for our future generations because it will say to our future generations we are not going to rack up the bill and give you the opportunity to pay for what we are doing today. That is what this balanced budget amendment is all about.

Mr. President, we have heard all kinds of reasons why people are now saying that they might not support the balanced budget amendment. But I hope the American people realize that these are in fact excuses. This is a solid, plain, simple, understandable balanced budget amendment. Maybe I would have changed a few words. Maybe others would change a few words and make exceptions. But we cannot make exceptions if we are going to take the responsible approach of saying we are going to set parameters on the amount of spending that we can do in this country. Every business in America does that. Every household in America does that. Every State government and every local government does that in America. Why, Mr. President, should Congress be the one entity in America that does not have to live within a budget? And every day that you see someone standing up on the floor and giving an excuse why they are not going to support the balanced budget amendment, I hope the American people realize that is what it is.

We will make the cuts that are necessary. We will save Social Security.

We have done it every year except last year when there was an increase in taxes, and they did increase the taxes on Social Security recipients. Not one Republican voted for that bill; not one.

So I do not think the American people need to fear that a Republican majority is going to do something that would in any way impact Social Security in not a beneficial way. It is not our side that has done anything on Social Security. What we are trying to do is make sure that people on Social Security know that their children and grandchildren are going to have a responsible government in Washington, DC.

Mr. President, that is what the argument is about on the balanced budget amendment.

I thank the Senator from Utah for his great leadership in this effort. He has been there fighting the cause this whole week and for years before saying this is what is right for America. I appreciate the time and effort that he is putting in. I just hope that when it comes down to the bottom line that this Senate does the right thing and sends an amendment to the people of our country through its legislatures to say we are going to be responsible like every State government, every local government, every business and every household in America has to be responsible.

It is the most important vote I will ever make in my time in the U.S. Senate.

Thank you, Mr. President.

I yield the floor.

INCREASE IN THE MINIMUM WAGE

Mr. KENNEDY. Mr. President, I commend the President for his leadership in bringing together so many Members of Congress this morning in support of an increase in the minimum wage for working families. The increase proposed by the President would raise the wages of more than 7 million hard-working Americans who currently earn less than $5.15 an hour. The increase would lift substantial numbers of working families out of poverty and diminish its severity for many more. The increase would also help millions of middle-class families who depend on the earnings of low-wage workers to get back on the track toward a better standard of living for themselves and their children. It is simple justice for working Americans.

Since the enactment of the first Federal minimum wage law in 1938, bipartisan majorities of the Congress have seven times reaffirmed the Nation's commitment to the minimum wage by voting in favor of minimum wage increases. Once again, Democrats and Republicans must join together to address the decline in the real value of the minimum wage. If we fail to act, by next year the real value of the minimum wage will be lower than it has been at any time since 1955.

Our economy is growing, corporate profits are up, and so are the incomes of the wealthiest 20 percent. But the vast majority of Americans are still losing ground. An increase in the minimum wage is long overdue. It ought to be part of any contract with America, and I hope we can vote on it in the first 100 days.

Mr. President, just an hour ago, the President of the United States in the White House reminded us that in 1989, when Congress last addressed this issue and voted overwhelmingly with bipartisan support to increase the minimum wage, we had a Republican President and Democratic majorities in the House of Representatives and Senate, but The President and the Congress came together, Republicans and Democrats alike. More than 85 percent of the Republicans in the Senate in 1989 supported legislation providing for two increases of 45 cents an hour each, to go into effect in 1990 and 1991.

The President made the point that he is hopeful that now, with a Democratic President and Republican majorities in the House and Senate, we too would go forward on a bipartisan basis and vote for two similar 45-cent increases.

The legislation enacted in 1989 provided for a 45-cent increase in 1990, and a 45-cent increase in 1991. And now the President is proposing a 45-cent increase for this year, 45 cents for next year.

The economy is much stronger today than it was in 1989 when we last voted to increase the minimum wage. In the past 2 years, we have seen the creation of over 5 million jobs. Business profits are up. The wealthiest individuals are doing well, the top 20 percent. And what we are basically saying with the President's proposal to increase in the minimum wage is that men and women in this country who are prepared to work 40 hours a week, 52 weeks of the year, ought not to live in poverty. They ought to be able to earn a living wage. That is not such a radical concept or radical idea, Mr. President.

The history of the minimum wage in this country teaches this very clearly. If we look at what the real value of the minimum wage has been and what the income needed to keep a family out of povery was from 1960 right up to 1980, the minimum wage was a livable wage. It kept working families out of poverty. And what we are seeing now is that unless we act to increase the minimum wage, by next year, in real purchasing power, the minimum wage will be the lowest it has been in 40 years.

What we are saying when we renew our commitment to a livable minimum wage is that work makes a difference. We ought to reward work in this country. We ought to say to families that we believe those who can and do and want to work and are working should be able to support themselves and their families and not be forced to rely on taxpayer-financed safety net programs to feed, house and adequately provide for their families.

If working people are not able to earn enough at the minimum wage to support their families, then it is other workers who in effect are called on to make up the difference through taxpayer-financed support programs. Thus, by raising the minimum wage, not only are we giving opportunity and prosperity to workers who want to work, we are also reducing, cutting the need to rely on public support programs.

Mr. SIMON. Will the Senator yield?

Mr. KENNEDY. Increasing the minimum wage will save taxpayer dollars because individuals will raise their incomes and no longer have to rely on the wide range of support programs which otherwise they are eligible for today. Increasing the minimum wage is a winning proposition for families that want to work, that will work. It is a winning proposition for taxpayers. It is a well-deserved increase.

I will be glad to yield for a question.

Mr. SIMON. Since the bottom fifth in terms of income in our country get 43 percent of the benefits from this, is it not true that if we were to raise the minimum wage as is suggested in this legislation, along the lines of what the Senator has just talked about, it probably would do more to provide real welfare reform than 90 percent of the talk of welfare reform that is going around right now?

Mr. KENNEDY. The Senator makes a very important point that has been reiterated in our recent Labor and Human Resources Committee hearings chaired by Senator KASSEBAUM on the various job training programs. We heard testimony from a very distinguished professional from Arlington, VA, who said you cannot expect to move people out of welfare into jobs that pay less than $7 an hour, because people cannot afford the cost of housing, transportation, health care—or day care if they have children—at a lower wage. Therefore, there is very little incentive for people to move off welfare unless the job they are moving into pays a livable wage.

Let me also point out this to the Senator from Illinois: The Senator is quite correct that 43 percent of the benefits of the last minimum wage increase went to families with earnings in the bottom 20 percent. But 45 percent of the benefits went to families with earnings in the middle 60 percent. Increasing the minimum wage is critically important to workers trying to support their families on a minimum wage job. But it is also a lifeline to families that are just on the border of middle income, and are dependent on the earning of someone who is working and supplementing the family's income

with a minimum wage job to maintain their standard of living.

Mr. SIMON. Mr. President, if I may ask one more question of the Senator? So this talk that when we raise the minimum wage, we are really just helping the teenagers of people who are well off, that really is a myth and has no substance in fact?

Mr. KENNEDY. The Senator is quite correct. Two-thirds of those who are making the minimum wage today are adults—two-thirds.

It is reasonable to ask what is going to be the impact of this increase on jobs in our country? I hope, over the course of both the debate on this issue and in the course of hearings, to have a chance to review the most recent studies. David Card and Alan Krueger, of Princeton University did a very interesting study. They studied the effects on employment on the fast food industry in New Jersey, resulting from the 1992 increase in the State minimum wage from $4.25 to $5.05. This 80-cent increase in 1992 followed the 1990 increase in the Federal minimum wage from $3.35 to $3.80 and the 1991 increase of $3.80 to $4.25.

We listened to the Governor of the State of New Jersey speak the other night in her response to the President's State of the Union message about how strong the economy in New Jersey. This is a State that had a 45-cent increase, another 45-cent increase, and then had an 80-cent increase in the minimum wage after that, and the state economy is flourishing.

And that was borne out by the Princeton economists' study. It found no negative impact on employment from the increase in the New Jersey State minimum wage to $5.05. And, interestingly, it showed some evidence of positive impact on employment. People who were outside the labor market came back because they could make a decent living. So they added to the economy. Rather than a reduction of jobs, it increased jobs.

The Wessell study on the impact on restaurant employment of the 1990 and 1991 increases in Federal minimum wage from $3.25 to $4.25 also found there was virtually no impact on employment.

Similar results were found by Lawrence Katz of Harvard University and Alan Krueger of Princeton University, who did a 1992 study on employment in the fast food industry in Texas in 1990 and 1991 following the last increase in the Federal minimum wage. They also found no significant impact on employment. So we have similar results from studies of the impact of minimum wage increases in an industrial State, New Jersey, and in the State of Texas.

In addition, we have a 1992 study by Professor Card of the effects on teenage employment across 50 States resulting from the 1991 increase from $3.80 to $4.25. This study again found virtually no significant impact on teenage employment in low-wage as well as high-wage States.

And this was found true as well in another study that looked at changes in retail trade and teenage employment in California resulting from the 1988 increase in the State minimum wage from $3.25 to $4.35.

We will hear a great deal during the course of the debate about the impact of minimum wage increases on employment. I think those issues are legitimate ones and have to be addressed. But any thoughtful and fair review of recent empirical evidence on the actual effect of minimum wage increases shows that the kind of increase proposed this morning by the President would have only a marginal, neglible effect on employment.

Most of all, this issue is really about making work pay. It is a hollow argument indeed, to say this increase is going to mean a lesser life for working families in this country. We are talking about permitting working families to participate in the prosperity of America. This is a fair proposal. It ought to be treated fairly here in the Congress. I believe it ought to be part of the Contract With America.

Profits are up. Wages across this country have been stagnant for most workers for many years. This is really a concrete effort to try to make a difference for working families, to give them a livable wage so they can live with respect and dignity, and with a real sense of hope for the future.

I hope at the appropriate time we will have a chance to have further debate and take positive action, hopefully in a bipartisan way, in this body.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID "YES"

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, February 2, the Federal debt stood at $4,814,204,062,209.10. On a per capita basis, every man, woman, and child in America therefore owes $18,274.80 as his or her share of that debt.

COSPONSOR S. 228—BRYAN BILL ON CONGRESSIONAL PENSIONS

Mr. ABRAHAM. Mr. President, during the past year I have repeatedly been approached by citizens of my State of Michigan who have expressed their outrage about the current congressional pension system. Initially, their anger was focused upon what they believed to be an exorbitant level of compensation for Members of Congress. Later in the campaign, another issue also rose; namely, the shroud of secrecy which surrounded congressional pensions themselves.

Because of my experience, during the campaign I pledged to introduce or cosponsor legislation which would bring congressional pension plans into general line with the rest of the Federal Government and with the private sector. I also committed myself to eliminating the shroud of secrecy which has surrounded the pension system by pushing for full disclosure. Consequently, I am today announcing my cosponsorship of S. 228, the bill introduced by the Senator from Nevada, Senator BRYAN, which will bring the pension compensation for Members of Congress in line with that currently available to members of the Federal civil service.

However, because the Senator from Nevada's legislation does not include language on disclosure, I am also today introducing my own legislation which will require that information regarding Members' pensions be made available to the public. When the issue of congressional pension reform reaches the floor, the Senator from Michigan will offer this disclosure bill as an amendment if similar language is not already contained therein.

Mr. President, only when the American people are provided with accurate information can they make informed decisions regarding what level of pension compensation for Members of Congress and their staffs is appropriate.

Mr. President, I yield the floor.

REGULATORY FLEXIBILITY AMENDMENTS ACT OF 1995

Mr. BOND. Mr. President, yesterday I introduced S. 350, the Regulatory Flexibility Amendments Act of 1995, to provide for judicial enforcement under the Reg Flex Act. This bill is vitally important to America's small businesses who are suffering from the excessive burdens of Federal Government regulations. In support of my bill, S. 350, I have received letters from the U.S. Chamber of Commerce, the Small Business Legislative Council, and the National Roofing Contractors Association.

Mr. President, I ask unanimous consent that the letters and the bill, S. 350, be printed in the RECORD.

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

S. 350

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 "Regulatory Flexibility Amendments Act of 1995".

SEC. 2. JUDICIAL REVIEW OF REGULATORY FLEXIBILITY ANALYSES.

(a) AMENDMENT.—Section 611 of title 5, United States Code, is amended to read as follows:

"§ 611. Judicial review

"(a)(1) Except as provided in paragraph (2), not later than 1 year after the effective date of a final rule with respect to which an agency—

"(A) certified, pursuant to section 605(b) of this title, that such rule would not have a

significant economic impact on a substantial number of small entities; or

"(B) prepared final regulatory flexibility analysis pursuant to section 604 of this title, an affected small entity may petition for the judicial review of such certification or analysis in accordance with the terms of this subsection. A court having jurisdiction to review such rule for compliance with the provisions of section 553 of this title or under any other provision of law shall have jurisdiction to review such certification or analysis.

"(2)(A) Except as provided in subparagraph (B), in the case where a provision of law requires that an action challenging a final agency regulation be commenced before the expiration of the 1-year period provided in paragraph (1), such lesser period shall apply to a petition for the judicial review under this subsection.

"(B) In the case where an agency delays the issuance of a final regulatory flexibility analysis pursuant to section 608(b) of this title, a petition for judicial review under this subsection shall be filed not later than—

"(i) 1 year; or

"(ii) in the case where a provision of law requires that an action challenging a final agency regulation be commenced before the expiration of the 1-year period provided in paragraph (1), the number of days specified in such provision of law,

after the date the analysis is made available to the public.

"(3) For purposes of this subsection, the term 'affected small entity' means a small entity that is or will be adversely affected by the final rule.

"(4) Nothing in this subsection shall be construed to affect the authority of any court to stay the effective date of any rule or provision thereof under any other provision of law.

"(5)(A) In the case where the agency certified that such rule would not have a significant economic impact on a substantial number of small entities, the court may order the agency to prepare a final regulatory flexibility analysis pursuant to section 604 of this title if the court determines, on the basis of the rulemaking record, that the certification was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

"(B) In the case where the agency prepared a final regulatory flexibility analysis, the court may order the agency to take corrective action consistent with the requirements of section 604 of this title if the court determines, on the basis of the rulemaking record, that the final regulatory flexibility analysis was prepared by the agency without complying with section 604 of this title.

"(6) If, by the end of the 90-day period beginning on the date of the order of the court pursuant to paragraph (5) (or such longer period as the court may provide), the agency fails, as appropriate—

"(A) to prepare the analysis required by section 604 of this title; or

"(B) to take corrective action consistent with the requirements of section 604 of this title,

the court may stay the rule or grant such other relief as it deems appropriate.

"(7) In making any determination or granting any relief authorized by this subsection, the court shall take due account of the rule of prejudicial error.

"(b) In an action for the judicial review of a rule, any regulatory flexibility analysis for such rule (including an analysis prepared or corrected pursuant to subsection (a)(5)) shall constitute part of the whole record of agency action in connection with such review.

"(c) Nothing in this section bars judicial review of any other impact statement or similar analysis required by any other law if judicial review of such statement or analysis is otherwise provided by law.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act, except that the judicial review authorized by section 611(a) of title 5, United States Code (as added by subsection (a)), shall apply only to final agency rules issued after the date of enactment of this Act.

CHAMBER OF COMMERCE
OF THE UNITED STATES OF AMERICA,
Washington, DC, February 2, 1995.

Hon. CHRISTOPHER BOND,
Chairman, Senate Small Business Committee, Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The U.S. Chamber of Commerce Federation, representing 215,000 businesses (96% of whom are small businesses), 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 69 American Chambers of Commerce abroad, is pleased to endorse your legislation, the Regulatory Flexibility Amendment Act, which would strengthen the Regulatory Flexibility Act (RFA) by allowing judicial review of agency compliance.

The importance of judicial review cannot be overstated. The original RFA was designed to provide the small business community respite from the ever-growing hindrance of excessive regulation by requiring federal agencies to consider the impact of proposed regulations on small entities. Its intent was to ensure that the least burdensome approach for regulatory implementation was adopted. The lack of judicial review, however, has meant that agencies do not have to answer to any compelling authority. As a result, agencies routinely give the RFA minimal attention, if any at all.

Too often, small businesses have borne the brunt of the cumulative impact of unreasonable and costly federal mandates. Given their importance to our struggling economy, we need to ensure not just their survival but their growth as well. Judicial review as part of the RFA will place us closer to that goal. That is why your legislation is so critical. It could mean the difference between job creation and job lay-offs.

We look forward to working with you and your colleagues in ensuring passage of this badly needed legislation.

Sincerely,

R. BRUCE JOSTEN.

SMALL BUSINESS LEGISLATIVE COUNCIL,
Washington, DC, February 2, 1995.

Hon. CHRISTOPHER BOND,
Chairman, Committee on Small Business, Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the Small Business Legislative Council (SBLC) we wish to express our support for your version of legislation to enact amendments to the Regulatory Flexibility Act (RFA). As long-time supporters of the RFA, we know from first-hand experience that agencies have been able to ignore the law due to the lack of judicial review. At the time of the enactment of the original RFA, we thought it was a risk we could reluctantly accept in order for us to overcome the then formidable resistance of the bureaucracy to the entire law. Time has proven that the price was too much to pay.

The original concept of the original law is still sound. The goal is to have agencies undertake an analysis of proposed rules to determine whether they have an adverse impact on small business. If such a determination is made, then the agency must explore alternatives to mitigate the impact on small business.

In fact, for several years, we have said Congress should apply the same standard when considering proposed legislation, that is, analyze the impact on small business, and consider alternatives. We are pleased that the Senate has passed S. 1, the unfunded mandate reform bill. It goes a long way towards establishing such a discipline.

The Small Business Legislative Council (SBLC) is a permanent, independent coalition of nearly one hundred trade and professional associations that share a common commitment to the future of small business. Our members represent the interests of small businesses in such diverse economic sectors as manufacturing, retailing, distribution, professional and technical services, construction, transportation, tourism, and agriculture. Our policies are developed through a consensus among our membership. Individual associations may express their own views. For your information, a list of our members is enclosed.

Sincerely,

JOHN S. SATAGAJ,
President.

Attachment.

MEMBERS OF THE SMALL BUSINESS
LEGISLATIVE COUNCIL

Air Conditioning Contractors of America.
Alliance for Affordable Health Care.
Alliance of Independent Store Owners and Professionals.
American Animal Hospital Association.
American Association of Nurserymen.
American Bus Association.
American Consulting Engineers Council.
American Council of Independent Laboratories.
American Gear Manufacturers Association.
American Machine Tool Distributors Association.
American Road & Transportation Builders Association.
American Society of Travel Agents, Inc.
American Subcontractors Association.
American Textile Machinery Association.
American Trucking Associations, Inc.
American Warehouse Association.
American Wholesale Marketers Association.
AMT—The Association for Manufacturing Technology.
Architectural Precast Association.
Associated Builders & Contractors.
Associated Equipment Distributors.
Associated Landscape Contractors of America.
Association of Small Business Development Centers.
Automotive Service Association.
Automotive Recyclers Association.
Bowling Proprietors Association of America.
Building Service Contractors Association International.
Christian Booksellers Association.
Cincinnati Sign Supplies/Lamb and Co.
Council of Fleet Specialists.
Council of Growing Companies.
Direct Selling Association.
Electronics Representatives Association.
Florists' Transworld Delivery Association.
Health Industry Representatives Association.
Helicopter Association International.
Independent Bakers Association.
Independent Bankers Association of America.

Independent Medical Distributors Association.
International Association of Refrigerated Warehouses.
International Communications Industries Association.
International Formalwear Association.
International Television Association.
Machinery Dealers National Association.
Manufacturers Agents National Association.
Manufacturers Representatives of America, Inc.
Mechanical Contractors Association of America, Inc.
National Association for the Self-Employed.
National Association of Catalog Showroom Merchandisers.
National Association of Home Builders.
National Association of Investment Companies.
National Association of Plumbing-Heating-Cooling Contractors.
National Association of Private Enterprise.
National Association of Realtors.
National Association of Retail Druggists.
National Association of RV Parks and Campgrounds.
National Association of Small Business Investment Companies.
National Association of the Remodeling Industry.
National Association of Truck Stop Operators.
National Association of Women Business Owners.
National Chimney Sweep Guild.
National Association of Catalog Showroom Merchandisers.
National Coffee Service Association.
National Electrical Contractors Association.
National Electrical Manufacturers Representatives Association.
National Food Brokers Association.
National Independent Flag Dealers Association.
National Knitwear Sportswear Association.
National Lumber & Building Material Dealers Association.
National Moving and Storage Association.
National Ornamental & Miscellaneous Metals Association.
National Paperbox Association.
National Shoe Retailers Association.
National Society of Public Accountants.
National Tire Dealers & Retreaders Association.
National Tooling and Machining Association.
National Tour Association.
National Venture Capital Association.
National Wood Flooring Association.
Opticians Association of America.
Organization for the Protection and Advancement of Small Telephone Companies.
Passenger Vessel Association.
Petroleum Marketers Association of America.
Power Transmission Representatives Association.
Printing Industries of America, Inc.
Professional Lawn Care Association of America.
Promotional Products Association International.
Retail Bakers of America.
Small Business Council of America, Inc.
Small Business Exporters Association.
SMC/Pennsylvania Small Business.
Society of American Florists.
Turfgrass Producers International.

NATIONAL ROOFING CONTRACTORS ASSOCIATION,
Washington, DC, February 2, 1995.

Hon. CHRISTOPHER BOND,
Chairman, Committee on Small Business, U.S. Senate, Washington, DC.

DEAR CHAIRMAN BOND: NRCA recently testified before the House Small Business Committee in support of strengthening the Regulatory Flexibility Act of 1980 (Reg Flex). Judicial review for Reg Flex is a priority for us, and we are pleased that it's a key component of the new Republican congressional majority's agenda for regulatory relief. We are also pleased to inform you that NRCA strongly supports the Regulatory Flexibility Amendments Act of 1995.

I am certain that I speak for the Regulatory Flexibility Act Coalition, consisting of some 60 organizations representing small business and small government entities, when I state that we stand ready to assist your committee's effort to amend Reg Flex to help control excessive government regulation.

Please call if there's anything I can do.

Best wishes.

Sincerely,

CRAIG S. BRIGHTUP.

IMPORTANCE OF INTELLECTUAL PROPERTY TO AMERICA'S TRADE

Mrs. MURRAY. Mr. President, tomorrow is a critical date in United States trade relations with the People's Republic of China [PRC]. The United States Trade Representative has found that the PRC is seriously deficient in its protection of intellectual property rights. Talks have broken off, and unless the Chinese change their laws and improve their enforcement at this eleventh hour, the United States will impose steep tariffs on a number of products imported from the PRC, starting tomorrow.

I am disappointed that the situation has deteriorated to this point. More than 1 year ago I invited the Chinese Ambassador, United States executives and other Members of the Washington congressional delegation to my office to discuss this issue. I spoke with President Clinton and U.S. Trade Ambassador Michael Kantor as well. I encouraged all sides to get together and work toward a solution to the problem.

As a proponent of free trade, I am hopeful talks will be resumed and the Chinese Government will take serious steps to protect intellectual property rights. Hard-working people in the State of Washington are losing too much money to international pirates. This must end, and our relationship with this important trading partner must resume as quickly as possible.

It is up to the Clinton administration, and, more importantly, to the Chinese, to show some leadership. If China wants to be a global economic player, they have to play by the global economic rules. And those rules don't allow piracy.

Mr. President, as you know, I come from a State which is, per capita, the largest exporting State in the country. Washington State is home to America's single largest exporting company—the Boeing Co. We send the literal fruits of our labors—our apples and wheat—to every corner of the globe.

And, we are the site of some of America's most forward-looking, cutting-edge industries. We have big companies like the Microsoft Corp and Nintendo of America as well as small concerns all along the I-5 corridor which specialize in a dazzling array of high technology and biotech products.

These companies produce goods rich in intellectual property, the cornerstone of American innovation. Protecting these inventions through intellectual property rights is vital. Enforcing copyrights, patents and trademarks means that when you build a better mousetrap, you can reap the rewards of innovation. That's why we need and have strict laws in this country which protect inventions and punish thievery.

I am pleased that intellectual property has been included as a new discipline in the General Agreement on Tariffs and Trade [GATT]. Accordingly, it is important that all our trading partners uphold and enforce the strongest intellectual property laws possible, especially those countries that wish to join the GATT.

That is why the looming deadline is so disheartening. I sincerely hope China will address this situation, and prove they deserve a place in the global economic community.

WILLIAM J. BAROODY, JR.

Mr. MOYNIHAN. Mr. President, for a quarter century I have been involved with the Woodrow Wilson International Center for Scholars. I was a member of its first board of trustees in 1969, and served as vice chairman from 1971 to 1976. During the center's existence, five remarkable men have served as chairmen of its board: Hubert H. Humphrey, 1969–72; William J. Baroody, Sr., 1972–79; Max M. Kampelman, 1979–82; William J. Baroody, Jr., 1982–94; and now Joseph H. Flom.

William J. Baroody, Jr.'s term on the board expired just this week, and I would like to join his colleagues at the Wilson Center in honoring his remarkable tenure. A dinner was given in Bill's honor following the last board meeting in October, when he stepped down from its chairmanship, and I ask unanimous consent that the text of the evening's richly deserved tribute be printed in the RECORD.

REMARKS AT DINNER HONORING WILLIAM J. BAROODY, JR., OCTOBER 11, 1994

Mr. BLITZER. I want to join Joe Flom in welcoming all of you here this evening to this richly deserved tribute to Bill Baroody, a man who served with enormous devotion skill and wisdom as Chairman of the Board of Trustees of the Woodrow Wilson Center for nearly half of the Center's life.

During the years I have known Bill, and particularly during the six years that I've served under his chairmanship, my respect for him has constantly grown as has my affection. I can say with absolute sincerity that during those years I have never asked Bill for his help without receiving it. Similarly I have never sought his advice without receiving suggestions that contributed substantially and fruitfully to my own ideas and those of my colleagues. In many ways I would say that Bill has been a model of what a chairman should be. He shared with us the knowledge and the wisdom gained in the legislative and executive branches of government, including in the White House, and as the head of a kindred but not quite identical institution, and in all of this he has somehow managed to guide without being intrusive.

His chairmanship of the board, a board composed of distinguished and often strong-minded people appointed by three presidents of two parties, and his leadership of the Center under two directors, have been characterized by an extraordinary combination of effectiveness, tact, evenhandedness and self-effacement. Indeed if it is possible to be modest to a fault that perhaps is Bill's singular fault. With his clear sense of the delicate balance between the legal responsibility of a board and the authority of a director, he served the Center well and made the experience for me at least, and I suspect for my predecessor, of serving under him a genuine pleasure. It is for that accomplishment, and for his stewardship of this institution that his fellow trustees, the Center's staff, his friends, his family and I join in honoring him this evening with deep respect and affection.

TED BARREAUX. I have been given the assignment of reading one of the letters that Bill Baroody has received from the former Presidents who have appointed him to various posts. But before that I wanted to tell you all what a pleasure it is for me to be here tonight because I've known Bill for many years. The two of us met almost thirty years ago, and we were both at various points in our lives aides of President Nixon. Now I don't know if Bill's memory fades in and out as occasionally most Nixon aides' memories do, but my experience when I first met Bill was illustrative of what became a very warm and valued friendship.

I met Bill as I said nearly thirty years ago in the spring of 1967, when I was in Washington to have lunch on a Saturday morning with a friend of mine, Congressman Glenn Lipscomb from California. He was a close ally and colleague of Congressman Mel Laird, for whom Bill worked.

I didn't have a change to work with Bill while he was at the Defense Department or in Congress, but I worked very closely with him when he was the public liaison for President Ford. I had the pleasure not only of working with Bill when he was a White House aide but also when I spent twelve years on the Board of Trustees of the Wilson Center. I served under Bill's father, I served under Max Kampelman, and I served under Bill.

The one thing about Bill that impressed me as well as all of the other trustees and the Fellows is Bill's commitment to public service. He provided two characteristics that I think really mean public service to me, and he carried them out with firmness and commitment and dedication and with an élan and an ease that made it appear even more beautiful than it ordinarily is. The first of these is satisfaction. He demonstrated clearly the satisfaction one derives from the formulation of public policy. There are dozens of key policy issues where he played a central role and he did it always with grace and intelligence and style.

And the second is sacrifice. I was always impressed by the fact that he never capitalized in a personal way on his public service, which is terribly impressive when you consider that although there is nothing wrong with that, he chose a different road.

President Ford, whose letter I've been asked to read tonight, shares many of my sentiments, and I'll share his letter with you now.

"Dear Bill, I write with congratulations and best wishes on the occasion of your retirement as Chairman of the Woodrow Wilson Center Board of Trustees. It is indeed an enjoyable task to acknowledge your generosity and commitment to that fine institution.

"I also remember with great pleasure your time as a member of our White House team and I am so pleased that you and many of your colleagues have continued a tradition of outstanding public service. Thanks to your dedicated leadership, the Wilson Center is now known throughout the world as a place of both scholarly excellence and practical relevance.

"I am delighted to have this opportunity to express my appreciation of your devotion to the Center and its scholarly ideals.

"I am delighted to have this opportunity to express my appreciation of your devotion to the Center and its scholarly ideals.

"Thank you for your many kindnesses and loyal support.

Warmest, best regards,

GERALD R. FORD."

I would now like to toast Bill Baroody who is not only a friend, a colleague and a boss, all three things you get to be when you're Chairman of the Board of the Center, but he's also a very special human being.

GERTRUDE HIMMELFARB. I cannot I'm afraid compete with Ted who has known Bill for thirty years. I can only claim to have known him for less than twenty years. I was then a Fellow of the Woodrow Wilson Center and Bill Baroody, Sr. was then Chairman of the Board. The Baroodys were my introduction to Washington and I assure you it was a very enjoyable, a very interesting, a very exciting experience.

I then met Bill some ten years later when I was a member of the board and Bill, Jr. was its Chairman. I came to admire Bill as all of us did, and not only for his extraordinary devotion to the Woodrow Wilson Center, his mastery of all the details of the operation of the Center, his assiduous attendance at meetings, board meetings, fellowship and other committee meetings even in periods of ill health and an evident discomfort, but also because of his very good judgment and his wisdom in helping to keep the Center on a steady course at a rather perilous time for institutions such as this, for cultural and academic institutions which were being buffeted about as they still are by all the vagaries of intellectual fads and fashions and by political and social pressures. As I say it was a very heartening experience to serve under a chairman who was able to perform that not inconsiderable feat.

I'd like now to take the occasion to pay tribute not only to Bill but also to Charles Blitzer and to the staff of the Woodrow Wilson Center, all of whom manage to work so harmoniously together and all of whom manage to resist those fashions and those pressures, who manage to preserve the integrity of the Center and to maintain the very high standards of scholarship and research that the Center is in fact now known for, always has been known for.

Bill, Sr. would be very proud of you Bill, and I think he would like to join us in this toast to you. But first I would like to read a letter from someone who can express his appreciation of Bill more eloquently than I can.

"DEAR BILL, I am delighted to join your friends, family, and colleagues in congratulating you on the occasion of your retirement from the Woodrow Wilson International Center for Scholars.

"I hate to be the one to break the news to you, but I've found that there is no such thing as retirement! I had a fleeting notion way back: to find a shady spot under a tree and a good sturdy hammock. It was a grand plan, but it never materialized. I hope you have better luck with it than I did!

"Seriously, you have every reason to be proud of your twelve years of honorable commitment to the Center and to nationwide scholarship. You have proudly carried on your family tradition as an able and dignified leader, and it is that noble legacy which will continue to flourish thanks to your constant nurturing and tireless commitment. You have my deepest gratitude and admiration for the wisdom and integrity you have consistently shown in your devotion to the Center.

"I wish you all the happiness and success you deserve as you begin this exciting new chapter in your life. God bless you for your dedication and unwavering faith in this great nation.

Sincerely,

RONALD REAGAN."

I think President Reagan would like to join us in this toast to Bill.

LYNNE CHENEY. I want to bring you greetings, Bill, not only from myself and from the signator of the letter I'm about to read, but from Dick Cheney who is sorry he can't be with us tonight. Dick and I first knew Bill more than twenty years ago back in the Nixon and Ford years, and you were out there on the front line for public liaison putting Gerry Ford in exactly the setting in which he performed most brilliantly, dealing with citizens in forums across the country, answering questions, and Dick as White House Chief of Staff, was exceedingly grateful for your imaginative use of the President's time and for presenting him as the really great leader he was. I'm so glad that I was here tonight to hear Gerry Ford's letter to you.

Dick and I are now at the American Enterprise Institute, another organization in which you had such an important role to play, so our lives have been intertwined for quite a long time. I will remember with gratitude and warmth the opportunity that I had to serve with you as a member of the Woodrow Wilson Center's Board of Trustees. We had some challenging meetings, some interesting issues with which to deal, and I do love now seeing them all begin to come to fruition knowing that this Center will soon be housed in a way that it should be in order to honor the memory of Woodrow Wilson to whom this Center was established.

So many people are grateful to you for your service, Dick and I chief among them; and I'm especially proud tonight to have the honor to read to you a letter from yet another former President, What friends you have, Bill.

"DEAR BILL, word has reached me of your retirement as Chairman of the Woodrow Wilson Center's Board of Trustees, and I am delighted to join your family and colleagues in congratulating you for a job well done.

"Your distinguished tenure as chairman is one marked by significant accomplishment, and you can be proud in the knowledge that your many contributions helped to enhance America's leadership in a turbulent and sometimes dangerous world. As one of several Presidents to benefit from your dedicated career in service to our Nation, I am pleased to have this opportunity to thank you for your loyal support, counsel, and friendship through the years. "You will be missed, but I have a feeling this won't be the last we hear from you. In the meantime, Barbara joins me in sending best wishes for your very happiness.

Sincerely,

GEORGE BUSH."

I would like all of you to join me in a toast to Bill Baroody for whom all of us here, like all of the Presidents who have so far been named, have the greatest respect, admiration and to whom we'd like to extend our thanks.

JAMES BILLINGTON. I would like to speak to you from my heart about Bill Baroody because we honor tonight someone who is part of a unique contribution to the life of this city and to the country.

We have a kind of apostolic succession here. It began with Hubert Humphrey who was the first chairman, then Bill Baroody, Sr. succeeded him, then Max Kampelman (who had been so close to Hubert Humphrey) succeeded Bill, and then Bill, Jr. succeeded Max, and now of course we have a new chairman. I second Bea Himmelfarb's warm words of praise for Charles Blitzer and the staff. It is wonderful to see the sustaining over the years of the real commitment to quality, one of the things that the Baroodys have always been committed to and that Bill has helped this very talented staff sustain so well.

I liked Ted Barreaux' emphasis on public service, because it seems to me Bill has had an extraordinary career which has never been fully documented. There was service in Congress, with Mel Laird. There was service in the Pentagon, and a variety of different functions in the White House.

I would say there are four things that characterize Bill's public service. The first of these is an extremely self-effacing kind of leadership. When the spotlight is on, Bill always runs the other way. He reminds me very much of people like Paul McCracken and Bryce Harlow, names that you don't read very often in the history books, who had this soft spoken, quiet kind of integrity when integrity wasn't always the first currency of the day. Bill is very much a part of that world and part of that type of public servant who never gets enough attention, never gets enough praise.

The second is the commitment to dialogue. At the Ford White House, Bill bridged a gap that was very real in those days between government and the broader private sector and established a very important kind of dialogue. It continued during his days at AEI, and he certainly has sustained the Center's tradition for dialogue, one of its great contributions to this city.

And the third thing closely related to it is quality—the defense of the pure quality of scholarship in a city very closely concerned with advocacy. To maintain the purest standards of high quality in the midst of the political pressures and vortex of this city has been a wonderful achievement, and I must say we owe that to our whole apostolic succession of chairmen.

And the fourth thing that Bill has provided is something that's not always found even where there's dialogue and where there's quality, and that is genuine depth. One of Bill Baroody, Sr.'s great contributions to the intellectual dialogue of this city was introducing deeper themes such as the role of religion in public life. Bill Baroody, Jr. has continued that role.

This is a man who not only has quietly in a self-effacing way sustained dialogue and sustained quality in this wonderful institution that we celebrate and honor today, but who behind it all has a passion and understanding for the deeper things of life that are somehow inextricably connected to our broader public and individual lives.

I'd like to propose a toast to Bill Baroody and to the past—I am reminded of a wonderful evening Max Kampelman hosted like this for Bill's father here about fifteen years ago. Please join me in a toast to Bill and to the past, present and future of a wonderful family.

MAX KAMPELMAN. There is an old Yiddish superstition that if a mother wishes her newborn child to be a great thinker or a great philosopher she kisses the child on the head. If she wishes her child to be a great pianist or musician she kisses the child on the fingers. If she wishes her child to be a singer she kisses the child on the neck close to the vocal chords. I don't know where our mothers kissed Bill Baroody, Joe Flom and me when we were born, but I do know that all three of us have been blessed with the opportunity to serve as chairpersons of the Woodrow Wilson International Center for Scholars. Speaking for myself it has been one of the most satisfying public experiences of a full and busy life.

My first exposure to the Wilson Center came through my friend Hubert Humphrey who became the first Chairman of the Board. I vividly recall the excitement with which he joined the effort to create a living memorial of scholarship through which to perpetuate the memory of Woodrow Wilson in our nation's capital. I recall the deep sense of honor that he felt in being appointed by President Johnson to serve as this Center's first chairman. My long-time friend William Baroody, Bill's distinguished father, succeeded Hubert as its chairman. Bill, you and I know that your dad was a great man; a giant of a man, and I am convinced that you have filled his shoes with distinction.

Tonight we meet to acknowledge your selfless and devoted service to our Center as its fourth chairman. Your wisdom and integrity have added luster to our Center and strength to our staff. The comments we have heard this evening all add credence to that sentiment. You presided over our Center at a critical period of our nation's transition away from the Cold War with its clear challenges and objectives into a new set of problems and opportunities and you did so with dignity and determination.

In partnership with our most distinguished director Charles Blitzer you have further fashioned and strengthened our Center into one of the most distinguished and respected institutions of learning in the world.

To Joe Flom, our experienced and wise new chairman, I say let us rededicate ourselves to our mandate from Congress to harmonize and strengthen the relationship between the world of learning and the world of public affairs. It is with that aspiration that I appropriately ask all of you tonight to join me in a toast to our friend, Bill Baroody.

JOE FLOM. As the new chairman of the Woodrow Wilson Center for International Scholars I have been given the pleasurable duty by the board to read a resolution which was adopted unanimously today with respect to Bill. I would first like to thank Bill for the help he has given me in the transition. His courtesy, his wisdom and his judgment are very much appreciated. He has set a standard which I hope I can match in my role. I would now like to read this resolution, which was unanimously passed today by the Board of Trustees:

Whereas, William J. Baroody, Jr., in more than thirteen years of distinguished service to the Woodrow Wilson International Center for Scholars, both as a member of its Board of Trustees and as its Chairman, devoted himself unstintingly, wisely, and supportively to the Center's growth and well-being; and

Whereas, his devotion brought to the Center the bountiful benefits of his extraordinary wisdom, experience, and thoughtfulness, as well as his deep commitment to and participation in the worlds of scholarship and public affairs; and

Whereas, his unfailing dedication to the Center and his sensitive, fair-minded leadership and often subtle guidance have increased the Center's stature and strengths,

Therefore, be it resolved that the members of the Board of Trustees—in their own names, in the names of the Center staff, of all the scholars who have studied at the Center, and of all persons, in the United States and throughout the world, for whom the Wilsonian ideals of scholarship and high public purpose remain beacons of hope and humanity—extend to William J. Baroody, Jr., deep gratitude, lasting affection, and the sincere hope that the Center will remain close to his considerate and warm heart, and that he will continue to sustain the Baroody family tradition by participating in its life and exciting future.

JOSEPH H. FLOM AND CHARLES BLITZER.

Mr. BAROODY. I do thank you most sincerely for the kind words. I guess it's a little like perfume: It's okay to sniff it as long as you don't swallow it. This has really been a treat for me. I'm very, very proud that three presidents and some fifty-two different board members have tolerated my presence on the board of this incredibly magnificent institution for as long as they have.

I listened to the tape of a similar event held in honor of my father on June 9, 1980 just a few weeks before he died. I don't cite that tape or that event in invite comparisons, but as Max Kampelman introduced himself in that wonderfully humble way he has, Max insisted he had not replaced my father. He said he had succeeded, but not replaced my father as chairman, for no one could replace him.

I mention that tape of that event among other very personal reasons because Pat Moynihan, the patron saint of this great Center, reminisced that night about his affiliation with the Center and with my father. Pat said that when he and Charles Blitzer conspired together in 1968 to draft the legislation to create the Center, their vision was to create a center of learning which the 22nd Century would regard as having influenced the 21st.

I used to talk to dad about his vision for the Center, and in his response he would always mention an exchange he had with Pat Moynihan concerning the report dad commissioned at the beginning of his tenure as chairman in 1969 to help the Center determine what kind of an institution it should become. Pat Moynihan was then Ambassador to India, and dad cabled him to ask for his views on the mission of the Wilson Center. Ambassador Moynihan cabled back one sentence: "Think no small thoughts." Well, I

dare say that all four chairmen and three directors so far have demonstrated a commitment to building an institution that can fulfill the dream that emerged from the legislative drafting session in 1968, and the mission statement in 1969. From what I've seen of the Center's fifth chairman, there is no danger of that vision being distorted as we look to the future.

This fall we conclude the first twenty-five years of the Wilson Center's existence. It has been my privilege to serve as the fourth chairman for almost half of the Center's existence. I have had the good fortune personally of observing and delighting in the increasing prominence and impact of the Center throughout the world. The essence of the Woodrow Wilson Center of course is its Fellows who come here from all over the world to pursue their scholarly studies and participate in the life of the Center. More than 1300 Fellows and guest scholars have been in residence since its creation and the fellowship selection process has become increasingly competitive each year, compelling evidence of the Center's expanding international reputation.

Over the past quarter century the Wilson Center has retained its unique status in our nation's capital as a high quality international nonpartisan center. The great public value of a scholarly center like the Wilson Center cannot be overstated. Everyone associated with it should not only take pride in its accomplishments but also in the high reputation and standards it maintains, and to that end I would be remiss if I did not single out the two directors of the Wilson Center who have occupied that position during my tenure.

Jim Billington whose vision and skill were largely responsible for building the Center into a world-class institution and Charles Blitzer who was there at the creation and in its formative years as Dillon Ripley's able agent and in the last several years as we have been consolidating and rethinking our mission in preparation for the second twenty-five years of this great institution. The Wilson Center and the country have been well served by the stewardship of these two extraordinarily able leaders and their very able staffs.

I want to thank each of my fellow board members and friends who spoke tonight. I want to thank all of you for coming and I would like to conclude by raising my glass in a toast to the extraordinary men and women who have served on the staff of the Woodrow Wilson International Center for Scholars throughout its first twenty-five years. Its future is assured if it can maintain that caliber for the future.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of House Joint Resolution 1, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States.

The Senate resumed consideration of the bill.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I really appreciate the remarks of the distinguished Senator from Texas. She is a great leader and is undaunted in this balanced budget amendment fight like so many other Republicans and some Democrats willing to stand up and do what is necessary in this battle. I for one appreciate very much her leadership. She has been a leader ever since she has gotten to the U.S. Senate. She is right up there, up front, doing what she believes is correct and proper. I might add she is right. This is the most important vote any of us are going to cast in our whole time in the U.S. Senate. I have cast a lot of very important votes. But this one is in my opinion a save-the-country vote. We have to do everything we can to save this country.

Right now it is going to take the help of a lot of people out there in our country to work with our colleagues to let them know that they want this balanced budget amendment. Because, if you want to protect Social Security, if you want to protect some of these other important social spending programs, then we had better protect the dollar, our economy, and the things that will keep our Government and our Nation strong. Frankly, if we do not adopt this balanced budget amendment, I fear we might attempt a monetization of the debt which would wreck this country, and we really cannot allow that to happen.

Mr. President, I would now like to respond to some of the comments of some of the opponents of the balanced budget amendment.

Some of my colleagues contend that section 6 of House Joint Resolution 1, the section that mandates that Congress enforce the amendment through implementing legislation, is similar to section 5 of the 14th amendment, which permits Congress to enforce that amendment. Because they are similar, the argument goes, and because courts enforce the 14th amendment, courts will also be able to enforce the balanced budget amendment to the extent courts enforce the 14th amendment.

This analogy is misleading. First, courts may only enforce an amendment when legislation or executive actions violate the amendment or when Congress create a cause of action to enforce the amendment. An example of the latter is 42 U.S.C. section 1983, the 1871 Civil Rights Act that implements section 1 of the 14th amendment.

Of course, Congress has not created, and need not create, an analogous cause of action under section 6 of the balanced budget amendment. So there is no direct judicial enforcement in existence similar to section 1983, and I cannot imagine Congress giving that authority.

Second, as to the judicial nullification of legislation or executive action that is inconsistent with a constitutional amendment, the "case or controversy" requirement of article III requires that a litigant demonstrate standing. As I have stated at great length already during this debate, it is very improbable that a litigant can demonstrate standing—that the litigant could demonstrate a particularized injury, which is what is required for standing—different from the generalized harm facing any citizen or taxpayer. Contrast this with cases under the 14th amendment, where standing was found because a litigant could demonstrate a particular, individualized, and concrete harm. The perfect illustration could be the case of Reynolds versus Sims, a 1962 case, the one man/one vote decision.

Third, in this circumstance, the separation of powers doctrine prevents courts from redressing a litigant's alleged harm. That is, courts will not entertain a suit where they cannot bring supply relief to the litigant. The most important case here is a recent case, Lujan versus Defenders of Wildlife, decided in 1992. The Constitution, under Article I, delegates to Congress taxing, spending, and borrowing powers. These are plenary powers that exclusively and historically have been recognized as belonging only to Congress. The balanced budget amendment does not alter this. Courts, consequently, will be loathe to interfere with Congress' budgetary powers. It is simply an exaggeration to contend that courts will place the budgetary process under receivership or that the courts will cut spending programs.

Fourth, the political question doctrine will deter courts from enforcing the balanced budget amendment. Budgetary matters, such as where to cut programs or how to raise revenues, are prototypically a political matter best left to the political branches of Government to resolve. Courts, under the political question doctrine, will naturally leave these matters to Congress.

Finally, it is ludicrous to assume that Congress would just sit by in the unlikely event that a court would commit some crazy act. Believe me, Congress knows how to defend itself. I would be at the forefront of that defense. Congress knows how to strip the courts of jurisdiction or limit the scope of judicial remedies. We do not like to do it, but in the case of outrageous judicial interference, and ignorance of the law, including prior case law, and of the Constitution, we would do that.

I might say that I do not think that it is necessary. Lower courts follow precedent, and the precepts of standing, separation of powers, and the political question doctrine effectively limit the ability of courts to interfere in the budgetary process.

Let me just give some examples of judicially unenforceable political questions. The guaranty clause of the Constitution, at issue in Luther versus Borden, back in 1849, was found to be outside the range of certain separated powers.

Treaty termination by the President, decided by Goldwater versus Carter. The conduct of foreign policy by the President is almost always found to be a political question.

The conduct of foreign policy by the President almost always found to be political question. See Tiger, "Judicial Power, The 'Political Question' and Foreign Relations," 17 U.C.L.A. L. Rev. 1135 (1970) (and cases cited within).

The legality and conduct of wars and military actions. E.g., *Crockett* v. *Reagan*, 720 F.2d 1355 (D.C. Cir. 1983) (per curiam), cert. denied, 467 U.S. 1251 (1984) (legality of President Reagan's activities in Nicaragua); *Atlee* v. *Laird*, 347 F. Supp. 689 (E.D. Pa. 1972) (three judge panel) (legality of Vietnam war).

The legality and conduct of wars and military actions. Again, there are so many things that are clear here.

I do not think anybody can legitimately argue that the courts are going to interfere in enforcing the balanced budget amendment by increasing taxes or cutting spending. I just do not think anybody can legitimately argue that from a constitutional standpoint.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska [Mr. MURKOWSKI] is recognized.

Mr. MURKOWSKI. Mr. President, as we continue in this historic debate, I would like to take a few minutes of the Senate's time to share a perspective on the extraordinary burden that our accumulated deficits—34 years of deficits in the last 35 years—have placed on the capacity of our Government to operate.

I will have more to say at another time, but for now I want to focus specifically on the $4.8 trillion accumulated national debt.

You have heard a lot lately of the fact that the deficit has declined for 3 consecutive years. A big part of that decline is a direct result of the growth of the economy that began in the late stages of the Bush Presidency when the country began to emerge from recession. The remaining deficit decline, in my opinion, can be attributed, to a large degree, to President Clinton's record tax increase, which has temporarily increased Federal tax revenues. Further, we have had substantial cuts in spending. But it is interesting to reflect on just where those cuts came from, primarily: The military, a decline in the military budget and military personnel.

But the reality, Mr. President, is that the decline in the deficit is but a temporary phenomenon. I am going to show some charts here that will highlight that fact. According to the Congressional Budget Office [CBO] in every year, starting next year, 1996, and for the unending future, the annual deficit, unfortunately, is on the rise. In fact, CBO projects that the deficit will more than double in less than 10 years. It will more than double in less than 10 years, from $176 billion to more than $400 billion.

This unending string of deficits has caused us to accumulate a $4.8 trillion national debt that could easily exceed $7 trillion before the end of the century. So as we add to the deficit, each year as we create a deficit, we are adding to the accumulated debt, and today it is $4.8 trillion.

Mr. President, we simply cannot tolerate the continued business-as-usual in Washington that assumes that every year we can run deficits of $150 billion, $250 billion, $350 billion. We dictate under our laws, and our financial community demands, obviously, that we live within our means. Our checks will bounce and we will no longer have credit extended to us.

The exception to that, of course, is the Federal Government. The accumulation of this debt has today brought us to the point where, for the first time in our history, we are faced with borrowing from the credit markets of the world for the sole purpose of paying interest on the debt. When you think about that, Mr. President, we are borrowing to pay interest on the debt; we are not borrowing to pay down the principal. We are borrowing to pay interest on the debt.

It may surprise some people to know that over the next 10 years, we would be running a surplus in the Federal budget in every year if we did not have to pay a $200 to $400 billion annual interest bill that has resulted from our chronic inability to bring revenue and spending into balance.

Let me begin, Mr. President, by showing on the charts the devastating effect that our fiscal policies have shown in the past and suggest over the next 10 years.

This chart shows that in every year between 1995 and the year 2004, all American Government borrowing is for the single purpose of paying interest on the debt. We could finance Defense, Medicare, Social Security, and all other Government functions over this period and still accumulate a surplus of some $360 billion if we were not strangled by this extraordinary debt.

Now, as the chart shows, beginning in 1994, our deficit was $203 billion. That was precisely the amount of interest we had to pay on the accumulated debt. So here we have the situation where we had a deficit in that year—in other words we expended $203 billion more than we collected in revenues—and we had to pay the interest on the accumulated debt, which was about $4.8 trillion but the interest was more than the deficit that year. Think about that, Mr. President. Think about the implication of what that means.

In other words, our entire deficit in 1994 consisted of interest on the debt. Without that debt service burden, we would not have had to auction a single new Treasury note or bond in the market. In 1995, we would be running a surplus of $59 billion if we did not have to service that debt. Instead, as this chart shows, our $176 billion deficit results directly from the fact that our interest costs are $223 billion. The same holds true in every year through the year 2004.

In 1997, Mr. President, a $57 billion surplus disappears into a $207 billion deficit. Why? Because, again, we have to pay $260 billion in interest.

Some say, "Well, why do we have to pay it? We are only paying it to ourselves." Well, clearly we are not paying it to ourselves. We are paying it to those who hold that debt, the Treasury bills that have to be paid. We have already seen, in the crisis in Mexico, what happens when a government cannot meet the demands of those who held the notes.

Now let us look at 1998. In 1998, our interest bill jumps to $270 billion, converting a $46 billion surplus into a $224 billion deficit. And in 1999 our interest bill jumps to $294 billion, converting a $26 billion surplus into a $284 billion deficit. And that is what happens every single year through the year 2004.

If we did not have the extraordinary debt overhanging, we would have been able to reduce the national debt by some $360 billion over the next 10 years. We would not have to go back to the credit markets to borrow more than $2.9 trillion—$2.9 trillion—to finance the debt and the deficit. In other words, if we did not have this accumulated $4.8 trillion debt, the United States would be able to retire $360 billion of our national debt and would not have to issue a single new Treasury note or bond over the next 10 years.

How did we get into this extraordinary set of circumstances? We did it to ourselves. We have had Republican Presidents, we have had Democratic-controlled Congresses. As a consequence, Mr. President, the simple reality is it has to be addressed, and it has to be addressed now. And the only way to address this debt is to adopt the proposal that is before us which amends the Constitution to require a balanced budget.

Mr. President, the projections that I have cited assume that interest rates stay within the projections that CBO assumes.

Now what would happen if, as in the past years, we would see a substantial rise in interest rates? In this past year alone, long-term interest rates on Federal borrowing was 1.3 percent higher than the CBO forecast of a year ago. So

clearly, CBO makes a forecast and we rely on that forecast in making budgetary judgments.

But since the Federal Reserve raised interest rates sevens times in the past year, Government borrowing costs were higher than CBO assumed. As a result, over the next 5 years the Federal Government will have to spend $143 billion more than CBO assumed just a year ago. And that is all due to interest on the national debt.

I am going to show you the second chart, Mr. President, because I think it makes my point.

What we see here is a projection of our debt service cost if—if—interest rates continue to rise. We saw the Fed come up with the seventh increase on Wednesday. Now, if we look at the bottom line, it shows the current CBO projection with interest rates on 10-year notes averaging between 6.7 to 7.7 percent. Under that, the lowest scenario, interest payments will increase from $235 billion in 1995 to $310 billion by the year 2000. However, if interest rates rise by merely 1 percent, just 1 percent through this period, we will have to pay $175 billion more in interest; by the year 2000 our interest bill would be $50 billion higher or a total of $360 billion.

The next line, Mr. President, shows what would happen if interest rates are 3 percent higher than projected. Now mind you, the first one was 1 percent, now we go to 3 percent. Under this scenario, by the year 2000 our interest bill annually would be $460 billion if interest rates are in the 9.7 to 10.7 percent range. That is not unheard of by any means.

Now, if that happened, interest on the debt would be the single—the single—largest expenditure in the Federal budget.

I was a commercial banker, Mr. President, for 25 years. Interest is like having a horse that eats while you sleep. It goes on and on and on.

If interest rates turn out to be 3 percent higher than projected, in the year 2000 interest costs would exceed Social Security payments by $27 billion. Interest costs would exceed combined Medicare-Medicaid spending by $25 billion. And interest costs would exceed our national defense expenditure, all of it, in that year by an astounding $156 billion.

(Mr. ASHCROFT assumed the chair.)

Mr. SIMON. Will my colleague yield?

Mr. MURKOWSKI. I am happy to yield briefly, without losing the floor, because I am wandering through this chart.

Mr. SIMON. I want to point out that the Senator's figures are conservative figures. For my friends who are new, they may not know that our colleague from Alaska is a banker by background.

But the Senator starts off with net interest. For example, he starts off with a $225 billion expenditure here. The net interest is something that administrations like to use rather than the gross interest because it makes it look better. In no other field—in the Justice Department; for example, we do not say, "Well, they took in so many dollars in fines and, therefore, we should subtract that from the total of the Justice Department expenditures."

The gross interest expenditure—and I have to give credit to my colleague, FRITZ HOLLINGS, for educating me on this—the gross interest expenditure this fiscal year is $339 billion. So the figures that my colleague from Alaska is using, those are conservative figures and I thank him for his contribution.

Mr. MURKOWSKI. I thank my friend from Illinois for his comments. He has been the leader in the balanced budget amendment for a long time, and I commend him for his commitment and dedication because I know, to some extent, the issue has been somewhat like rowing uphill until this year and truly the public has said, "Wait a minute. This simply cannot go on." We have an obligation to address it, and I am pleased to join with him in that debate.

Let me conclude my remarks, Mr. President, by referring to the top line. The top line is rather interesting, because, as we know around here, many of our agencies have a worst-case scenario. The EPA has a worst-case scenario, the Corps of Engineers has a worst-case scenario. This is the worst-case scenario on the chart simply because we did not want to make another worst-case scenario. We could have.

But the top line shows our interest bill if interest costs were 5 percent higher than the CBO projects, only 5 percent higher. That would assume interest rates would be 12.7 percent. We can all remember interest rates at 12.7 percent. As many of my colleagues know, it is not without precedent for interest rates to go that high.

When I came to the Senate in 1981, the prime rate in this country, in case we have forgotten, Mr. President, was 20½ percent; 20½ percent was the prime rate. So when we talk about potentially a 5-percent interest rate increase, higher than CBO projections, for an effective rate of 12.7 percent, we are not being unreasonable in our projection.

Now, I do not expect interest rates to take such a rapid jump. However, if they did rise that high, our interest bill over the next 5 years would be $885 billion higher than projected, and the single-year cost of interest in the year 2000 would be $560 billion.

Now, to imagine how large that amount would be, I would note that all discretionary spending, all discretionary spending—defense, education, highways, criminal justice, on and on and on—is projected to cost $585 billion, barely $25 billion more than the projected interest bill in the year 2000, if interest rates spike upward.

If I were looking at the balance sheet, Mr. President, I would say we are broke. We are broke now. We do not admit we are broke. But the balance sheet simply shows if we are borrowing to pay interest on our accumulated debt, we are broke. We cannot meet our obligations. We are subject to the shifting wind of international investment, because international investment is what funds our debt. They are buying our notes, our bonds, our obligations.

A minor change of economic policy in Bonn or London, or even an earthquake in Japan has a direct effect on what the United States Government has to pay to service this unending sea of debt. Can anyone imagine what would happen if the owners of our debt—the owners of our debt are the people out there, firms, mutual funds, that hold this debt, and 18 percent of the debt is held by foreigners—what if they called the debt in and said, "Hey, we do not want to renew it. We do not want to rewrite it. We want you to pay up. We will not buy any more of your debt." They called in 18 percent, just $300 billion or maybe a little more, $500 billion of our debt. How would we pay the owners off? How would we pay the principle when we are borrowing to pay interest?

We could not, unless we inflated our dollar to the point that what a dollar buys today would be actually worth 50 cents or less tomorrow. And that is inflation. We have seen it. After the First World War in Germany, the citizens ran around with a wheelbarrow full of nearly worthless marks to buy a cup of coffee.

We have already seen what happened the other day in Mexico where we had a collapse of the monetary system. We saw fit to use a monetary stabling fund that we had since we came off the gold standard in 1934, to commit some $20 billion to a $46 billion loan guarantee.

Well, Mr. President, there was a warning signal of what can happen when debt gets out of hand. I have mentioned Mexico several times, but I would not attempt to even compare our two economies, for ours is far healthier, far stronger than Mexico. There is no comparison between the importance of the dollar and that of the peso in world currency markets.

I note that Mexico's crisis is a crisis of too much debt, and lack of investor confidence. It is simply that simple. The result of that crisis is that Mexico last week had to pay 25 percent interest to roll over a small portion of its international debt—25 percent interest. Well, 25 percent, in 4 years, 100 percent. The only way to get out from under this sea of red ink is to adopt—in my opinion and that of many on this floor—the balanced budget amendment.

The public knows, they understand that no family or business can survive very long when year in and year out

the principle of the debt grows and all of its borrowing is dedicated to pay off the interest that the debt holders hold.

As we begin this debate, we should not forget that a point or two or three change in the interest rates can absolutely devastate our projections and, as a consequence, our capacity to effectively govern and spin our Nation's economy into a spiral of bankruptcy.

So, Mr. President, I urge my colleagues to break with the past and begin moving this Government away from the verge of bankruptcy. And those who have doubts about the appropriateness of this balanced budget amendment, please reflect on what these figures mean. Some say we learn by history and others say not much. Let Members recognize the reality. We did not have the self-discipline to address this. It has been proven by our inability each year to bring our revenues in line with our expenditures.

Others have said that we cannot do this until we spell out what the cuts are going to be. We saw the same extended debate year after year on what to do with the military bases. And we finally concluded that the only way to address base closings was to put together a commission. The commission would evaluate the priorities, and we in this body would vote up or down on the Commission's recommendations.

With the balanced budget amendment, it is the same set of circumstances, Mr. President. To try and spell out first what the cuts will be is simply a copout. We do not have the self-discipline. If those who say, well, this is a very dangerous proposal to mandate a balanced budget because it may affect some of our social programs, I would ask them to reflect on the reality if we do not maintain a healthy economy, a monetary system that is stable, that provides confidence, how in the world are we going to meet those obligations if there is a breakdown in investor confidence, a collapse of our monetary system, because of one single thing—too much debt.

It has happened in South America, time and time again. It has happened in Mexico. Canada is paying over 20 percent of their total budget in interest on their debt. They have a government health care system that is costing them more than their initial projection. They are among the most heavily taxed population in North America. They are facing a monetary crisis because they have nowhere to go. They cannot generate more revenue in order to float more debt. They have to pay more interest, and the consequences, Mr. President, are extremely significant and extremely severe.

So, I would ask my colleagues to reflect on this reality as we consider this issue. The previous posture that we have had of increased debt has been fraught with inability to bring together the reality associated with any fiscal matter, and that is revenue balancing expenditures. We have that set of facts today. We are not living up to it and we have little opportunity other than to take this measure which may seem extreme to some.

Mr. President, I have no further remarks. I know others are anxious to speak. But I wonder if I may be granted 30 seconds under morning business to simply introduce a technical amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MURKOWSKI. I thank the Chair.

AMENDMENT SUBMITTED TO S. 333

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to speak for the purpose of submitting an amendment to legislation within the jurisdiction of the Senate Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I send to the desk an amendment to S. 333, the Department of Energy Risk Management Act of 1995, and ask unanimous consent that it be printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. I yield my remaining time, and I thank my colleague for the courtesy he extended to me.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

Mr. HATCH. Mr. President, I will not be long. I just wanted to make a couple of points on the balanced budget amendment debate.

I want to mention today's New York Times, February 3, an article entitled "Clinton's Budget Falls Well Short of G.O.P. Demands;" subtitle "No Balance by Year 2002," another subtitle, "His Message Foresees Deficit of About $190 Billion Each Year for Next Decade." It is by Robert Pear. It is a very interesting article:

WASHINGTON, Feb. 2.—President Clinton will propose $1.6 trillion of spending in his 1996 budget, and he would more than offset the cost of a middle-class tax cut with savings in other areas of the budget. But he still falls far short of Republican demands for a balanced budget in the year 2002.

Mr. Clinton's budget request, to be submitted to Congress on Monday, shows a deficit of $196.7 billion for the 1996 fiscal year, up slightly from the $192.5 billion that he projects for this year. Although his Budget Message boasts that his economic policies have sharply reduced the deficit from record levels, he says the deficit will probably stay in the range of $190 billion through 2005.

Mr. President, I ask unanimous consent the full article be printed in the RECORD.

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

CLINTON'S BUDGET FALLS WELL SHORT OF G.O.P. DEMANDS—NO BALANCE BY YEAR 2002

HIS MESSAGE FORESEES DEFICIT OF ABOUT $190 BILLION EACH YEAR FOR NEXT DECADE

(By Robert Pear)

WASHINGTON, Feb. 2.—President Clinton will propose $1.6 trillion of spending in his 1996 budget, and he would more than offset the cost of a middle-class tax cut with savings in other areas of the budget. But he still falls far short of Republican demands for a balanced budget in the year 2002.

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The budget is always a political document, and a theme of Mr. Clinton's 1996 budget is that he wants to "work with Congress," now controlled by Republicans. Indeed, he appears to be in a race with them as he tries to eliminate or consolidate programs or transfer them to the states or to private industry.

Parts of the Clinton budget echo Speaker Newt Gingrich, "The American people remain deeply dissatisfied with how their Government works," the budget says. "Many programs, perhaps even whole agencies, have outlived their usefulness."

In confidential galley proofs of the budget, Mr. Clinton says he can "save $2 billion by ending more than 130 programs" and "provide better service to Americans by consolidating more than 270 other programs."

For example, he asks Congress to abolish the Interstate Commerce Commission and to eliminate the role of the Army Corps of Engineers in smaller projects like the control of beach erosion, "local flood protection" and the construction of recreational harbors.

He says private meteorologists should take over some functions of the National Weather Service. He would rely on private businesses to track and communicate with spacecraft like the space shuttle. And he asks Congress to terminate 37 small "low-priority" education programs.

But budget documents show that Mr. Clinton will propose a major increase in his national service program, Americorps, which has been denounced by Mr. Gingrich as a form of "coerced volunteerism."

The number of participants, now 20,000, would rise to 33,000 at the end of this year and 47,000 next year under Mr. Clinton's proposal. For the corps' parent agency, which operates several volunteer programs, he requests $1 billion in 1996, an increase of $290 million over this year's appropriation.

Mr. Clinton says his economic policies have slashed the deficit from the record $290 billion in 1992. Still, his proposals would require additional Federal borrowing of nearly $1 trillion over five years, and the Federal Government would spend $194 billion more than it collects in revenue in the year 2000. Mr. Gingrich's Contract With America calls for eliminating the deficit by 2002, but the

Republicans have not specified the cuts needed to achieve that goal.

The President's $1.6 trillion budget for 1996 breaks down this way: $262 billion, or 16 percent of the total, for the military; $351 billion, or 22 percent, for Social Security; $271 billion, or 17 percent, for Medicare and Medicaid, and $257 billion, or 16 percent, for interest on the Federal debt, the accumulated total of Federal borrowing.

Only $21 billion, or 1.3 percent of the total, is for foreign aid and other international activities.

The President and the Republicans have agreed that Social Security is off limits in their quest for savings, and Mr. Clinton has said that he will not tamper with Medicare, the Federal health insurance program for people who are elderly or disabled.

That means that a large share of the cuts must come from domestic programs subject to annual appropriations: activities like law enforcement, scientific research, highway construction and environmental protection. These account for $266 billion, or 17 percent of the budget.

The remainder—$184 billion, or 11 percent of the total—is for benefit programs like welfare, food stamps, Civil Service pensions and veterans' benefits, which are automatically available to people who meet certain eligibility criteria.

In his Budget Message, Mr. Clinton says: "Now that we have brought the deficit down, we have no intention of turning back. My budget keeps us on the course of fiscal discipline by proposing $81 billion in additional deficit reduction through the year 2000."

Mr. Clinton estimates that his tax cut, including a new tax credit for children and a new deduction for college expenses, will cost the Treasury $63 billion over five years. But he says, "I am proposing enough spending cuts to provide more than twice as much in budget savings—$144 billion—as the tax cuts will cost." So he asserts that the net effect would be to save $81 billion over five years.

The savings fall into four categories: $26 billion from radically reorganizing three Cabinet departments and two agencies; $81 billion from extending a cap on military and other discretionary spending through the year 2000; $32 billion from benefit programs, and $5 billion from lower interest payments on the Federal debt.

Here are other highlights of the President's budget:

The Federal deficit would rise to $213 billion in 1997, drop back to $196 billion in 1998 and then "fluctuate in a narrow range" around that level for several years. But the economy would continue to grow, so the ratio of the deficit to the gross domestic product would be lower than at any time in two decades.

Mr. Clinton proposes an across-the-board pay raise of 2.4 percent for Federal civilian employees military personnel. The budget includes $3 billion for the raises, which would take effect in January 1996. There would be raises of 3.1 percent in 1997 and 2.1 percent in each of the next three years.

The President proposes to increase fees charged for registration of securities and other activities at the Securities and Exchange Commission. New revenue is expected to total $1.7 billion over five years.

Mr. Clinton would require the Federal Deposit Insurance Corporation and the Federal Reserve to charge fees for examination of state-chartered banks and bank holding companies. This proposal is expected to raise $500 million over five years.

Medicare for the elderly, and Medicaid, for poor people, are growing more slowly than predicted in previous budgets. But the growth is still phenomenal. Over the next five years, Medicare outlays are expected to rise 9.1 percent a year, while Medicaid grows 9.3 percent a year.

The President's budget says that health programs account for almost 40 percent of the total increase in Federal spending over the next five years. He asserts that the deficit could be eliminated in less than a decade if per capita spending on Medicare and Medicaid increased no faster than consumer prices in general.

But Mr. Clinton, battered by his experience with health care legislation last year, offers no major proposals to rein in the cost of Medicare. He said in December that he would provide tax relief to the middle class "without any new cuts in Social Security or Medicare."

And many Democrats expect to reap a political windfall if Republicans alarm the elderly with schemes to save money in Medicare. Mr. Gingrich said this week that Republicans would "rethink Medicare from the ground up."

The budget provides details of Mr. Clinton's previously announced plan to "reinvent" the Departments of Energy, Transportation and Housing and Urban Development, the Office of Personnel Management and the General Services Administration.

Mr. Clinton said the staff of the personnel agency, which now has 5,400 employees, would be cut by one-third. And the staff of the General Services Administration, the central housekeeping and supply agency for the Government, with 16,800 employees, will be halved, the budget says.

In keeping with the new spirit of federalism, Mr. Clinton proposes to consolidate scores of Federal grants and let local officials decide how to use the money. The Transportation Department now has 30 separate grants for construction and repair of highways, mass transit systems, railroads and airports. Mr. Clinton would merge them into a "unified transportation grant" and $10 billion a year.

The Department of Housing and Urban Development would merge 60 programs into eight worth $26 billion next year. Mr. Clinton denounces public housing as "a trap for the poorest of the poor." He proposes to "demolish thousands of severely deteriorated, mostly vacant units," and he says that "by 1998 no housing authority will receive funds directly from HUD." Instead, tenants will get vouchers that they can use to pay rent in any public or private housing.

Mr. Clinton describes education and training as a "ladder into the middle class," but he would take the Government out of the business of guaranteeing loans for college students. By July 1997, all new loans would be made directly by the Government, eliminating the subsidies and fees now paid to commercial banks and other private lenders. Mr. Clinton says this change would save $5 billion over five years.

Like Ronald Reagan in 1986, President Clinton proposes to sell four Federal agencies that provide electric power at subsidized rates to millions of people in Western and Southern states. He proposes to convert a fifth such agency, the Bonneville Power Administration, to a Government corporation, so it could "operate more efficiently."

Mr. HATCH. Mr. President, let me just say that this is "business as usual." I do not blame the President. It is a tough job for him, and he knows he has to deal with the people up here, so he is trying to do the very best he can. But even doing the best he can, he is talking about $190 billion deficits for all of the next decade and then he does not know where it is going to go from there. That is assuming that all of his economic assumptions of low interest and low inflation rates are kept constant for that full 10 years. Anybody who believes that has just not listened to some of those who have been talking about increases in the minimum wage.

There are good arguments for increases in the minimum wage and excellent arguments against. But there is no doubt in anybody's mind if we increase the minimum wage 90 cents, to $5.15 an hour, that it is going to be an upward push on interest rates and inflation, and a lot of young people are going to lose jobs. A lot of small businesses are going to go out of business because they just cannot afford to pay that.

A lot of young people who need the discipline that comes from work who are uneducated, unskilled, and do not have jobs currently are going to be left as the welfare poor for the rest of their lives because business people cannot afford to hire them. So they pull in their horns, and they make do with less. They work longer and harder hours, or they go out of business. But whether it is a good thing or bad thing on the minimum wage, to increase the minimum wage, which the President says he is going to do, there is no doubt in anybody's mind that is an upward push for inflation.

By the way, it is a wonderful fix. And I have to give those who support organized labor a lot of credit for this because when they push up the minimum wage at the bottom, by almost 20 percent in this case, then all of the unionized businesses and everybody else can demand that they be given the same benefits at the top. When they push up at the bottom, those who really have the jobs are trained to make it anyway can then demand higher wage rates at the top.

I think it is a terrific scheme that has worked for years. And the American people buy off on it because they think, "Well, how could anybody live on a minimum wage of $4.25 an hour?" That is not the issue. A lot of people who make minimum wage who had the minimum-wage jobs are high school students, college students, and kids coming into the workplace for the first time who are uneducated, and unskilled. It is their chance to get into the workplace.

But I am not here to argue the merits on the minimum wage. What I am here to say is that the President admits that by his budget over the next 10 years it is business as usual. We are going to have $190 billion-plus deficits every year for the next 10 years. And then only God knows what is going to happen beyond that.

That is why we need a balanced budget tax limitation constitutional

amendment. That is why we need this amendment. It is only one of the reasons, but it certainly is a prevailing positive dominant reason.

Let me just say this to show you how bad it is. Newsweek magazine, in a humorous little side article said, "While Congress Slept"— I think it is their way of taking a sarcastic jab at the President's rather lengthy State of the Union speech.

It says:

During its 81-minute length, President Clinton's State of the Union address was not the only thing going on in the U.S.

Then it puts in parenthesis:

Figures based on national averages.

It says:

During that 81-minute speech, the total increase in the national debt was $40,756,284.

Just in those 81 minutes our debt went up almost $41 million.

Total health care expenditure, $9,847,602.

Just in that 81 minutes.

The number of people losing health insurance, 4,170; number of murders were 4; number of robberies 101; babies born to teens, 80; illegal aliens entering the United States, at least 46; alleged total savings for MCI customers, $99,387.

This is data based on 1992 through 1995 sources, the Uniform Crime Report, Public Health Service, Immigration and Naturalization Service, Kaiser Family Foundation, Bureau of Public Debt, MCI.

I presume from that article seriously that no President will talk more than 15 minutes hereafter in a State of the Union speech. It may not be from that article. It may be just be from having lived through the experience this last time.

Humor aside, I think it is tough to be President of the United States, and I think this President is doing the best he can knowing that we up here in Congress are not going to be serious about balancing the budget without this fiscal mechanism.

I commend President Clinton for worrying about it. I commend him for working on it. I cannot commend more tax increases, although some of my colleagues believe that is one of the answers along with reductions in spending. I certainly can support reductions in spending. It is a tough job being President of the United States I have to say that I want to support this President as much as I can. I know it is tough. I have learned through the years that sometimes they take far too much unfair and unjustified criticism.

I thought Newsweek was really humorous. I meant it in a spirit of humor in reading it into the RECORD.

But the point I am making here is that for 10 more years under the best of projections, assuming every economic point remains the same, the President admits we are going to have at least $190 billion deficits each and every year. There is no doubt we are going to have deficits, even if we pass the balanced budget amendment, up to the year 2002, and maybe it will have to go even beyond that.

But it makes a very important point. For those who are claiming that before we pass this balanced budget amendment and submit it to the States that there ought to be a right to know what we are going to do for the next 7 years. We have already known what the President is going to do. There are going to be $190 billion deficits for each of those years or more. And I am willing to bet anybody right now it is going to be more if this balanced budget amendment does not pass. Those deficits are going to be a lot higher.

I think the burden is on the President and on the opponents of this balanced budget amendment to show where they are going to cut the budget. After all, for most of these last 60 years, Democrats have been in power. I think the burden is on them. They have never once shown us how they will get to a balanced budget without a balanced budget constitutional amendment. I think they have to show how they are going to cut the budget, especially since most of the opponents are saying that the balanced budget amendment is unnecessary. Why, we should just balance it now. I have heard that for 19 years. I have heard that for 19 years, and we are no closer to balancing the budget today than ever, and the President's announcements today in the New York Times article indicates that is true. There are some rosy scenarios and economic projections by the White House that they might do better than $190 billion a year but they pretty well admit it will be at least $190 billion a year over each of the next 10 years.

Is that the legacy we want to leave to our children, to our grandchildren? Is that the message we want to send to America? It certainly is the message that is being sent, that, if you do not have a balanced budget amendment, is what we are going to do? This is the best the President can do. Frankly, if he does that well under current circumstances with the Congress unwilling to help him and without the mechanism in place giving the incentives to help, then I have to commend him that he is doing better than most. But is it good enough for our children? Is it good enough for our grandchildren? Is it good enough for the future? Are America's hopes and dreams being taken away because we are unwilling to do what is necessary? I want to tell you. It is.

I want to tell you that article in the New York Times is devastating to those who are arguing against the balanced budget amendment. I have to say that it is time for us to put things in order and do what is right.

I yield the floor. I know the Senator from Maryland wants to talk.

Mr. DASCHLE. Mr. President, the majority leader and I both have amendments that we would like to lay down. It will take but a matter of a couple minutes and we could then proceed with the Senator's address.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Would that be acceptable to the Senator from Maryland?

Mr. SARBANES. I am obviously not going to object to that request from the minority leader.

Could I ask the majority leader what is his intention with respect to debating this matter today and next week? Because I could just as easily withdraw from the field and turn it over and then I will make my speech next week sometime.

Mr. DOLE. I say to the Senator from Maryland, I think this would be about a 1-minute operation here. We are not going to debate any amendments. We are just going to lay down the amendments and debate those later this afternoon and on Monday. We have not yet decided when the vote would come or a motion to table in relation thereto, whether it would be on Tuesday, or I think the Democratic leader was hoping it might be on Wednesday. So we will be discussing that.

But we think we have had 5 days now of debate. I must say, it has been pretty good debate, very few interruptions with quorum calls. But I think we are now at the point where we want to start moving on these amendments. It seems to me the American people want a balanced budget amendment, and they are right. There will be plenty of time for debate. But we are not going to let this stretch out for another 3 weeks if we can help it.

I will try to accommodate the wishes of the Democratic leader when the vote comes on this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. What is the order?

The PRESIDING OFFICER. The Democratic leader.

Mr. SARBANES. What will happen after the conclusion of this recognition?

The PRESIDING OFFICER. The Senator from Maryland will be recognized.

Mr. SARBANES. Was that part of the request?

The PRESIDING OFFICER. It was.

Mr. SARBANES. I thank the Chair.

MOTION TO COMMIT—AMENDMENT NO. 231

(Purpose: To require a budget plan before the amendment takes effect)

Mr. DASCHLE. Mr. President, I move to commit House Joint Resolution 1 to the Judiciary Committee, to report back forthwith with the following substitute amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] moves to commit House Joint Resolution 1 to the Judiciary Committee to report back forthwith with amendment numbered 231.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the motion and amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

Strike all after the resolving clause and insert the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification. The article shall be submitted to the States upon the adoption of a concurrent resolution as described in section 9 of the article. The article is as follows:

"ARTICLE —

"SECTION 1. Upon the adoption by the Congress of a concurrent resolution on the budget establishing a budget plan to balance the budget as required by this article, and containing the matter required by section 9, total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later.

"SECTION 9. (a) In order to carry out the purposes of this article, the Congress shall adopt a concurrent resolution setting forth a budget plan to achieve a balanced budget (that complies with this article) not later than the first fiscal year required by this article as follows:

"(1) a budget for each fiscal year beginning with fiscal year 1996 and ending with that first fiscal year (required by this article) containing—

"(A) aggregate levels of new budget authority, outlays, revenues, and the deficit or surplus;

"(B) totals of new budget authority and outlays for each major functional category;

"(C) new budget authority and outlays, on an account-by-account basis, for each account with actual outlays or offsetting receipts of at least $100,000,000 in fiscal year 1994; and

"(D) an allocation of Federal revenues among the major sources of such revenues;

"(2) a detailed list and description of changes in Federal law (including laws authorizing appropriations or direct spending and tax laws) required to carry out the plan and the effective date of each such change; and

"(3) reconciliation directives to the appropriate committees of the House of Representatives and Senate instructing them to submit legislative changes to the Committee on the Budget of the House or Senate, as the case may be, to implement the plan set forth in the concurrent resolution.

"(b) The directives required by subsection (a)(3) shall be deemed to be directives within the meaning of section 310(a) of the Congressional Budget Act of 1974. Upon receiving all legislative submissions from committees under subsection (a)(3), each Committee on the Budget shall combine all such submissions (without substantive revision) into an omnibus reconciliation bill and report that bill to its House. The procedures set forth in section 310 shall govern the consideration of that reconciliation bill in the House of Representatives and the Senate.

"(c) The budget plan described in subsection (a) shall be based upon Congressional Budget Office economic and technical assumptions and estimates of the spending and revenue effects of the legislative changes described in subsection (a)(2).".

AMENDMENT NO. 232

Mr. DOLE. Mr. President, I send an amendment to the desk to the Daschle motion to refer.

The PRESIDING OFFICER. The clerk will report. The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 232.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.The amendment is as follows:

Strike all after the word "forthwith" in the instructions and insert the following: "H.J. Res. 1, and at a later date the Judiciary Committee, after consultation with the Budget Committee, shall issue a report the text of which shall include:

"This report may be cited as the "Need To Lead Report."

"If Congress has not passed a balanced budget amendment to the Constitution by May 1, 1995, within 60 days thereafter, the President of the United States shall transmit to the Senate and the House of Representatives a detailed plan to balance the budget by the year 2002."

AMENDMENT NO. 233 TO AMENDMENT NO. 232

Mr. DOLE. Mr. President, I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report. The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. Dole] proposes an amendment numbered 233 to amendment No. 232.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

Strike all after H.J. Res. 1, and insert the following: ", and at a later date the Judiciary Committee, after consultation with the Budget Committee, shall issue a report the text of which shall include:

"This report may be cited as the "Need To Lead Report."

"If Congress has not passed a balanced budget amendment to the Constitution by May 1, 1995, within 59 days thereafter, the President of the United States shall transmit to the Senate and the House of Representatives a detailed plan to balance the budget by the year 2002."

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. I thank the Senator from Maryland.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, what is the parliamentary situation? Are we on the balanced budget amendment?

The PRESIDING OFFICER. We are on the balanced budget amendment.

(Mr. GRAMS assumed the chair.)

Mr. SARBANES. Mr. President, I very strongly believe that adding a balanced budget amendment to the Constitution of the United States would be both economically unwise and constitutionally irresponsible. The amendment would have the substantial risk of promoting instability, retarding economic growth, and shifting the basis of our democracy from majority to minority rule. The amendment raises very difficult and unanswerable questions concerning implementation, inviting fiscal paralysis or court intervention in the conduct of economic policy, or both.

There is nothing in the Constitution today that prevents the President from submitting, or the Congress from passing, a balanced budget. Tampering with the Constitution is no way to restore a sense of fiscal responsibility to our system. Instead, it is yet another device to put off hard decisions until some unspecified point in the future. I note that in August of 1993, when we passed the major deficit reduction package, many of those who are now so strongly pushing the balanced budget amendment to the Constitution voted against a good, strong dose of deficit reduction.

I want to address some of the analogies that are made with respect to this proposal. Support for the balanced budget amendment is often based on the claim that since State and local governments are required to run balanced budgets, the Federal Government ought to do the same. Not only is this argument wrong factually—most States and local governments run deficits under the accounting principles used to compute the Federal budget—it also fails to comprehend the different responsibilities of the Federal and State governments.

The State analogy is superficially attractive. Most States have some form of balanced budget requirement, either statutory or constitutional. But most States maintain capital budgets, which are not subject to the balancing requirement. Others have developed off-budget funding mechanisms to circumvent the balancing requirement, and some use accounting rules which count some form of borrowing as "revenue" for purposes of the balanced budget requirement.

The first point to make is that if the State and local governments kept their books the way the Federal Government keeps its books, they would not have balanced budgets, because they have capital budgets financed by borrowing. They specifically provide that capital projects are going to be paid for by borrowing money. The rationale for that, of course, is a good one. You are investing in a capital asset which you will use over a period of many years and, therefore, it makes sense to borrow in order to build it now, have its use over time, and pay it off over time.

The official data on the debt incurred by State and local governments give a very different picture from the often-used assertion that State and local governments balance their budgets. In fact, the figures on this chart shows that the total debt of State and local governments has been growing. In 1972, State and local debt was a little under $100 million. Twenty years later this debt was almost $1 trillion.

How did this happen if State and local governments have to balance their budgets? How is it that their debt increased? Everyone says, "You ought to balance your budget at the Federal level. The State and local governments balance their budgets." But, in fact, their debt load has been increasing.

There was a hearing held only about 10 days ago before the Joint Economic Committee. Two Governors testified that having a balanced budget requirement at the State level assured them a good credit rating. Why do they need a good credit rating if they always balance their budget? They need a good credit rating because they are borrowing, and they plan more borrowing. Under questioning, the Governors also had to acknowledge they are only required to balance their operating budget, and that they make active use of a capital budget for which borrowing is permitted.

We do not have a capital budget at the Federal level. Yet, the balanced budget amendment to the Constitution would require that we bring the entire budget—what others divide into operating budget and capital budget—into balance—something that State and local governments do not do. As a matter of fact, businesses and individuals—except for very wealthy individuals—do not do it.

How many individuals do you know who can buy their house out of cash, or buy an automobile out of cash, or buy a heavy consumer appliance out of cash? Most people make such purchases by borrowing, and throw their budget out of balance.

Second, we should not put the fiscal policy of the National Government into the same constraint as State governments. No national government in the industrialized world has a constitutional requirement to balance its budget. This is because national governments have responsibilities for the overall performance of the nation's economy, which requires them to use fiscal and monetary policy to encourage economic growth and to moderate the destructive effects of business cycle fluctuations.

A constitutional amendment requiring a balanced budget each year would not allow for fiscal policy changes over the business cycle. It would eliminate half of the macroeconomic policy apparatus. It would force the Government to try to rely entirely on monetary policy, to promote the dual objective of adequate growth and price stability.

A rigid balanced budget requirement would have its most perverse effect during recessions. It would require the deepest spending cuts or tax increases in recessions when revenues automatically fall far short of expenditures. We have learned over the last 50 years how to be more flexible with fiscal and monetary policy in responding to business cycle downturns. As a result, we have experienced significantly less violent downturns than before. This chart, which I consider very important, illustrates the moderation of downturns that have accompanied the more flexible fiscal policy of the last 50 years.

This chart shows the movement in real gross national product since 1890 as a percentage of GNP.

This chart shows that we used to have violent fluctuations in our gross national product prior to the creation of economic stabilizers. We had a boom-and-bust cycle. The economy would come down so far that we would have negative growth, down in the 10-percent range.

The decrease here is the Great Depression. But look at these other large fluctuations from boom to bust—the so-called great panics.

In the postwar period, because we have used fiscal policy as an automatic stabilizer in order to offset the downturns, we have managed to avoid these very deep declines in gross national product, and the very high unemployment rates that we experienced as a consequence of the boom-and-bust cycle and these great panics.

Mr. President, the proposed amendment to the Constitution does not require a balanced budget over the business cycle—it requires it each and every year. I emphasize the point—this constitutional amendment requires a balanced budget in each fiscal year.

The question then is, how do you deal with an economic downturn? Because I think it is clear that if you start into an economic downturn and you try to balance the budget, you only drive the economy further into a recession.

That is what used to happen. As the chart demonstrates, we had these wild fluctuations, we had these huge drops in GNP, 10 percent negative drops in GNP through the first part of this century. We had a boom-and-bust cycle. You do not have to read much American history to have an appreciation for that.

What did we do that improved the situation so we did not always incur this particular problem? In the post-World War II period, we were able to avoid the steep negative drops in GNP. We still get fluctuations in GNP, but GNP was almost always in the positive range and the boom-bust cycle was substantially diminished. This occurred because we put into place what are called fiscal stabilizers.

When the economy would go into a downturn people's personal income would drop, we then had a loss in tax revenues and we started paying people unemployment insurance, nutrition and health supplemental programs, and so forth. So we stabilized their after-tax income while their gross income was dropping. We managed to hold up their after-tax income. This was an offset to the decline in the economy, and as a consequence, we experienced much less violent economic downturns.

If we start into a downturn, people lose their jobs, and tax revenue declines. A larger number of people receive unemployment insurance and other income support programs because they are out of work. These programs help them sustain their families. As a consequence of the downturn in the business cycle, we start running a deficit in the budget.

If at that moment, in order to comply with the balanced budget amendment, we have to take action to eliminate the deficit, namely, cut spending and raise taxes, we are only going to depress the economy even further. That would turn an economic downturn into a recession and a recession into a depression.

The automatic stabilizers worked in order to offset this economic downturn

for families so that their after-tax income was not as harshly hit as their gross income. Without those income stabilizers, any downturn, will be intensified and exaggerated, and we will have a far worse economic situation.

Third, let me emphasize we are considering changing the Constitution, our fundamental doctrine. The Constitution has been amended only 27 times over the 206-year history of the Republic. Ten of the amendments came right in the beginning in the Bill of Rights. Effectively, it has been amended only 17 times in 206 years. Immediately after the Constitution was written, they adopted the first 10 amendments as the Bill of Rights. It was a condition of the ratification of the Constitution by certain of the States. In other words, they were not prepared to ratify it unless they were assured there was going to be a Bill of Rights.

Over the next 205 years, we have amended the Constitution only 17 times. Obviously, that means it is not a matter to be taken lightly. It is not a matter to be done for political expediency. It is obviously a matter whose consequences and implications need to be very carefully thought through.

I have tried to address the analogy that is made with respect to this balanced budget proposal with State and local governments, private individuals, and businesses. This argument, "Well, everyone else balances their budget, why do we not balance ours?" I pointed out that there is no capital budget at the Federal level, unlike State and local governments, unlike businesses, and unlike what is the practice of most individuals and families.

After all, only the very, very wealthy can purchase all of their capital assets out of cash. The overwhelming percentage of Americans do not balance their budget every year. Millions of Americans are buying homes by running a huge unbalanced budget the year they make the purchase. They go out and borrow money in order to do it. No one claims that is not wise, assuming the amount of the mortgage bears a reasonable and proper relationship to the amount of their income.

The reason it is prudent to borrow in this case is that they can sustain the payments over time and have the use of the capital asset now. Everyone says we want to encourage homeownership and try to make it easier for people to buy homes. We have one of the highest homeowning rates in the world. It has worked very well. Businesses do the same thing. Businesses make capital investments. They set up a part of their budget for capital investments, and then they borrow the money. They may have more debt now than they had 10 years ago, but as a consequence of those investments, they have expanded the company, they have increased their sales, they have increased their profits. They are in a stronger position today than they were.

We have even reached the point where we regard it as wise on occasion for people to borrow in order to get an education, because it enhances their earning power and the enhancement of their earning power will more than cover this debt which they incur in order to obtain an education.

I once said to someone, "Would you rather be someone who had $50,000 in income and 2,000 dollars' worth of debt or $5,000 in income and 1,000 dollars' worth of debt?" I have yet to find someone who would not rather be the person with $50,000 in income and $2,000 in debt. I say, "How can that be? You have 2,000 dollars' worth of debt, the other person has 1,000 dollars' worth of debt. You have more debt." And they say, "Yes, but I have much more income. I have 50,000 dollars' worth of income and the other person only has 5,000 dollars' worth of income. My ability to handle 2,000 dollars' worth of debt with $50,000 income is far better than their ability to handle 1,000 dollars' worth of debt with $5,000 income."

So occasionally we can incur debt for worthwhile purposes. Debt incurred for productive investment that enhances your capabilities, enhances your economic output and your economic productivity can be wise.

Second, I talked about fiscal stabilizers and how we have succeeded, to some degree, in offsetting the wild fluctuations in the business cycle so we no longer get these deep depressions with very large percentages of the population thrown out of work.

Now, third, I want to talk about the lack of wise choice among spending categories that I believe would be prompted by a balanced budget amendment. I believe it would encourage irrational economic policy by not allowing important distinctions between different types of expenditures. In the version of the amendment that is before the Senate, all outlays are lumped into a single aggregate which cannot exceed the aggregate of total revenues. Economists recognize, however, that different types of spending have different effects on the economy and they ought to be treated differently in the conduct of fiscal policy. Let me give just a couple of examples.

Take Social Security and unemployment compensation. Both of these programs are designed to build up surpluses in advance of anticipated needs for spending. In Social Security, we build up a surplus to provide for the retirement of the baby boom generation. So at the moment we are accumulating a surplus in the Social Security trust fund. The unemployment insurance trust fund builds up surpluses during good times to pay for benefits during recessions.

Under the balanced budget amendment these programs could continue to build up surpluses in advance in anticipation of needs, but those surpluses could not be used as a balancing item against future expenditures.

We have a conscious policy of building up the trust fund balances. The intention is to use them at a later point. That is a responsible budgeting policy. Yet, if you have an amendment that requires a balanced budget every year, you could not draw down those surpluses in later years because that would be an excess of outlays over revenues. So this requirement would fundamentally undermine the economic prudence which is associated with anticipatory budgeting.

I am not sure people have really thought this through. You would have under the proposal a requirement each year that the budget has to be in balance. You have built up the trust funds with the intention of using the surpluses in the outyears. The outyear comes. You cannot draw the fund down because you would have an excess of outlays over revenues in that year, which is what the amendment prohibits. The amendment says, "Total outlays for any fiscal year shall not exceed total receipts for that fiscal year." So you would be stymied from using this trust fund which had been built up for the very purpose of being used in the outyears as part of prudent anticipatory budgeting.

Amending the Constitution would also encourage irrational economic policy by failing to allow for important distinctions between types of spending. The amendment fails to separate investment spending from spending for current consumption.

Running deficits to finance current consumption during expansionary periods is unwise for it shifts onto future generations of taxpayers the task of funding today's spending. In other words, it is not a prudent policy to borrow to fund current consumption because what you are doing is consuming today and placing the burden on tomorrow's generation. But capital investment spending as distinct from current consumption is a different matter. Today's capital investment increases the rate of growth in the economy, yielding a larger stream of future income. Because of the possibility of enhanced future income, it makes economic sense to finance some portion of capital investment with borrowed funds, in effect claiming part of that future income stream to finance the current investment.

The balanced budget amendment does not recognize this important economic distinction between consumption and investment spending and would require all investments to be fully funded with tax revenues in each fiscal year. If households were to follow such a budget strategy and never borrow, only a tiny minority of American families would own houses and far fewer Americans than is currently the case would own automobiles or major

appliances. If businesses were to follow such a strategy, they would soon be driven from the marketplace by those businesses willing to borrow in order to finance prudent and productive new capital investment.

So a balanced budget amendment which makes no distinction between consumption and investment would in effect undercut our ability to accelerate the pace of national investment. In fact, it is my strong view it is almost certain that investment spending by the Federal Government would bear much of the burden of trying to move toward a balanced budget if this amendment were to be put into place.

Let me turn to the disruption that I think would be caused by this balanced budget amendment. None of the proposals for a balanced budget amendment contains any detail concerning how such provisions would be implemented or enforced.

They have general articles.

The Congress shall enforce and implement this article by appropriate legislation which may rely on estimates of outlays and receipts.

I understand in the debate in the Judiciary Committee they said that the estimates can be off by 2 or 3 percent.

I do not quite understand how you would square that with the requirements of the amendment, and I think it reflects some of the lack of rigor in analyzing this proposal.

Fiscal policy is a complex task, and I think it would be disrupted or, indeed, paralyzed by struggles over implementing a vague constitutional balanced budget requirement. This version of the balanced budget amendment that is before us states: "Total outlays shall not exceed total receipts for that fiscal year."

If revenues unexpectedly fall short of expectations, would this provision mean that the Government would have to close down toward the end of the fiscal year in order to keep outlays from exceeding receipts? Would we have to stop paying benefits to Social Security recipients, to veterans, or abrogate contracts under agricultural stabilization programs? To what extent would the President's ability to respond to a national security problem be impeded and undercut by this provision?

The proposal says that the provisions can be waived "for any fiscal year in which a declaration of war is in effect," or they "may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by joint resolution, adopted by a majority of the whole number of each House, which becomes law."

The Congress takes a month recess in August. Congress is gone. Let us assume we have reached a magical state here and we have a balanced budget. You cannot throw it out of balance. You are prohibited from doing that by the Constitution. There are those who said, we are going to have this flexibility here.

The Congress is gone. A national security threat emerges. The President has to respond. The necessity to respond requires the President in effect to make expenditures beyond what had been projected. The consequence of doing that, of course, is to throw the budget out of balance. You have just violated this provision in the Constitution. How do you address that situation?

The lack of clarity, of precise meanings, would also certainly in my judgment lead to court involvement in both defining and implementing economic policy. Although the amendment is silent as to which parties have the standing to bring suit against the Government for enforcement of the amendment, arguably any aggrieved taxpayer would have standing to sue if they believed the amendment was being violated. And although no one can state with certainty what role the courts will play in interpreting the amendment, I think it is reasonable to expect ample opportunity for litigation in court interpretation of such terms as outlays, receipts, and debt.

So, in addition to shifting the debate on fiscal policy from the President and the Congress to the courts, this amendment raises the real possibility that the courts would eventually be required to interfere with the management of fiscal policy just as they have on occasion taken over the management of school districts or of prison systems. Managing fiscal policy is not an appropriate job for the courts, yet passage of this amendment would accelerate a trend in this direction begun when the Supreme Court declared unconstitutional one of the enforcement provisions of the first Gramm-Rudman budget legislation.

Concern over the obvious economic damage which could be done by a rigid implementation of the balanced budget amendment has led its supporters to create the so-called escape clause, to permit a suspension of the balanced budget requirement in time of war or upon a three-fifths vote of the whole number of each House.

I might note this requirement of the whole number means that you have to produce 60 votes in order to do it. An abstention or an absence would be a negative vote. The requirement to increase revenues says "approved by a majority of the whole number of each House." In other words, it would need 51 affirmative votes. Suppose you had 8 or 10 Members missing. It is not a majority of those present and voting, it is a majority of the entire membership of the body.

The override provision raises two questions. First, I find it hard to understand the logic of waivable principles in the Constitution. In fact, it seems to me a very strong argument why this should not be in the Constitution. The Constitution is designed for statements of fundamental principle, not of matters to be waived away. The three-fifths override provision contained in the proposal before us is essentially a statement that budget balance is not an enduring principle but a matter of current judgment. No other constitutional principle—free speech, individual rights, equal protection—can be waived by a three-fifths vote of both Houses. We do not have other provisions in the Constitution that are waivable.

Second, such a waiver provision shifts the balance of power from majorities to minorities in our society, violating the democratic principles upon which our Government is based. A three-fifths supermajority requirement effectively gives control over fiscal policy to a minority in either House. In other words, a minority in only one of the two Houses has the deciding power. I submit this is not what the framers of the Constitution had in mind when they established our democratic form of government.

Writing a balanced budget requirement into the Constitution will undercut countercyclical economic policy. It will undermine our ability to make the capital investments in the future strength and productivity of our economy, it will burden the Constitution and the courts with issues which should properly be decided by the President and the Congress, and it will shift the principles of our democracy from majority to minority rule.

Gladstone, the great British statesman, regarded the Constitution as the finest document of government devised by man, and I think there are many, many who share that opinion. The Constitution is not something to be dealt with lightly. It has not been dealt with lightly over the course of our Nation's history. As I indicated earlier, after the 10 amendments of the Bill of Rights passed immediately after the establishment of our Republic, the Constitution has been amended only 17 times in the succeeding 205 years. The Constitution is a relatively brief, general statement, defining our framework of government and defining the political and civil liberties of our citizens. It does not establish any specific domestic policy, foreign policy, or economic policy. We do not write the substance of policy into the Constitution. We leave that to be determined in the interplay between the President and the Congress in the enactment of legislation. We do not take substantive policy and place it in the Constitution. Because of its focus on universal principles the Constitution has endured for over 2 centuries, despite dramatic changes in American society.

In thinking about amending this document we need to proceed with great

caution. The desire to put balanced budget economic policy into the Constitution is frequently justified in the name of political expediency. It is said, "We have to do this. This is the only way we will be compelled to come to grips with the problem." Obviously the question of whether in our fiscal policy we are asking future generations to pay for today's consumption is a very important question. In fact, I have voted in this body for both tax increases and spending cuts designed to achieve deficit reduction. But this proposed constitutional amendment is a promise to do something about the deficit in the future, masquerading as a tough choice today.

We do not need more masquerades and promises. We need to attack the deficit problem directly. We did that in August 1993. In fact, the U.S. performance now in bringing down the deficit is the best of any of the major industrial countries. The United States has a lower fiscal deficit as a percent of GNP than Germany, Japan, France, Canada, the United Kingdom, and Italy.

Proponents of this amendment have been citing a CBO study which was projecting incredible runup in the deficit in the future. In fact, that very study projected that the deficit ratio to the GDP at this point would be 6.8 percent. In fact, it is at 3 percent. So the program that was put into place in August 1993 was a real measure to reduce the deficit, and it has had a real impact.

Let me close with this observation. Much of today's alienation of voters from their government comes, I believe, from the practice of passing hollow laws, laws which purport to change things but which through loopholes and waivers result in nothing really happening.

I submit to my colleagues that if hollowing out the law creates political cynicism and alienation, imagine what hollowing out the Constitution would do.

Mr. President, I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, the Senate is not now at this moment debating directly the merits of House Joint Resolution 1, the balanced budget amendment. By reason of actions taken by the distinguished Democratic leader and the distinguished majority leader, the issue before the Senate of the United States at this moment is an amendment proposed by the majority leader to a motion proposed by the Democratic leader on the duties respectively of the President and of the Congress of the United States in reaching a balanced budget. The leader of the Democratic Party proposes to add to the Constitution a longer set of sections than the balanced budget amendment itself, a detailed set of instructions, the fundamental basis of which is that the balanced budget amendment will not even be submitted to the States until there is, in effect, a binding 7-year budget leading to a balance in the year 2002 and overriding the judgment of all Presidents and all the new Congresses which will be elected between the day on which we are engaged in this debate and the year 2002.

The obvious purpose for requiring such a totally unprecedented move is to obscure the debate over general principles; that is to say, is our present fiscal system broken? Do we need to take drastic action to enforce a discipline on Congress and on the President to balance the budget? Or to the contrary, is the status quo quite satisfactory? It is to obscure that debate in the details of a hypothetical attempt to see 7 years in the future and say today precisely how the budget will be balanced 7 years from now. The hope, of course, is that a large number of elements in any such proposal could be presented as unacceptable to the American people, and, therefore, undercut the willingness of the States to balance the budget.

In response to that attempt to hide, to disguise the true issue before the body, the majority leader has in a much simpler substitute amendment proposed that if this constitutional amendment should fail of adoption, should the judgment of this body be that the status quo is just fine, that we do not need any change, the majority leader has proposed to direct the President of the United States this year to submit a proposal to Congress stating how he would balance the budget.

The majority leader has made this proposal, of course, because so many of the Members of this body on the liberal side of the debate have given eloquent lip service to the ideal of balancing the budget but have said at the same time, "Not this way. Do not touch the Constitution. Do not make any fundamental changes. Just go ahead and do it." But on this, the fifth day of this debate, not one of those Members has come up with a single detail outlining how he or she would reach that goal without the stimulus, without the discipline of a change in our Constitution. Each of those Members has defended eloquently the status quo. Each of those Members has said that we do not need a fundamental change. Each of those Members have spoken about tough votes, discipline, political courage. But in each case, depending on how long the Member has served, each of those Members has voted consistently for budgets which would never result in a balance in what we take in and in what we spend.

So the majority leader's proposal is one of great simplicity and great logic. If somehow or another there is any duty on the part of the proponents of change of constitutional discipline in this connection to say how they would solve the problem, is there not an overwhelmingly greater reason to require of those who say no change, keep the status quo, to tell us how they would reach this goal, a goal which quite obviously has not been reached in the last year, in the last decade, in the last several decades?

Personally, I believe that the majority leader's amendment is designed far more to outline the absurdity and the lack of reason behind the Democratic leader's amendment than it is to become a serious part of the fiscal discipline of this Nation. I do not believe the President of the United States can come up with a detailed item-by-item proposal to balance the budget some years after he will cease to be President of the United States.

I regret that all we hear is that the budget that he comes up with next week will include figures indicating that the budget of the United States will never be balanced pursuant to the policies which he proposes. But I do not think that this Congress, on the recommendation of the President, should adopt unchangeable policies 7 years in advance.

Well, if the President should not be required to engage in such an activity in the year 1995, how much less reason is there not only for the proponents of this amendment to follow such a discipline but to include that discipline in the Constitution of the United States of America?

Mr. President, can you imagine our basic constitutional document referring to sections in the Budget Act of 1974 and speaking of reconciliation bills, talking of details which are enshrined in our statutes, statutes which can be changed by this Congress at will? Can any individual seriously state that he or she would include two extra pages of detailed verbiage in the Constitution of the United States, all of which will become anachronistic before the constitutional amendment is ever ratified by the various States?

No, as a matter of policy, the proposal of the Democratic leader is overwhelmingly flawed. It is, by greater measure, his duty in defending the status quo to tell us how he would reach our common goal than it is the proponents of this amendment. So his proposal is flawed as a matter of policy. I have also pointed out, Mr. President, that his proposal is flawed as a matter of aesthetics, a very important branch of aesthetics—the way in which we treat our Constitution.

The last speaker on this floor, the distinguished Senator from Maryland, has talked at length and in detail about why we should not include the general proposition about how to balance the budget and a set of supermajority requirements in the Constitution. Yet, I warrant, he intends to vote in favor of the motion made by the

leader of his political party to include in the Constitution the most minute detail in reference to evanescent statutes.

Finally and overwhelmingly, Mr. President, the proposal of the minority leader should not be adopted because that proposal itself is blatantly, openly, and obviously unconstitutional. It is, Mr. President, unconstitutional on its face. Article V of the Constitution, which we are all bound to obey and to serve, states in relevant parts:

> The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, which shall be valid when ratified by the legislatures of three-fourths of the several States.

The proposal of the distinguished minority leader says: "The article"—that is to say the entire proposal with which we are dealing—"shall be submitted to the States upon the adoption of a concurrent resolution as described in section 9 of the article." In other words, it proposes something which has never happened in the history of this Republic—that this Congress, in solemn convocation, by two-thirds vote can propose an amendment to the Constitution of the United States which will not go to the States, which will sit here and wait for the Congress to pass another very detailed concurrent resolution, which it may or may not do.

Mr. President, that is, in absolute clarity, not what was intended or mandated by the people who wrote our Constitution in 1787. Either we pass a proposal in the form of a constitutional amendment, which goes immediately to the States of this Union for their ratification or rejection, or we do not. We cannot pass a proposed constitutional amendment which we say will only go to the States if it snows on Easter. We cannot set conditions on the submission of an amendment passed by two-thirds of the two bodies of Congress that will be submitted to the States only upon condition. Either it goes or it does not.

Mr. President, I take—as I know all other 99 Members of this body do—my constitutional responsibilities very seriously. In fact, much of the debate against this basic proposition has to do with the respect that the opponents to this proposed amendment have for the general terms and general political philosophy of the Constitution, to which they believe no amendment should be added that relates to fiscal policy. And I can respect that fervor to defend this Constitution. But to place before us a proposal, not only a proposal with all of the details that were included in the motion of the Democratic leader, but to do it in a fashion which ignores the very method of amendment outlined in article V of the Constitution of the United States, Mr. President, that is wrong, it is unconstitutional, and it should be rejected out of hand.

I hope that, at some point during the course of this debate, a Member deeply concerned with the Constitution—perhaps the majority leader himself—will raise a constitutional point of order against the underlying motion of the leader of the Democratic Party. If any Member does so, of course, as the Presiding Officer recognizes, neither he nor the individual sitting in his seat at the time at which that point of order is made will rule on it. Such a point of order is submitted to the Members of this body for their consideration and for their vote. And I, for one, am convinced that every Member of the body would be required, by the oath that a Senator takes, to sustain that point of order and to dismiss this motion, this attempt to disguise what the real issue is before us, to dismiss it out of hand and to return this body to a debate over first principles, over whether or not it is important in discharging our duties to the people we represent today and to generations still to come, that we not continue to pile debt after debt upon their backs; or whether, on the other hand, the status quo is satisfactory. That is the true debate, and until we have voted on House Joint Resolution 1, I trust in exactly the form it was passed by the House of Representatives, we will not have carried out our duties. But an interim duty, Mr. President, is to reject the proposal both in its original form, and as amended by the majority leader, on the clear and absolute basis that it violates the Constitution of the United States.

That debate should not take a great deal of time, Mr. President. I suspect it will take some period of time. I suspect there will be a great deal of oratory as to why the policies contained in the proposal of the Democratic leader are a good idea or are a bad idea. I have already spoken several times on that general issue. That is a reasonable debate. But the proposal before us is not a reasonable proposition. It violates the Constitution of the United States, Mr. President, and it should be dismissed as such.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). The Senator from Washington [Mrs. MURRAY] is recognized.

Mrs. MURRAY. Mr. President, I rise today in opposition to amending our Constitution with a balanced budget amendment. When I came to the Senate 2 years ago, I requested a seat on the Budget Committee. I wanted to learn firsthand how our budget is formed and to help steer this country's spending priorities. It is a big task.

As a nation, we accumulated more debt in the decade of the 1980's than we had in the previous two centuries. It is time for common sense, rational solutions. It is time for us to provide leadership with level headed, moderate decisions even if they are based on tough choices. The balanced budget amendment is not common sense, it is not level headed, it is not rational, and it will not achieve what it claims to do. Instead, what we need are real solutions, real cuts, and real decisions that make sense for the American people.

For example, we have reduced our deficit in a substantial way in the past 2 years. We have had to make some very tough choices. As an appropriator, I have had to say "no" more often than "yes" to programs that I support. We all know we just do not have a lot of money to go around.

So, Mr. President, no one needs convincing that we need to tighten our belt. What we do need is a workable, responsible solution. This resolution will not achieve what some in the Senate would have you believe, nor what the American people want. It will make a mockery of a document which is the very essence of our democracy.

Mr. President, our Constitution is a living document. In the course of history, we have had to change it and when we have amended the Constitution in the past we have acted to expand people's rights, to make this country more equitable for the little guy, to give ordinary Americans a stake in our society.

Look how we have amended the Constitution in the past. The first amendment, one sentence long, ensures our freedom of speech. The second amendment, just one sentence long, maintains our right to bear arms. The 13th amendment, one short sentence, abolishes slavery. The 19th amendment, again one sentence, gives women the right to vote. The 24th amendment, one sentence long, abolishes the poll tax. And the last time the American people amended the Constitution was in 1971 with the 26th amendment—and we did so with one sentence—we gave all Americans over the age of 18 the right to vote.

Mr. President, clearly when we have amended our Constitution in the past we did so to expand people's rights. This document, this Constitution and its Bill of Rights, is too important to attach pieces of legislation to it. The so-called balanced budget amendment does not fit the profile of previous amendments and, even worse, Mr. President, it is a promise to the American people that is too good to be true.

Mr. President, words on a piece of paper cannot balance our budget. Legislators, like those of us here, can and should. And let us think about what will happen if we take the flexibility out of our economic decisionmaking.

I ask unanimous consent that the text of an article from the Washington Post be printed in the RECORD.

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

[From the Washington Post, Jan. 22, 1995]

ANY WAY ITS PROPONENTS SLICE IT, BALANCED-BUDGET AMENDMENT IS BALONEY

(By Hobart Rowen)

The case against a constitutional amendment to balance the budget is overwhelming. It has been hyped by Democrats and Republicans alike as the only way to force reluctant congressmen to make tough decisions, and there is no doubt that a large segment of the public has come to believe this propaganda.

But the truth is that an amendment to the Constitution for this purpose is bad economics, bad budget policy and bad constitutional policy. By itself, such an amendment would cut neither a dollar nor a program from the federal budget. As Office of Management and Budget Director Alice S. Rivlin told the Senate Judiciary Committee on Jan. 5, "most of all, it evades the hard choices needed to achieve real deficit reduction."

Why is the constitutional amendment bad economics? In an interview, Council of Economic Advisers Chairman Laura D'Andrea Tyson points out that the beauty of the present fiscal system is that it contains automatic stabilizers that moderate economic activity whenever business activity weakens. Thus, when workers lose jobs, unemployment compensation rises and it cushions the slide. If business profits are off, then tax liabilities decline. These events boost the government deficit, thus offsetting to some degree the decline in the private sector.

"But the balanced budget amendment would take away these automatic stabilizers when the economy is slowing down," Tyson said. It would force the government to raise taxes or cut spending to cover the increasing deficit that a slowing economy was generating. Rivlin puts it this way: "Fiscal policy would exaggerate, rather than mitigate, swings in the economy. Rescissions would tend to be deeper and longer."

Meanwhile, the House Republican version of the amendment wrongly (and possibly unconstitutionally) requires a three-fifths majority of each house of Congress to increase revenue, run budget deficits or increase the public debt. There is supposed to be a safety valve to permit a deficit in time of real economic weakness. But who in Congress is a good enough forecaster to sense when the safety valve should be opened? As Rivlin said, in all likelihood, "the damage would be done long before we recognize that the economy is turning down."

Why would the amendment also be bad constitutional policy? Not only would it put fiscal policy, as outlined above, in a straitjacket, it would denigrate the document that deals with the big issues—individual rights, the system of separation of powers, the ultimate guarantor of our system of liberties in effect since 1776. It would force the courts to adjudicate disputes certain to arise.

Meanwhile, what are the hard choices being avoided? The Republicans who are pushing the "Contract With America" freely concede that to balance the budget by the year 2002, as called for by the amendment, would cost $1.2 trillion in cuts in the various big entitlement programs—Social Security, Medicare, Medicaid and other pensions. But they aren't prepared to make them. Rep. Richard K. Armey of Texas, House majority leader, said forthrightly that if members of Congress understood the full dimension of what is involved, "they would buckle at the knees."

But wait, there's more than $1.2 trillion involved: Because of the new tax cuts and other "reforms" proposed in the Republican "Contract," there is an additional $450 million that would have to be found by 2002—making a net reduction of $1.65 trillion.

But the story isn't over—and this is the most significant missing piece.

The bland assumption is that if somehow a miracle is accomplished—the huge $1.65 trillion cuts are made to balance the budget by 2002—the budget will continue to be in balance. Not so! The dirty little secret is that within a few years after 2002, as the Kerry-Danforth entitlement commission report showed, the workplace demographics begin to explode, and with that, the budget deficit. Fewer workers in the labor force supporting Social Security pensioners will drive the Social Security trust fund deep into the red. Once again, the budget will be unbalanced, perhaps more so than before—and the game must start over again.

Clearly, the balanced-budget amendment is bad business. Congress should reconsider the whole plot. The real goal, in the first place, should not be to balance the budget but to balance the economy. The deficit needs to be cut back sharply, but to aim at a balance in 2002 or 2012 is self-defeating. There will be some years ahead when the nation may need to run a deficit—and it shouldn't be afraid to make such decisions.

The need now is to put aside the gimmickry, forget the constitutional amendment and for the Clinton administration and the Republican Congress to attend to business. A little maturity, please!

Mrs. MURRAY. This article describes the thoughts of my friend the Chair of the Council of Economic Advisers, Dr. Laura Tyson, and those of the Director of the OMB, Dr. Alice Rivlin, who tells us that with this amendment: "Fiscal policy would exaggerate * * * swings in the economy. Recessions would tend to be deeper and longer."

"Recessions would be deeper and longer."

Mr. President, everyone I speak to these days—whether it is grocery store clerks or attorneys, farmers or Boeing machinists—everyone tells me their biggest fear is losing their job. Everyone fears the return of the dark days of recession. So why are we adding to the anxiety that is already out there?

Budget cuts mean job cuts. If we handle our fiscal policy with common sense, I believe we can reduce our deficit in a sensible way that minimizes job loss. But if Dr. Tyson and Dr. Rivlin are correct—and I believe they are—this radical approach will throw millions of Americans out of work and at the same time cut job training programs.

Mr. President, we do indeed face some tough challenges today, and one is to ease the feeling of insecurity among our Nation's work force. It seems pretty clear to me that this resolution will only make those fears a reality.

Another challenge we face is to return hope to America's youth. When I talk with kids who belong to gangs, they tell me they join these groups because at least there someone cares about them. They believe they will have no opportunity in this country.

Mr. President, I hear the same pessimism from teenagers around my own kitchen table.

So how will a wildly fluctuating, uncontrollable economy be in the interest of our youth?

And yet, Mr. President, I have sat here and listened to the proponents of this resolution talk about how amending our Constitution in this way will help our children. What will help our children is reducing our deficit, and everyone agrees with that.

But, again, this resolution alone does not get us there. It will not help our children. It will not tell them that they will have a job. It will not tell them they will have food on their table. And it will not tell them that they have parents who care. It will provide no sense of security. And, in fact, I believe it will teach our children a dangerous lesson.

There is nothing wrong with responsible borrowing. That is the backbone of our financial service industry—savings and investing. After all, how many American families could afford to buy their homes without a mortgage or send their kids to college without a student loan?

This resolution destroys the American dream. It tells our kids, if they come from a family that cannot afford to pay cash for a home, they should not try. It teaches them that investment—even if it means borrowing for education—is not an option.

Mr. President, let us think about the effect of this resolution on the little guy. Let us talk a little bit about how this resolution will affect the average Americans in neighborhoods across their country.

I heard the ranking member of the Budget Committee, my good friend, Senator EXON, on the floor a few days ago. The Senator from Nebraska supports this resolution and that is why I really appreciated his speech earlier this week.

My friend from Nebraska outlined some important points for all of us to consider. He went through an economic analysis the staff of the Budget Committee prepared, and this analysis puts the abstract words of this resolution into perspective.

Now, as you know, Mr. President, the proponents of this resolution tell us we must have a balanced budget in the year 2002, but they refuse to tell us how we will achieve that balance. They will not level with the American people about what they are going to cut and what they will eliminate. And, Mr. President, the American people do have a right to know.

Two days ago Senator EXON explained how the politics and the economics of this issue join to make a very scary situation possible. If we pass this resolution with an exemption for Social Security, defense, and some other sensitive programs, and if we

still enact all the tax cuts in the Contract With America—and all of that is possible—we will see a 50 percent across-the-board cut in all other programs.

Is this responsible budgeting? Is this rational? Is this common sense?

If we put this resolution into action, Mr. President, agricultural programs could take a 50-percent cut. So would highway funds. We would lose half of our education and job training money and we would lose half of our student loans.

If the Constitution is amended in this way and Congress actually acts on it, the cleanup of Hanford nuclear reservation in my home State is in jeopardy. That is not the way we return security to this Nation, Mr. President. And it is not how we restore hope to our children.

Mr. President, I read yesterday morning's paper about the Washington, DC, budget crisis. Clearly the leaders in the District must work to balance their budget. But look where the first cuts were made: On programs affecting our children and their access to valuable educational resources.

We will see the same thing here. The radical cuts this amendment will demand will fall squarely on the backs of the most vulnerable in our society—our children, our elderly, our disabled, and those in most need of our help.

Just in my corner of the country alone, this amendment and the other provisions of the Contract With America will mean that by the year 2002, education programs will be cut by $474 million each year. Transportation will be shortchanged by $161 million. Federal Medicaid reimbursements in the State of Washington will be reduced by $1 billion. Federal economic development assistance will be reduced by $27 million.

These are not just numbers. Behind the statistics are millions of dollars, are the faces of millions of Americans: My elderly next-door neighbor with a heart problem who depends on Medicaid; my friends who sit in traffic jams daily on I-95 in Washington, commuting to their jobs; the kids in my sister's sixth grade classroom in Bellingham, WA; the people who are just getting back on their feet in our hard-hit timber communities. Taken as a whole, the plans before us will total a reduction to my home State of $6.7 billion. That, Mr. President, is real money, real people, and real needs.

Mr. President, at a time of uncertainty for all of our working families, we find this resolution will hurt our workers. The economists at Wharton predict Washington State will lose 209,000 jobs the year after this amendment takes effect. They predict my State will experience a 15-percent drop in total personal income. They tell me the hardest hit will be the manufacturing sector, especially those in the aerospace industry, which is already experiencing massive job losses. Again, I ask, is this common sense? Is this responsible budgeting?

One last word, Mr. President. I have heard many people in this body talk about the need for fiscal self-discipline. Many Americans understand that need and indeed practice it in their own daily lives. That is what Congress needs to do.

I know what it is like to sacrifice. I know how it feels to tell my kids no. And I know what tough choices are. I come from a family which is used to sacrifice and financial discipline. Mine is just like every ordinary American family. My grandparents fought a world war and survived the Great Depression. My family has ridden out nasty recessions, and now after we have survived all this, we are telling future generations, "You have no say in determining your future. The United States is going to decide the budget of the 21st century in 1995."

We need to keep things in perspective, Mr. President. We need to remember where we have come from when we consider where we are going. We need to deal with jobs, violence, and the health of our Nation. But solutions to those challenges are not found in this so-called balanced budget amendment or, frankly, in any 10-second sound bite. We do not need to amend our Constitution this way and put the future of our Nation in a precarious position. We do need to be sensible legislators by proposing real solutions that bring fiscal responsibility to our budgets.

Thank you. I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

THE RIGHT TO KNOW ACT

Mr. DASCHLE. Mr. President, for the past several days, Republican and Democratic Senators alike have said they support the goal of a balanced Federal budget. Indeed, so do I.

The idea of a balanced budget, in the abstract, has universal support.

But if one thing is clear, it is that no budget is balanced in the abstract. Budgets are balanced in the context of existing circumstances.

Today, the political circumstances are very clear. The elements of the Republican Contract With America are the priority for action. There is a lot of fine print in the contract. But there is no doubt about the central selling points: A tax cut, a defense increase, and a balanced budget amendment to the Constitution.

That is what our Republican colleagues campaigned on: Cutting taxes, increasing defense, and balancing the budget while protecting Social Security.

It is a bold program. It is also the echo of an earlier program. Republicans campaigned in 1980 on a program of cutting taxes, raising defense spending, and balancing the budget.

In 1980, Republican candidates won a majority in the Senate, in part by campaigning on that program. President Reagan won the White House.

The bottom line on the chart beside me illustrates the campaign promise. A budget gradually coming into balance by 1983. It is based on the Reagan economic plan announced in 1980 in Chicago.

What happened?

That is illustrated by the top line on the chart beside me.

Instead of balancing the budget by 1983, or even by 1984, the campaign promises led to the highest Federal deficits in history. Within 12 years, those campaign promises helped quadruple the national debt.

From $69 billion in the last Carter budget, deficits rose until they almost quadrupled in the mid-1980's. By the end of the Reagan years, our debt had tripled. Subsequently, the 4 Bush years added another $1½ trillion to the debt.

The chart beside me tells the story. From a $69 billion deficit in 1980, the last year of President Carter's term, the deficits kept rising. From 1993, deficits have begun to fall. For the first time in half a century, deficits will come down 3 years in a row.

How did we change course?

Democrats changed the course. We made the unpopular choices that have to be made if you are going to reduce the deficit. We did not try to duck the bullet. We bit the bullet, twice.

In 1990, Democrats worked with President Bush and crafted a deficit reduction package that capped all discretionary spending. In the face of adamant opposition for practically the whole year, we produced $500 billion in deficit reduction—real cuts in a deficit that was then spiraling out of control.

In 1993, we did it again. In the face of adamant Republican opposition, we passed a program that achieved another $500 billion in deficit reduction over 5 years. We passed the 1993 budget without the help of a single Republican vote, in the face of fierce denunciations and wild predictions of economic ruin.

Action by Democrats resulted in real deficit reduction. Opposition from Republicans: but no deficit reduction.

To paraphrase former President Reagan, "Here they go again."

They want to cut taxes, increase defense spending, and balance the budget.

In 1980, someone asked Representative John Anderson of Illinois how you could cut taxes, increase defense spending, and balance the budget.

He gave the only coherent answer possible. "With mirrors," he said.

He was right. All the indignant talk to the contrary does not alter the facts. And the facts are as I have stated them.

Democrats have taken the lead twice in the last 5 years, in the face of intense partisan denunciations, to do what has to be done to bring the deficit down.

We have done it twice, not with mirrors, but with realistic and difficult choices among competing demands from States, cities, businesses, and individuals, who all want their programs protected, who all claim tax relief, who all have good arguments on their side.

It is that history of the last 14 years that makes us so adamant about the Right To Know Act.

The Right To Know Act is essential. Americans have the right to know whether we are about to take another riverboat gamble with their Nation's economy. That is what the Republican Senate leader called it back in 1981. He was right. It was a riverboat gamble. And we lost.

Our State Governors have the right to know how much of the dollar responsibility they will be left holding when the dust settles.

Our city mayors have the right to know how much their budgets will shrink.

Americans have the right to know about program changes that will directly affect them.

Families with elderly parents have the right to know if Medicaid or Medicare will be slightly modified or deeply slashed.

People planning college for their children have the right to know whether or not they can count on student loans.

Realtors have the right to know if VA home loan conditions are likely to be changed or if FHA-backed loans will shrink.

General contractors have the right to know if Federal construction projects will shrink dramatically.

Communities across the South have the right to know if NASA's space program will be cut, and how their job base will be affected.

People in Washington State and South Carolina have the right to know if the nuclear plant cleanups will stop.

People who live in the Tennessee River Valley have the right to know if TVA is going to disappear.

I have been part of the Democratic majority which has twice already stepped up to the plate and reduced the deficit by $500 billion each time. I know it is not easy to cut spending. But a majority of Democratic Senators has done it. We are prepared to do it again.

But we want to know what we are doing. And balancing the budget in the context of the Contract With America will be extraordinarily difficult.

How difficult is revealed by the chart here. The bottom line on this chart shows the cuts that must be made in spending as we begin to move toward a balanced budget this year.

The center line shows the CBO baseline budget. That is what will happen to spending because of demographic changes and estimated inflation rates over the next 7 years. The distance between the bottom line and the center line represents $1.2 trillion.

That is how much must be cut from the budget over the next 7 years.

The top line shows how much spending will be affected if the Contract With America, with its tax cut, is passed. It does not include defense spending increases.

If the contract's promised tax cut is passed, we will have to cut $1½ trillion from the budget over the next 7 years.

Some are claiming that modest across-the-board cuts in everything can achieve a balanced budget without any serious dislocation to anyone.

Before we accept that claim, let us look at it.

A simple across-the-board cut that would produce a balanced budget by 2002 would be a 13-percent cut. But that includes everything, including Social Security.

If, as the Contract With America says, you take Social Security benefits off the table, then everything else would have to be cut by 18 percent. That includes everything, including defense, which the contract says should be increased.

But if you remove defense along with Social Security, then everything else has to be cut by 29 percent. That would mean cutting a fifth out of Medicare, for example.

But, if you want to pass the tax cut in the contract, and you do not want to cut defense or Social Security, then everything else has to be cut a full 30 percent. That would mean 30 percent out of Medicare, 30 percent out of the space program, and 30 percent out of veterans benefits.

If you wanted to exempt veterans' benefits, because they go to the 27 million men and women who fought our wars and to the dependents of those who died in our wars, everything else would have to be cut by 31 percent. That would mean a 31-percent cut in pensions that people have earned, like the men and women of our armed services and those employed by the Federal Government.

But if you wanted to exempt retirement benefits, because people have earned them, everything left would have to be cut by more than one-third, by a 34-percent reduction. That would include Medicare, Medicaid, the FBI, the Immigration Service, school lunch programs, college aid, medical research, the Coast Guard—everything.

If you took Medicare off the table, because it is an integral part of the Social Security system, then everything else would have to be cut in half.

In other words, if the contract's tax cut is passed, if defense is protected, and the retirement benefits of veterans, servicemen, and civil service workers are protected along with Social Security and Medicare, every other function of Government must be halved to achieve a balanced budget in 2002.

It is that calculation by the Congressional Budget Office that makes it clear that the claim of modest, very minor pain from across-the-board cuts grossly mistakes the reality.

The reality is that we cannot magically not count inflation for Federal spending purposes and still end up being able to hire the same number of border guards, the same number of VA doctors, the same number of FBI agents, and so on in 7 years' time.

Nor can we pave the same miles of highways, rebuild the same numbers of bridges, build the same space station, provide the same research grants or do anything else if we have half as much money in real terms with which to do it.

I want everyone to think back to what they earned in 1987. And I want them to consider how they would like to live on that amount today. That is what it means not to adjust for inflation.

That is why the right-to-know amendment is critical. We all know that we will not bring the budget into balance by simply not allowing for inflation. The numbers demonstrate it.

In the most modest example, if Social Security is off the table, if the contract's tax cut is passed, if defense is protected, everything else will be cut by 30 percent That is neither moderate nor modest—and it will not be done that way.

The way it will be done is by cutting programs. The question is, which programs? That is what we have a right to know.

In 1981, when the deficit spiral first started up, President Reagan called for a second round of cuts in September of that year. He came up very short. He asked for $16 billion in cuts. He got $3 billion.

There was just as much indignant denunciation of waste, fraud and abuse in 1981 as there is today. There were just as many Senators willing to speak in the abstract about the importance of cutting spending. There was just as much resistance to a tax increase.

Human nature has not changed in 14 years. All the same claims were made: That easy across-the-board cuts could be made that would be pretty painless; That we would be able to protect the social safety net; that no one would be hurt.

This city recently played host to two groups of persons who came here to tell us that it did not work that way. The State Governors were here this week. The mayors of our cities were here last week.

Both groups were unanimous in opposing any more cuts in the funds that support State and local services. We passed the unfunded mandates bill recently, by a very wide margin.

Why? It is not because Congress decided in the last couple of years to force the States and cities to do useless things. It is because past cuts made in State and local programs are forcing

the States and cities to absorb more of the program costs which used to be offset with Federal dollars.

It is no wonder the Governors and mayors are insisting that any balanced budget amendment be accompanied by strict language to keep Congress from passing responsibilities on to the States and cities.

The trouble is that this is a guarantee that cannot be made. We cannot assure States and cities that a balanced budget will not pass the costs on to them. To see why, look at the figures.

This pie chart shows how the Federal tax dollar is spent.

Mr. President, 14 percent is spent on net interest. That cannot be cut. It is a legally enforceable obligation to the holders of Government bonds.

Then 21 percent is spent on Social Security. Even Republicans say they will not cut Social Security.

So 14 percent plus 21 percent equals 35 percent.

Defense spending accounts for another 17 percent of the Federal tax dollar; 35 plus 17 equals 52.

In other words, 52 percent of all spending will not be cut.

That leaves 48 percent of spending to absorb all the cuts. The 48 percent includes, unfortunately, all the grants to States and localities. All the cutting will come from 48 percent of the spending.

The next chart shows us what that 48 percent of cuttable spending consists of.

Right away, we see that 19 percent of our cuttable dollars is spent for functions that cannot easily be cut: Veterans programs, military retirement, civilian retirement, the Immigration Service, the FBI, federal prisons, the federal court system, and so on.

The Speaker of the House has said he wants to see the number of immigration agents doubled. Our Republican colleagues intend to toughen a crime bill that will presumably increase our prison population. We cannot cut the Federal court system significantly. I have not heard any of my Republican colleagues say we should seriously cut the VA hospital system.

So it is reasonable to say that this 19 percent reflects activities that are not going to be slashed by 30 percent or more. But if I am wrong and there is a plan to cut military retirement by a third, I think we ought to know that. If there is the view that we should cut back VA pensions or hospitals by 30 percent, I think we have the right to know that.

In any event, that 19 percent of our 48 percent of on-the-table-for-cutting is the smallest piece.

The next biggest piece of that 48 percent of cuttable spending is Medicare.

A couple of days ago the Speaker talked about rethinking Medicare from the ground up. He said he wanted to provide more choices to retirees. I did not understand what he meant. The Medicare program today lets every participant choose his or her own physician, choose his or her own specialist.

If what the Speaker really meant was that we should rethink Medicare to limit the choices of Medicare recipients and force them into managed-care programs to save money, I would be willing to debate that. But I definitely think it is something we have the right to know.

There are working families in this country who depend on Medicare and Social Security to provide the fundamental security for their parents, so they can focus their funds on helping their children through college. If Medicare is going to change dramatically in the next few years, these people have the right to know that, so they can plan for the possibility that their parents will need financial help.

The next category of programs in our 48 percent of cuttable dollars finances things like unemployment insurance, nutrition aid, such as food stamps and school lunches, all our health research, environmental cleanup, energy, scientific research, space programs, aid to elementary and secondary schools, college tuition aid, our embassies, wildlife conservation, the parks, all our farm programs, all our transportation programs. Mr. President, 29 percent of our cuttable on-the-table 48 percent is spent for those things.

Clearly, they are going to be cut. Some might claim that things like medical research grants to universities will not affect States and cities. I think Governors and mayors know better.

Unemployment insurance affects every community that loses a plant or is in a transitional phase. Smaller communities would go under without the stabilizing effects of unemployment insurance to laid-off workers. I do not think it is easy to cut this by 30 or more percent.

If we cut the space program by 30 percent, people now employed in its operations will lose their jobs. This is Federal spending, all right. But it is not spent in Washington. It is spent in the cities and communities where the aerospace industry is concentrated.

The Food Stamp Program provides a 100-percent federally funded floor for low-income workers and welfare families alike. That lets poorer States, like Mississippi, keep their welfare benefits low without having to risk outright malnutrition. Food stamps give minimum wage workers added buying power. Small businesses in lower income areas know their workers' minimum wages will be augmented by food stamp income.

Farm State Governors should be attentive to the fact that this sector of spending includes all farm spending. It would be cut by a minimum of 30 percent.

Of course, if the two sectors I mentioned earlier are not cut by 30 percent, the cuts here would have to be heavier.

In other words, if we do not cut 30 percent from veterans, military retirees, prisons, courts, border control, and Medicare, these other programs will have to be cut more to compensate.

And so we come to the final share of our 48 percent of cuttable spending: The 30 percent that comprises State and local grants. This is the largest category in the cuttable spending programs that would be on the table.

In each one of these categories, whether it is Medicare, whether it is the Federal functions "unlikely to be cut," whether it is "all other" Federal programs—in the green—or State and local government grants, the point is that no mayor, no Governor ought to think that in some way we can protect this orange part and take all the other cuts in Federal funding out of the blue, the red and the green. It just cannot happen.

That is what we are really asking our Republican colleagues to share with us. If indeed that is the case, if indeed we can give assurances to mayors and Governors that this 30 percent can be protected, how do we get down to that $1.5 trillion deficit reduction target we are going to have to get down to by the year 2002?

I realize that earnest assurances have been given to mayors and to Governors that the Congress will not cut State and local grant aid. But I can only refer to what I know has been done before, when similar choices were faced in the Congress. And based on that experience, I have to say that this is a guarantee that cannot be made.

As a matter of fact, it is a guarantee being made by those who have no power to make it. One Congress cannot bind the next, no matter how fervently one Congress feels about something.

The 105th Congress will have new Members. Economic circumstances undoubtedly will have changed.

Even before the 105th Congress is sworn in, a Presidential election campaign and Senators' own reelection efforts will influence the shape of the debate, as elections always do.

So any Governor or mayor within reach of the sound of my voice should take this warning to heart.

No one can guarantee that aid to States and localities will not be cut.

In fact, I can just about guarantee the exact opposite. Direct aid, such as payments for highway paving, and indirect aid that is spent by residents of States and cities will be cut.

The only way to have a guarantee against cuts for State and local governments is to write it into the Constitution as part of this balanced budget amendment. But our Republican colleagues have said that the measure before us cannot be amended.

So they have asked the Governors to take it on trust. I say that is exactly

what the Governors cannot afford to do.

And that is why the right-to-know language is crucial. It would let us know, before we begin to cut, how State and local budgets will be protected. It would let us know, before we begin to cut, how State and local budgets will be affected.

It is the only responsible and fair way to explain to our Governors and mayors and the people who live in our States and cities what this proposal will ask of them. It will not be painless. It can be made rational. But it can only be done rationally if everyone affected knows what is at stake.

The chart here indicates the average makeup of State budgets. It is an average, not a mirror image of one particular State, and there are variables from one State to another.

But it provides the broad picture.

State general revenue sources in 1992 were made up, on average of: 17 percent, general sales taxes; 17 percent, charges and fees; 17 percent, personal income taxes; 22 percent, other taxes; 2 percent, payments by local governments.

But all those taxes and fees and payments total 75, not 100 percent. That is because, on average, 25 percent of State budgets consists of Federal grants.

This chart shows a breakdown of those Federal grants to State and local governments.

Forty percent are for the Federal share of Medicaid costs. The single largest cost the Medicaid Program pays is the nursing home care of elderly Americans.

Here, 24 percent of Federal aid to the States consists of income security programs: the Federal share of welfare, low-income housing programs, school lunch and breakfast programs, nutrition for women and infants.

Fully 64 percent of Federal aid to State and local governments goes for income support and Medicaid.

Sixteen percent of Federal aid to the States is in the form of money for elementary and secondary schools, training and employment programs, special education programs, foster care and adoption.

Eleven percent of the Federal grant dollar helps finance highway construction, improvement and maintenance, airport construction and transit assistance that helps reduce congestion in our cities.

Nine percent of Federal aid covers all other programs: community development block grants, safe drinking water and wastewater treatment, justice assistance programs, aid to other health programs like public clinics and mental health clinics—all the other grant programs.

Each and every category of this aid stands to be cut. It is all part of the 48 percent of cuttable Federal spending if we protect Social Security and defense. No part of any of these programs has any assurance of being held harmless.

And if other programs, not shown here, but which directly affect State and local economies, are not cut at all—veterans benefits, military pensions, civil service pensions—then the cuts to these grants will have to be heavier than 30 percent.

My next chart is a map of the United States. It shows, in the estimation of State budget officers, the percentage of each State's budget the State budget officers calculate is made up of Federal dollars.

The percentages vary quite a great deal. Mississippi, for instance, is shown as depending on Federal dollars for 41 percent of its budget. Texas is shown as depending on Federal dollars for 27 percent of its budget. Some States, like Oregon, show a relatively light 16 percent in Federal dollar share. Others like New Hampshire show a 34 percent reliance on Federal dollars.

In fact, the only State which shows less than 15 percent of its budget from Federal dollars is Hawaii.

The next map shows the Treasury Department's estimate of the budget shortfall each State would face under a balanced budget amendment, assuming a 30-percent cut in grants to State and local governments.

Again, some States would be harder hit than others. My State of South Dakota would be hit by about 25 percent; Montana, almost 20 percent; Arizona, New Mexico, Utah, California, around 10 percent; Louisiana, almost 30 percent. Many of the Southern States, many of the smaller States, of course, are hit harder than some of the larger States.

Texas' budget would fall 14 percent short. Mississippi would face a shortfall of almost 21 percent. Tennessee would face a shortfall over 19 percent. Wisconsin would fall short over 10 percent, Michigan just over 13. But clearly, stated another way, to maintain current levels of services, these figures depicted here, showing the loss of revenue from the Federal Government could also be the kinds of tax hikes that would be needed to offset those cuts, were they to occur in the coming several years.

Those budgetary shortfalls are the ones that States would face directly from a balanced budget. They don't include the additional spending cuts that would be triggered by the Contract With America to pay for its tax cut and keep defense off the table.

Let me emphasize that. The figures that we have here do not include what would happen if we kept defense off the table and passed the tax cut that is currently envisioned in the Contract With America. So for South Dakota that figure would go up proportionately with the additional cuts required to pay for those additional expenses.

Instead of a 14-percent shortfall, Texas would face a 19-percent shortfall. Instead of 13 percent in Michigan, it would be 18 percent. Instead of 12 percent in New Jersey, it would be 17½, and so on.

With a balanced budget based on the Contract With America plan, State budget shortfalls are going to go up dramatically. With the Contract With America, with South Dakota, we are no longer at 25 percent; we are at virtually 34. In Iowa, we are not at the figures we were before; we are up at 15. In Illinois, we are up to almost 16 percent. In Louisiana, we are almost up to 40 percent of the overall budget.

So I urge my colleagues to appreciate the consequences of what we are talking about as we debate the balanced Federal budget and the ramifications of that budget over the next 7 years. Many of us have supported a balanced budget amendment. Many of us would like to do so again. But if we are going to do it, it has to be a rational approach. It has to recognize that there are very complicated circumstances that we all must confront if we are going to do it right, if we are going to explain to the American people the ramifications of the Contract With America, the ramifications of bringing a $1.2 trillion deficit down to size by the year 2002, the ramifications of maintaining current projected levels of defense spending over the course of the next 7 years, the ramifications of trying to include, in some way, protections for veterans and military retirees.

All of those issues are directly confronting each and every Member of the Congress today as we consider what must be done over the course of the next 7 years to accomplish what we all say we want.

I urge my colleagues to make themselves familiar with these numbers, because these are the real world effects of the Contract With America style balanced budget. These are the cuts in State budgets that would be required, or, alternatively, the increases in State taxes.

Those who have made verbal assurances to Governors that the balanced budget amendment combined with the Contract With America will not affect State budgets are, in essence, saying that it is possible to cut taxes, increase defense spending, reduce overall Federal spending by one and a half trillion dollars in 7 years without having any substantial effects.

I do not see how we can do that. I do not know how we can expect the American people to believe that we can do that. I do not think we can expect the Governors and the mayors, who themselves have to deal with budgets on a yearly basis, to understand the difficult choices that have to be made if we do what we all want to do, what we say we must do, and then say to them: Believe it. There are no painful choices here. We can simply do it with a modest cut across the board.

That is what the right-to-know amendment addresses, Mr. President. It simply says let us clearly set out a budgetary path that will lead us to that balance by the year 2002 in a way that all affected people—Governors, mayors, business people, working families, everybody—can understand.

That is why the States and the American people need to know what this will mean.

And that is what the right-to-know amendment would achieve. It would require us to clearly set out the budgetary path that will lead to balance by 2002. That way, all affected persons will be able to see what it will mean to them.

I have here in my last graphic of the day—and it is my last—a typical blood-drive thermometer. As you will note up here is the $1.5 trillion that is required if we accomplish what we want to accomplish in the year 2002.

When the spending cuts reach this level—one and a half trillion dollars—we will be close to our target and well on the way to balancing the budget. Twice in the past 5 years, Democrats have shown that we can cut the deficit. We have passed $500 billion deficit reduction packages twice. In any decade except this one, we would have finished the task, today we have a quadrupled national debt. So it's going to take more than that.

For the efforts we have already made, Democrats have been denounced and our work has been misrepresented to the American people. Predictions of economic gloom worthy of the Great Depression were heard on this floor less than 18 months ago when we passed the President's budget, the second installment of our deficit reduction effort.

Throughout last year Americans were falsely told their taxes had been raised. The only people whose taxes rose were the top-earning 1.2 percent of the entire population. No family earning less than $100,000 a year saw their Federal income taxes rise. Let me repeat that: No family who earned less than $100,000 a year saw their Federal income taxes rise as a result of our deficit reduction package.

But misrepresentations of fact were also common the first time that we faced the miracle of the mirror: The budget that would be balanced while taxes were cut and defense spending increased.

That miracle of the mirror turned into the miraculous exploding national debt.

But the right-to-know amendment is not a magic mirror. It's the mirror of reality that must be held up to these promises before we change our Constitution and ask our States to take another riverboat gamble with their futures.

Mr. President, I yield the floor.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Ohio.

Mr. DEWINE. Mr. President, let me try briefly to respond to some of the very eloquent comments made by the distinguished minority leader of the Senate and also respond to the amendment that he offered earlier today.

The Senator points out very correctly that we are beginning to make some progress in regard to balancing our budget. For 3 years in a row we are beginning to move clearly in the right direction. What I believe, though, the Senator did not point out is that the Clinton administration's own projections will indicate that while progress is now being made, when we go to what those here in Washington refer to as the "outyears", the 4th, 5th, 6th, 10th year from now, the projections are that the deficit goes up and up and up and up. That was confirmed, Mr. President, in an article in the New York Times this morning, which my colleague, the distinguished Senator from Utah, has already referenced earlier today.

Let me, if I can, Mr. President, quote a brief part of this article. The article has to do with President Clinton's upcoming budget. I quote:

> Although his budget message boasts that his economic policies have sharply reduced the deficit from record levels, he says the deficit will probably stay in the range of $190 billion through the year 2005.

The year 2005, Mr. President, according to this article, citing the administration's budget that will be submitted next week.

Mr. President, if there ever was an argument eloquently made in favor of the need for having a balanced budget amendment, that argument was just made by President Clinton in this budget—at a time when everyone agrees that we need to move forward meaningfully to balance our Federal budget, at a time, Mr. President, when really the only debate on this floor is not whether we need to have a balanced budget; the only debate is whether we are going to just go ahead and do it and tell the American people, "Trust us to do it," or whether we are going to pass a constitutional amendment which compels Congress to do it.

That really is the only debate, and that is the climate that the President will be submitting—a budget which shows really no meaningful progress. The amendment we are talking about, Mr. President, says that we would have a balanced budget by the year 2002, which seems like a long way off.

According to this article in the New York Times this morning, the President's own budget, or own estimates, will show that even by the year 2005, we will not be moving in the right direction.

Mr. President, we have had good intentions. Everyone has good intentions. Yet, under Republican Presidents we have had a huge deficit. Under Democrat Presidents we have had a huge deficit. Under a Republican-controlled Senate we have had deficits, and under a Democrat-controlled Senate we have had deficits.

It is clear, Mr. President, that good intentions are not enough. The American people, I believe, clearly understand that. The distinguished Senator, the minority leader, talked about the right to know—an interesting term. I agree that the American people do have a right to know. But I think what they really have a right to know is that finally—finally—this Congress is going to pass a constitutional amendment and send it out to the States, and if that constitutional amendment is ratified, then finally we will have the ability to balance the budget and this Congress will be compelled to balance the budget.

Mr. President, let no one misunderstand what this debate is about. This debate, we can anticipate, will go on for some time. We have been at it a week now, and I am sure we will be 2, 3, 4 weeks still debating it. There will be many issues that will be raised. We will talk about Social Security, we will talk about the right to know, and we will talk about all kinds of different things.

Let no one mistake what really is at stake. In 1992, the American people voted for change. They said, by their votes, we want to change the way Government works; we want to change particularly the way Washington works or does not work. In 1994, people voted for change again. If in this political climate this Congress cannot pass a constitutional amendment, then when in the world are we going to be able to pass one?

Mr. President, Members of the Senate, the time is right, the time is now, the opportunity is here. If we do not seize this opportunity, and if we allow the naysayers, who can come up with 25 reasons why not to do this, to have their way, I honestly do not know that we will ever be able to do it again. I do not know that we will ever have the opportunity.

The distinguished minority leader also stated that this must be a bipartisan effort. That, I say, is absolutely correct. It has to be a bipartisan effort. Not only the passage of a constitutional amendment, because those of us on this side of the aisle—certainly if you count, we do not have two-thirds on this side. We have to have many Democrats involved, many Democrats who will vote "yes," not just a bipartisan effort to pass the constitutional amendment. We also will have to have a bipartisan effort to balance the budget year after year and to begin to move toward that balanced budget and to make the very, very difficult decisions that we will have to make.

That is why, Mr. President, I believe that the argument about the right to know does not really make a whole lot of sense. Those who use this argument

are, in essence, saying that the Senator from Ohio—for example, whatever I say on the Senate floor about how I want to balance the budget, that will be law, or whatever the distinguished majority leader says, or the Senator from Oregon. The fact is, no matter what is said at this point, the reality is that it will have to be a bipartisan effort and that democracy will work, and we will go through the gut-wrenching process that we have to, on this floor, move year after year toward that target goal that we have to meet in the year 2002.

So to say that we are going to stop and we cannot pass a constitutional amendment because some of the proponents are not able, or are not willing, to say that for the next 7 years this is what our budget will be every single year, seems to me to be wrong and a misplaced argument and not really to be leveling with the American people.

Mr. President, yesterday there was a poster on the Senate floor with the words "Trust me" on it, as if somehow the supporters of the balanced budget amendment were hiding the truth from the American people; that if the American people ever found out what a balanced budget would really mean, they would be strongly opposed to a balanced budget.

Mr. President, I do not think anyone in this country today really thinks that balancing the budget is going to be easy. The distinguished minority leader had some very interesting charts, although I am not sure I followed every detail of each chart. But my summary of the charts would be simply that they demonstrated very clearly that balancing the Federal budget, to achieve the goal by the year 2002, is not going to be easy. The minority leader is right. It is going to be very, very difficult. But is that an argument for not doing it? Is that an argument for not setting the standard? Is that an argument for not saying and putting into the Constitution that, yes, by the year 2002 we will achieve this goal, and that is our vision and that is what we want to do? I think not.

The opponents say that we need to spell this out. Mr. President, is it really appropriate to spell out beforehand all of the details and ramifications of a constitutional provision? I contend that it is not. Mr. President, the Constitution is a document about basic principles. It does not write our laws. It creates a process under which legislatures can write the laws. In this case, it is a process by which the U.S. Congress can write the laws.

Let me give you a few examples. Article I, section 8 of the U.S. Constitution says:

> The Congress shall have Power To lay and collect Taxes * * *

Mr. President, that provision does not set the marginal income tax rate. It does not decide whether there should be accelerated depreciation or investment, plant and equipment.

Mr. President, the Constitution also says that Congress has the power "To raise and support Armies * * *" It does not say what percentage of the gross national product ought to go to defense. Working out these details is a task for the democratic process. That is what democracy does. That is what democracy is all about. That is why we have a Congress.

What the Constitution does is set the ground rules so that we can act. The Constitution empowers the Congress.

Mr. President, it is also true that for 25 years, the democratic process, without a balanced budget amendment, has not succeeded in balancing the Federal budget. That is why the American people, by an overwhelming margin, are demanding the process reform known as the balanced budget amendment.

A few days ago, Ohio's Governor, George Voinovich, proposed a balanced budget, as do the Governors in all of the States. Very soon—in a couple days—President Clinton, as we have seen this morning, is going to be sending us a budget that clearly is not balanced, not only for this year, but it is not giving any indication that we are going to be balanced by the year 2005.

Mr. President, what is the difference? Why can Governor Voinovich do it in Ohio when the President cannot do it here?

Quite frankly, Mr. President, it has less to do with the occupant of the Governor's office or the occupant of the Oval Office than it does with the basic facts. The difference is because Ohio's constitution, like the constitution in many States, says the Governor has to balance the budget—has to balance the budget. Consequently, the Governor, State legislatures, and their constituents have to work out the details for a balanced budget every single year.

Mr. President, as someone who has served in the Ohio Senate, as someone who has served as Lieutenant Governor, let me tell you and other Members—and I am sure everyone knows and we have many Members here who have served in a legislative body or have been a Governor—that that is a process that is not very easy. It causes some heartburn and causes some hard feelings and is very, very difficult. But State legislatures do it and Governors do it because they have to. They have no choice. They have to do something that the U.S. Congress has not done, frankly, something that Congress has resisted doing, for most of our lifetime. The State of Ohio has to make choices. The State of Ohio has to set priorities. They have to do it. And, Mr. President, when you have to do something, you can. When you have to do something, you can.

We need a constitutional order that allows our National Government to do the same thing—to make choices and set priorities for the Federal budget. This is not something the American people wanted to do. None of us likes to be here debating this. It is not a pleasant task. It is something, though, that the American people are convinced that we have to do, really as a last resort. The other ways just did not work.

The balanced budget amendment is not, as the opponents contend, a straitjacket for democracy. Rather, it is a tool—a tool we can make use of to make democracy work.

All Senators, even those who are opposed to this constitutional amendment, are going to be involved in the process of writing the balanced budget itself. Are these Senators saying that if we pass the balanced budget amendment they will somehow be unable to participate or will not want to participate? I think not.

Further, Mr. President, if we were to give specifics with those, would those who oppose this be wedded to our specifics? Would they have to live by what we expressed with our original intent in passing the amendment? Of course not.

But what will happen if the balanced budget amendment does pass and it is ratified by the States? Well, one thing that will happen is that we will have to balance the budget. We will have to do it. The opponents will finally be forced to come forward with their own specific proposals, and so will we. The American people will see their spending priorities and the American people will see our spending priorities. Then the debate will begin.

I believe, Mr. President, that this amendment is precisely what we need to bring everyone to the table and to get serious about deficit reduction.

Mr. President, Senators have also been issuing a rhetorical challenge. They said, "If we want to have a balanced budget, why not do it now? Why wait for 8 years?"

Well, my response to that is, first of all, those two options, the options we are talking about of having a balanced budget amendment and having a balanced budget, are certainly not mutually exclusive. We can pass the balanced budget amendment and get to the work immediately on balancing the budget. Indeed, the harder we work over the next couple of years the easier it will be for us to balance the budget once the amendment actually does in fact go into effect.

Mr. President, we need, however, to create a process that will force everybody to participate in making these choices. Out in this country, in the real America, nobody, nobody, Mr. President, believes that we will ever balance the budget without a balanced budget amendment. But once we pass the amendment, doing nothing will no longer be an option. We will have to deliberate, to make the best choices we

can and be judged by the American people on the results we produce.

The current process simply does not work. We need to fix the process. And that is why we have a procedure for a constitutional amendment. It is spelled out in article V of the Constitution that says:

The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution.

And those amendments:

* * * shall be valid * * * when ratified by the Legislatures of three-fourths of the several States, or by Conventions in three-fourths thereof.

Mr. President, that is what the Constitution says. The Daschle amendment attempts to create a brand-new constitutional requirement between the approval by two-thirds of Congress and the approval by three-fourths of the States. This amendment tries to put in an unconstitutional stop sign, another hurdle to go over. It says that Congress has to do something else, that Congress has to write a balanced budget before the amendment goes to the States.

But, you know something, Mr. President, even if we pass the Daschle amendment, the Daschle amendment is really a dead letter. It has no effect, because the Constitution is clear—Congress approves, then the States approve. There is nothing in between. There is no stop sign in the Constitution between those two stages of the amendment process.

This amendment was described earlier on the floor as being blatantly unconstitutional, unconstitutional on its face. I think clearly, Mr. President, it is.

Mr. President, we can try to pass a statute creating a new requirement. But that statute cannot, under basic constitutional law, that statute cannot change the Constitution itself. We have amended the Constitution 27 times in this country's history. In each of those 27 cases, and in the 5 other cases when amendments were proposed but not actually ratified, we have followed this basic constitutional process. We have not had recourse with the kind of gimmick that is embodied in this particular amendment.

Of course, if Senators who support the Daschle amendment do not like what the Constitution says, they can try to amend the Constitution. Then we can have a debate on that. But under the Constitution that we have, this amendment, the Daschle amendment, is unprecedented. Not only is it unprecedented, it is unconstitutional. And, make no mistake about it, it is a killer amendment. It is an amendment that, quite frankly, will have the effect of protecting the status quo.

Why, Mr. President, are we having this debate on the Daschle amendment? We are having it because I believe some do not want to see the amendment ultimately passed. I think that is too bad. I think that whether they intend that or not—they may not intend that—but that would be the ultimate effect of the passage of this amendment. I know that the gentleman, the minority leader, is certainly well-intentioned, but I believe that would be the unintended consequence.

Mr. President, in the 1994 elections the American people demanded change. They demanded it. Eighty percent of them support a balanced budget amendment. They support it because they know that under today's process Congress is simply incapable of creating the kind of change the American people want. That is why Americans are insistent on the balanced budget amendment. Nothing symbolizes fundamental change more for the American people than the passage of the balanced budget amendment.

Mr. President, I will vote against the Daschle amendment because I believe it is harmful to this amendment. I will vote for the constitutional amendment and for the fundamental change demanded by the American people. I yield the floor.

Mr. THOMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Thank you, Mr. President.

Mr. President, this debate is the defining moment for the American people, if we are going to turn this escalation of debt, if we are going to turn away from this and protect our children and our future generations. This is it. This is the moment.

If we defeat this amendment to the Constitution, then we are on the fast track to economic destruction of the United States of America. People must understand that. Those who would use the dilatory tactics to delay this amendment or to put killer amendments on this amendment, must understand that. And the American people out there who are serving as the constituents of those Senators must also understand that.

This is the defining moment. This is it. There will not be another chance to pass an amendment to balance the budget to the Constitution of the United States of America. It will not happen. We have been trying for years.

I ran for Congress the first time in 1980. I ran on a balanced budget amendment then. I have been running on it ever since. I have been campaigning for it, both in my campaigns, as well as a Member of the U.S. Senate and the House of Representatives before that, trying to get to this moment. We are here. The House of Representatives by a vote of 300 to 132 passed it. It is now lying before the Senate. This is it. People must understand that. There will be no tomorrow for this amendment if we defeat it today. It is over. The American people, 80 percent of whom—some polls are higher than that—support this amendment.

We must understand the significance of this debate and how important it is. The focus of the last elections, the focus of those elections, the midterm election, in 1994, was change. "We are sick of it," the American people said. "We are tired of business as usual." "We are tired of politics as usual. We want this country changed. We want the direction of this country changed." That is what they voted for—Democrats, independents, Republicans. They voted to change this country.

One very important aspect of that change was a balanced budget amendment to the Constitution. They spoke loudly, and they spoke very clearly. They want Washington to turn away from—frankly, I cannot think of a better way to say it—the disgusting habit of piling up debt on our children, deficit spending, and increasing the national debt.

It imposes an enormous and unconscionable responsibility on our children. Not only our children, all future generations. We must realize that the national debt right now is almost $5 trillion. If we borrow at 8 percent, that is $400 billion when we get to $5 trillion—$400 billion a year in interest on that debt. It will get to the point in a very few years, less than 15 years, when the national debt is so big that we will not even have enough money in revenues to pay the interest on that debt.

When that happens, it is over. We default. Or we print money, and we print so much of it that we need to take a wheelbarrow of money with you to go to the grocery store to buy a loaf of bread. Think it cannot happen in America? That is what we thought in South America, not too many years ago. It can happen. It will happen.

I heard the distinguished minority leader talking on the floor a few moments ago about all of the horror stories out there, all these terrible things that are going to happen. All of these budget cuts. That is the point. If we do not have the amendment, that is all we will ever hear—one horror story after another about who will get cut, who will lose money, how much are the States going to lose in their States, how much is Medicare going to use, how much is Medicaid going to lose, how much is defense going to lose. Over and over again. That is the point. That is why we need the amendment, because we will not get the budget balanced because we will hear speeches like that time and time again as we have heard overwhelmingly over the past 30 years, if not more.

The election of 1994 was a mandate. "We have had enough of that," the people said. "We have had enough talk. We want a balanced budget amendment to the Constitution of the United States because you won't do it without the amendment."

There can be no doubt about that. There are 11 Members of the class of 1994. Mr. President, the distinguished Senator sitting in the Chair at this moment is one of those, from Tennessee. They heard the message. That is why 11 new Senators are here, all of whom—all of whom—support this amendment.

In demanding change in 1994, the American people said, "We are not only concerned about America's economic future, not just that. We are concerned about America's moral future." That is what they said. It is immoral to pass this debt on to our future generations. How can anyone—any American citizen, I do not care whether they are a Medicare recipient, Medicaid recipient, defense contractor, I do not care what you are or who you are or in what livelihood you have, what you do for a living. How can a person in good conscience say I am willing to break the bank of the United States of America and pass on my debts to my kids? Do parents want to pass their mortgage on to their children? Or would parents rather pass their home on to their children? Think about that. That is really what is at stake here.

We hear all this rhetoric about all the horror stories. Let me tell Senators what the horror stories will be if we do not do it. There will not be anything in the Social Security trust fund. There will hot be anything for Medicare. There will not be anything for Medicaid. There will not be anything for national defense because there will not be anything left. It will be gone.

No less an authority than the distinguished author of the Declaration of Independence himself, Thomas Jefferson, spoke about this. He spoke, he even thought ahead about this type of debate that we are having right here. He said this:

> The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle our posterity with our debt, and morally bound to pay those debts ourselves.

Thomas Jefferson, the author of the Declaration of Independence. I am amazed, as I serve in political office, the number of times I hear our distinguished colleagues come down on this floor not only here in the Senate but in the House, but even in the courts where decisions are made interpreting what our Founding Fathers said. I think our Founding Fathers would probably turn over a few times in their grave, maybe even do a rapid spin in their grave when they hear this stuff. Thomas Jefferson knew what he was talking about. He knew this could happen. He was against it.

Let me tell Members why it is immoral. A couple gets married. They decide to have a baby. In making that decision to have a baby, do they also plan where the baby will go to college? Do they plan where they are going to live to have that baby for 20 years? Do they plan the meals for that baby for the next 20 years? Do they plan the schools? Do they get the pencils and books and notebooks ready and the homework ready for each assignment before they decide to have the baby? That is what Senator Daschle's amendment is saying. Lay it out. Lay it out completely. We cannot do that. It is irresponsible. It does not make sense. Know what the problem is? We will not make the decision. That is the problem.

Another example. Take 50 American citizens, any citizens, anywhere in the United States. Put them in a room and say, "OK, do you agree we should balance the budget?" If the answer is "yes," you set about doing it. You may not like it, one person may not like what the other guy says cut, but you do it. You make the decision to do it. We have not made the decision. That is the bottom line. That is what our colleagues over there are saying. We have not made the decision.

Indeed, we do not want to make the decision. That is why they are being dilatory. That is why they are delaying. Frankly, it is an insult to those on their side of the aisle who have been distinguished in their leadership for this amendment, like Senator SIMON, Senator HEFLIN, Senator MOSELEY-BRAUN, and others.

In that declaration, Jefferson wrote majestically, very majestically, about inalienable rights with which man is endowed by his Creator and among those are life, liberty and the pursuit of happiness.

Can any one of my colleagues doubt that a crushing burden of national debt on our children infringes on their God-given right to pursue happiness? Right now every single American baby, born as I speak, is born some $17,000, $18,000 in debt because that is your share, each person's share of the national debt.

Lest there be any doubt where Thomas Jefferson would have stood on the balanced budget amendment, that doubt ought to be laid to rest by the following statement he made in 1798:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our Government to the genuine principles of its Constitution. I mean an additional article taking from the Federal Government the power of borrowing.

Taking from the Federal Government the power of borrowing.

How right Jefferson was. If you want to modify it a little bit, if you want to borrow, pay it back. Pay it back. That is what every single American has to do. Borrow money; pay it back. Do not pay it back; go to jail or lose your home or whatever it is that you put up for credit.

But we are asking our children to pay the cost—selfish, immoral, unconstitutional, in my opinion. According to Jefferson it would be. If we put it in the Constitution, it will be unconstitutional. That is why they do not want it in over there, because then they cannot play politics anymore, because then the decision has been made in the room and then we have to sit down and do the job. But we will not even sit down and do the job without the amendment. That is the issue.

Now, when you go to buy a home, you go to the bank. You borrow money. You buy your home. And if you are smart, you will get some type of insurance, mortgage insurance, so that if you die, your mortgage will be paid off and the home will be left to your children or your spouse, whatever the case may be.

But that is not what we are doing here. What we are doing here is, to use an analogy, we are buying a house, and what we are saying is I am not going to go to the expense of buying mortgage insurance. Hey, I am going to go buy myself a new car; I am going to go to Hawaii. I am not going to buy mortgage insurance. That costs too much money. I am going to make my kids cosign the note. I am going to make my wife cosign the note so if anything happens to me, they have to pay for it, not me. This is the now generation. I am going to have a good time. I am going to do my thing. I am not going to be responsible for this. Let my kids pay for it.

That is exactly what we are doing, and we have been doing it. The American people know it, and they are sick of it. That is why they voted the way they did in 1994. I cannot believe that some of my colleagues on the other side of the aisle have not gotten that message yet. I will tell you, I predict, if this amendment goes down, they are going to get the message in 1996, loud and clear.

Mr. President, there can be no doubt that the fate of this amendment, the fate of this amendment rests in the hands of about 12 or 15 Members on the other side of the aisle. That is the fate of not only this amendment to the Constitution, it is the fate of the United States of America.

In a few days, perhaps a week, 2 weeks, whenever it happens, we are going to be standing right here and we are going to be called. The clerk is going to say, "Mr. SMITH," and I am going to stand up, and I am going to vote "aye." And the clerk is going to call other names. Those who are going to say "nay"—and there will be many—do so at great peril because when those nays are tabulated, if we do not have the 67 votes that we need and this amendment goes down, the economic future of the United States of America and indeed the moral future of the United States of America is imperiled.

I say again, it will be a long, long time, Mr. President, before we ever get

back to it because I envision the consequence of this as being something along these lines. President X 20 years down the road, 50 years down the road—I do not know when it will be—will stand up and do a press conference and he or she will say, "My fellow Americans, I regret to inform you today that the United States of America must default on every single obligation it has because we cannot pay our bills."

I hope and pray that we do not subject our children and our grandchildren in any future generation to that press conference or any President to have to deliver it. I truly hope that does not happen. And it does not have to happen. We must make the decision. If you listen to the remarks of our colleagues, well-intentioned, it is a dilatory attempt to obfuscate the issue, to get away from the focus.

What do we hear? Oh, we are going to cut Social Security. We are not going to cut Social Security. Or we are going to cut off money to this State or that State and we are going to cut this and we are going to cut that.

Something has to be cut to balance the budget. The alternative is pass on the debt. And pretty soon—it might be 100 years, it might be 50 years; no one knows for sure, but it is not going to be too many—100 percent of our budget will be interest on the national debt.

In the year 2013, according to a bipartisan commission headed by Senator BOB KERREY and one of our former colleagues, Senator Danforth, they say by the year 2013 100 percent of our budget will be spent on interest and entitlements if we do not change it. It is immoral.

Sixty-seven votes, that is what we need. Now, many of my colleagues on the other side of the aisle are very proud of Thomas Jefferson, the founder of their party, and I implore them to listen to him. Listen to the founder of your party. He is right. He believed it was immoral for one generation to saddle another generation with its debt. Mr. President, he said that he wished it were possible to obtain a single constitutional amendment that said the Government did not have the power to borrow money.

It is not just Jefferson to whom our colleagues should listen. Let us jump up a little bit to Andrew Jackson, a pretty famous Democrat. Even though I am a Republican, he is one of my favorites—from Tennessee, I believe.

"Once the budget is balanced," Jackson said, "and the debt is paid off, our population will be relieved from a considerable portion of its present burdens and will find not only new motives to patriotic affection, but additional means for the display of individual enterprise."

Another great Democrat, Woodrow Wilson, spoke even more clearly on that issue, on the balanced budget amendment. This is what he said:

Money being spent without new taxation and appropriation without accompanying taxation is as bad as taxation without representation.

It is as bad as taxation without representation.

Wilson was the only President—I believe I am right—who had a Ph.D. in government. As a student of government, Wilson knew that the American revolution was sparked by a moral uprising against taxation without representation, which was imposed by the British on the American colonies. Thus, it can be said that to liken deficit spending to taxation without representation was perhaps the strongest possible denunciation that Wilson knew how to make. It is pretty heavy company, to put it in the company of taxation without representation.

This should not be a partisan political issue. It has not been a partisan political issue. Senator CRAIG and Senator SIMON have worked together side by side on this issue for years. It is not a partisan issue. Why are we making it a partisan issue? The American people said to us: Work together. This is the time to work together for the good of the country. This is a perfect example, the best example I have seen in any item we have had, with the possible exception of the vote on the Persian Gulf war, to say we are going to get together in a nonpartisan way and do what is good for the country for a change. I am proud to have the support of my distinguished colleague, who is on the floor now, Senator SIMON, and Senator HEFLIN, and Senator MOSELEY-BRAUN, and others—I am proud of it and I am proud of them. It is not partisan.

On the House side, I think it was 72 Democrats who voted for the balanced budget amendment, including a young Democrat from Massachusetts by the name of JOSEPH KENNEDY II. That is a pretty famous name in American politics.

None of us are going to serve here forever—God forbid we ever serve here forever. When we leave—I speak for myself—when I leave, I would like to be remembered not as some partisan politician who opposed everything the other party was for, but as somebody who tried to be a statesman, who tried to do what was right for his country.

I am standing now in front of the desk used by Daniel Webster—Daniel Webster's desk. His name is inscribed in it in the drawer. It is one of the few original desks in the Senate. He was one of the greatest orators of all time. He served here at a time prior to the Civil War when the debate was hot, and many times he stood in the Chamber of the U.S. Senate and spoke out forcefully on various issues.

But when you stand before the desk of someone who has served here before you of the stature of a Webster, you know the time is fleeting. You are only here for a little while. It is a very insignificant time. This is not my seat. This is a seat that belongs to the people of New Hampshire. That is whose chair this is; that is whose desk this is. It is not mine. I am only going to be here for a short time. Somebody else will fill it. Regardless of when I leave, there will always be somebody there.

But the vote we cast on the balanced budget amendment will be one of the most important votes I believe I will cast in my time here, because it affects the future of our country.

I say to my colleagues with the greatest respect, those on the other side—the reason I keep saying "those on the other side" is because we have, I believe, 52 or 53 of our colleagues who are for this amendment. So the balance is held by a few on the other side of the aisle. I say to you in all good conscience, vote to be worthy as a successor of Thomas Jefferson. Be worthy of that. Honor your party leader. Make a vote that you will be proud to talk about, to place in the center of your legacy to your posterity, a vote in favor of a balanced budget amendment.

I would like to focus briefly—and then I will yield the floor—on the amendment offered by the minority leader, Senator DASCHLE. This is basically an amendment to an amendment to the Constitution. It is a killer amendment. It is going to kill the amendment, if it passes, because it is unconstitutional. It will be challenged. It will not work. You cannot put something between what the Congress passes and the State legislatures before they approve it. That is unconstitutional—everybody knows it. So why is it up here? It is up here because some on the other side do not want to make those hard choices. They do not want to make the choices. They know they do not have to make the choices if we do not pass this amendment. That is the point.

We can talk forever. That is all we do around this place is talk. It is time to act. We have to pass the amendment or it will not get done.

You say that is not true? I heard the distinguished minority leader say that is not true. We need to make the tough decisions. The Senator from Washington, while I was in the chair a short while ago—we can make the tough decisions. Let me just comment on the tough decisions.

In 1921, we passed a statute and it required the President to make recommendations to Congress whenever there was an estimated deficit or surplus.

In 1964, we passed the Revenue Act of 1964, a sense of the Congress to balance the budget.

In 1978, we passed the Revenue Act of 1978. It called for a balanced budget by the year 1982.

The Bretton Woods agreement, in New Hampshire in 1978, known as the

Byrd amendment, required a balanced budget by fiscal year 1981.

In 1978, we passed the Full Employment and Balanced Growth Act of 1978, the Humphrey-Hawkins Act, including a provision calling for a balanced budget.

In 1979, we passed a temporary increase in the public debt limit and it required Congress to balance the budget. We called on the Budget Committees and the President to produce balanced budget plans.

In 1980, the Bretton Woods Agreement Act of 1980, the Byrd amendment, reaffirmed Congress' commitment to a balanced budget by fiscal year 1981.

In 1985, we passed a Balanced Budget and Emergency Deficit Control Act, better known as Gramm-Rudman-Hollings. What happened to that? The rest is history.

In 1987, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 revised Gramm-Rudman-Hollings and set the deficit targets to require a balanced budget by the year 1993.

And finally, the Budget Enforcement Act of 1990, which revised maximum deficit targets to reduce the deficit $83 billion by fiscal year 1999.

Here we are. We started in 1921. We have all these wonderful acts we have passed requiring all these balanced budgets, and we are almost $5 trillion in debt.

What more proof do you need than that? How much clearer can I make it than that? It does not work. Congress will not do it—period. That is why we need the amendment.

If I did not think we need the amendment, I would not be for the amendment. I wish Congress had done this. I wish they had balanced the budget. I wish they had the guts to come up here and do the job. I wish they had done it in 1921, 1985, 1987—all those years I mentioned. But they did not.

Republican Presidents, Democratic Presidents all through the years, and Republican Congresses, Democratic Congresses—there is enough blame to go around. There is plenty of blame to go around. We did not get the job done and we are never going to get it done because we are going to hear all these horror stories. This is what you are going to hear next week: The Republicans will not exempt Social Security; we will not exempt Social Security from the balanced budget amendment and therefore we want to cut Social Security.

You cannot exempt Social Security. Do you want to put Social Security in the Constitution? You cannot do that because do you know what will happen? Everybody will put everything under Social Security. We will probably have aid to some of our States in the Constitution—we will put that under Social Security. We will put anything you can think of that you want to protect, stick it under Social Security. And what will happen? We will drain the Social Security trust fund.

So those who say this amendment exempting Social Security is going to save Social Security are dead wrong. Those out there lobbying in favor of it are also wrong. I say to my senior citizen friends out there, beware of a wolf in sheep's clothing, because it is going to destroy Social Security, it is not going to save it. The way to save Social Security, believe me, is to pass this amendment to the Constitution of the United States requiring a balanced budget. That is the way to save Social Security. We cannot get there without the amendment because people will not do it.

If people over the years really wanted to do it, if the moral argument does not turn you around, what will? If knowing that your children are going to have to pay for what we are doing does not turn you around, what will? The answer is nothing.

I saw the charts that the minority leader had up there. He had a chart that said that if in order to balance the budget, if we take defense, Social Security, and interest on the debt, which we cannot until we reduce the debt, and exempt them, which everybody says we have to do, then Medicare has to take a hit, the IRS has to take a hit, the Immigration and Naturalization Service has to take a hit, the FBI has to take a hit, Medicaid has to take a hit, veterans have to take hits, and retirees have to take hits. Put them all up there. Scare everybody to death. But when we go broke, what is there for the veterans? You have a family. You invest. You open up a business. You fall on hard times, and you loose the business. The bank is not going to do it. The bank says they need the collateral and they need it now. You are a year behind. It is gone. That is the way it works. So what is left then? Nothing.

We have to have the courage to take this issue on. We should not be debating and talking about how hard the cuts are going to be. Of course, they are going to be hard. They are going to be very hard. They are going to be very painful. The American people want to know the truth. They deserve to know the truth. We ought to be telling them the truth instead of politicizing this thing on the floor of the U.S. Senate hour after hour talking about how terrible these cuts are going to be. Of course, they are going to be terrible. They are not going to be as terrible as the consequences of going bankrupt and defaulting on every single loan, and every single fiscal obligation we have. Nothing is worse than that. That is what is going to happen. That is exactly what is going to happen, my colleagues.

So if you assume that under this right-to-know provision, as sponsored by the minority leader, if we assume that we have to have the right to know everything—that is, we have to know where that baby is going to live, where that baby is going to go to school, what meals that baby is going to eat, and where that baby is going to go to college before we have the baby—if we have to do that, then we are not going to get there; period. You are not going to have the baby. You will be so frustrated.

That is exactly what we are talking about here. They are not going to do it. We are not going to balance the budget. We are not going to do it without the amendment. How much more proof do you need than what I have given you? We will not balance the budget until we get the amendment and are required to do it. We have had plenty of time.

I was very excited when I came here in 1985 to the Congress of the United States and shortly thereafter the Gramm-Rudman-Hollings balanced budget amendment passed. Warren Rudman, the Senator from New Hampshire—with a lot of fanfare, and a big deal. We are going to balance the budget, and have it laid out. It is right. True. We had it laid out. What happened? We voted to change it, change it, roll it back and roll it back, and we piled up $2 or $3 trillion since then. We are going to keep right on piling it up.

I tell you. If we lose this vote sometime this month, when we have this vote, if we lose it, somebody is going to be standing here at Daniel Webster's desk some years from now looking at a $12 trillion debt. Then what are we going to do? That is what is going to happen.

I urge my colleagues in the strongest way that I possibly can, out of moral concern—moral concern, forget the economics, forget the politics—moral concern, I urge my colleagues to please consider the damage you are going to do to future generations in this country without this amendment. If we do, then we can get the job done. Without it, I would be the first person to stand up here and say we cannot, and we will not. We have to do it with the amendment. Putting something in between passage of this amendment on the floor and the State legislatures, three-quarters of which have to ratify, is unconstitutional. It is dilatory. It is not going to work. It is obfuscating the issue.

I urge my colleagues to step up to the plate, and do what is right for the country. Put the politics aside. Tell the truth to the American people that we cannot afford not to have this amendment because we cannot afford not to have a balanced budget.

Mr. President, I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President.

I wanted to compliment the Senator from New Hampshire for the fine speech. I was here to listen to the majority of it. I think his comments on having the baby are very appropriate. We have one on the way. It is due in July. If I were to sit down and think about all the bills I had to pay and all the things I have to do, all the things—maybe I could play golf, do all these things I really do love to do, wonderful things in my life that I have to give up for that baby—I might sit there and selfishly think I had better not have that baby. But you have to look at the other side. All the joy that it gives you in providing for the future, all the love and support that you are going to get from that child and the wonderful relationship, and knowing that you are doing something to preserve the long-term future of our country. The birth of that child which you will nurture and bring up to being a responsible citizen of this country, it is exactly the same. We have that same responsibility to this country as I do to this child, to bring them up in a sound, responsible fashion to lead for the next generation to make a contribution, to give them the chance.

So I think the Senator's analogy hits right on point. It is one that obviously my wife and I have. When we found out that she is pregnant, we were just overjoyed—overwhelmed at times given the cost—but overjoyed with the opportunity to do something for the future, to make our mark. We have a chance right here to make our mark. We have a chance to make our mark right here.

The minority leader's right-to-know proposal, I think, is one of the most dastardly amendments that we could consider because it really does focus on the wrong thing. I hear so many say, "Well, we have a right to know how you are going to get to a balanced budget." No, no, no. You are wrong. We have a right to know how you are going to get to a balanced budget. That is who has the right to know.

You see, those of us who are for the balanced budget must get to a balanced budget. We have to. We signed up. We say we are going to do it. We are going to be required in the Constitution to do it. We do not have to show you that we are sincere about getting to a balanced budget because we pledged to do it, and we are going to put it in the Constitution to make it.

It is those who come to the floor who sign the right-to-know pledge who say they are for a balanced budget who have the obligation to come to this floor and say, "How are you going to do it without it?" They are the people who have the burden to come forward and say how are we going to make this happen given the fact that we do not have the balanced budget amendment. You show us or do not come to this floor and say you are for a balanced budget but you are not for a balanced budget amendment. Unless you can show us how you are going to get there, how this Senate and this Congress are going to work together to put together a balanced budget by the year 2002, unless you show us that you are serious about getting there, then do not come and ask us how to show it. We are making that commitment. We are showing you by this vote that we mean business.

I know a lot of Members are going to come here and say they are for a balanced budget. My question to them is, "When? Next year, 2002, 2005, 2010?"

That is the real issue. I hope that we can get back to the real basic core of this debate, which is whether we are going to put in place the obligation for us to make sure that those children that the Senator from New Hampshire was talking about are going to have a secure and safe financial future.

Mr. CRAIG. Will the Senator yield?

Mr. SANTORUM. I am happy to yield.

Mr. CRAIG. The Senator is so accurate about what he says about where the obligation rests. Those of us who have championed the cause of a balanced budget amendment and have argued that—and I think all of us currently on the floor have agreed in the text of the current balanced budget amendment.

Within the next 48 hours the President of the United States—who stood on the floor of the other body for the State of the Union about a week ago and announced the concept of a balanced budget, and said, "Show me how to balance it"—will be introducing his new budget. That new budget has $190 billion in deficits as far as the eye can see. This President with a straight face is going to look the American people in the eye and say I am going to put at least another trillion dollars to that $5 trillion debt that our colleague from New Hampshire just spoke about.

That is responsibility? No, it is this President's obligation and his party's obligation—or at least those who are advocates of this new amendment that has just been proposed—to come up and say, here is how we get it done under our vision, because if they are committed to trillions of dollars more of debt structure, they are in fact being irresponsible.

I thank my colleague for yielding. I think he is so accurate in those observations. I congratulate him on his tremendous strength and support of this issue.

Mr. SANTORUM. I thank the Senator.

I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, the Senator from Tennessee seems to be stuck presiding whenever I am speaking here. He has my sympathy.

I want to slightly differ with my friend from Idaho in that I think, to the President's great credit, in 1993, he did come forward with a program to move that deficit down. The problem is that was a brand new President in a honeymoon period, with both Houses of Congress in his corner. It was a first step. But there is no indication that we are willing to make further steps, and that is why we need the constitutional amendment. And my colleague from Idaho and I agree on that.

Senator SMITH mentioned that a large majority of Americans are for this, and he also said we are going to have to make some hard choices. What is also true is, according to the Wirthlin poll, that while 79 percent of the people in the United States are for this, 53 percent believe they are going to have to sacrifice if we get it. The American people understand that. But they also, in some vague way—they may not know the General Accounting Office statistics, but the General Accounting Office says if we are willing to sacrifice a little, by the year 2020, our children and grandchildren can experience a 36-percent increase in their standard of living. That is powerful. That is what we ought to be looking at. So I can sacrifice a little—and I have said this half a dozen times, and you are going to hear me saying it again—I have to sacrifice a little so that my grandchildren can have a better future. That is what it is all about. Are we willing to do that?

Earlier today, one of our colleagues asked, "What do we do if we have a recession?" That was implying that we are not able to respond if there is a recession. But what do we have to do if there is a recession and all of a sudden outlays exceed receipts? First of all, we are implementing legislation—we made clear in committee, and we will make clear in the legislation that there has to be some flexibility in a $1.6 trillion budget. You cannot, right down to the dime, work things out. The best way to protect against that is what has been suggested by Alan Greenspan and Fred Bergsten, and some of the others, that is building up a surplus so if there is a dip in economy, you are not in a deficit situation.

The second thing we will make clear is that if it is within 3 percent of being balanced—so on a $1.6 trillion budget, that is $48 billion—if you are $38 billion or $30 billion in the red, that is considered a balance, but you shift that over to the next fiscal year. So you have that option.

Third, we can simply, with 60 percent of the Senate and 60 percent of the House, vote to have that amount in deficit. So there are really a number of options, and the idea that we are frozen and we cannot do anything in a recession—it is very interesting that in past recessions, we have extended unemployment compensation for the people

of Pennsylvania, for the people of Tennessee, for the people of Maryland, for the people of Illinois. And in these recessions—it is very interesting—I have been able to find only one time, I say to my colleague from Maryland who spoke on this, when we did not get 60 votes for an extension of unemployment compensation. That was in 1982.

Listen to those votes: 92–8, 92–1, voice vote, 75–18, 84–10, 84–16, 61–36, voice vote, voice vote, 86–14, 85–10. It is clear that we have the ability to respond.

(Mr. SANTORUM assumed the chair.)

Mr. SARBANES. Will the Senator yield on that point?

Mr. SIMON. I will be pleased to yield, but I will yield only for a question, and I want to retain my right to the floor.

The PRESIDING OFFICER. The Senator has the right to yield for a question.

Mr. SARBANES. I say to the Senator, is he talking about extending unemployment benefits?

Mr. SIMON. Yes, which we have done in recessions.

Mr. SARBANES. But, by definition, Mr. President, the extension of the unemployment benefits is a crisis response to the fact that we find ourselves in a fairly serious recession. The fact of the matter is that we start running deficits related to the developing unemployment situation well ahead of the crisis which surrounds extended benefits. The increased payments under the regular unemployment insurance system would provoke the application of this balanced budget amendment.

The Senator says if we get in a serious economic situation, surely 60 Members will vote to waive this provision. I do not want to argue whether they will or will not. You have no guarantee that they will and, in fact, a minority may not want to make that adjustment. I will leave that to one side, because the Senator from Illinios is talking about acting once we are "in the soup," so to speak.

The way these fiscal stabilizers are established, as soon as the economy begins to weaken, we begin to go out of balance in order to compensate for weak economy. That is the success we have had for the last 50 years in offsetting the business cycles. This chart shows the fluctuations in GDP since 1890. Look at the fluctuations we used to have, the boom and bust cycles we had in this country. We have been able to control this through the use of fiscal stabilizers.

Mr. SIMON. I yielded to my colleague from Maryland for a question. I would be happy to have his question here.

Mr. SARBANES. Mr. President, the question is simple: How are you going to avoid these boom and bust cycles?

Mr. SIMON. The answer is that we are not going to eliminate economic cycles in this country. There are going to be dips. I favor automatic stabilizers, and we have some. Unemployment compensation is one. Social Security is another. It is a very solid stabilizer.

I favor creating more that are automatic stabilizers in this kind of a situation. But, Mr. President, I point out to my colleague—he was not on the floor when I said that we can build some small surpluses in.

Former Assistant Secretary of the Treasury, Fred Bergsten, whom the Senator from Maryland knows well, says we are frozen by our deficits from responding. That is why we could not, even with a brand new President, and both parties of Congress of his party, pass a $15 billion job stimulus program, because we saw this huge deficit.

Fred Bergsten said, build in a 2-percent surplus and then have some automatic programs that kick in when unemployment goes above a certain level in Pennsylvania or some other place. That makes infinitely more sense than what we are doing now. And if we continue on the present path, we are inviting economic chaos.

I point out further to my colleagues here that the Investors Business Daily had this substantial item I put in the RECORD the other day pointing out that this idea that we stabilize the situation and we reduce recessions just does not work. The National Bureau of Economic Research came out with a paper recently, written by two University of California economists, which says, "Our main finding is that monetary policy has been the source of most postwar recoveries," as it has been of this recovery.

When those interest rates went down—thanks, I say, to Bill Clinton and his courage in facing this recession—our economy picked up.

And Data Resources, Inc., says, if we pass this, when we balance the budget we are going to have a 2.5 percent reduction in interest rates.

But here is what the University of California economists say:

> Our main finding is that monetary policy has been the source of most postwar recoveries. While limited fiscal actions have occurred around most troughs, these actions have almost always been too small to contribute much to economic recovery.

Mr. SARBANES. Will the Senator yield on that point?

Mr. SIMON. I will not yield at this point.

Mr. SARBANES. OK.

MR. SIMON. An article in the Public Interest by an economist named Bruce Bartlett makes the same point, but my colleague from Maryland may not believe them.

Here is the report of the Joint Economic Committee of the Congress. One of the members of that committee is a fellow named PAUL SARBANES. Here is Lloyd Bentsen speaking, as he says, clearly in a consensus for both parties in the joint economic report. Here is Lloyd Bentsen's language:

> Examining actions taken to combat these economic slumps over the last 35 years, the committee is convinced that Government responses too often have been too late and too ineffective to influence recessions.

Do not take my word for it. Do not take the word of all these economists. This is Lloyd Bentsen, not a Republican—nothing against my Republican colleagues—chairman of the Joint Economic Committee, in behalf of the joint committee, and, as he says, it is the consensus of that body—that includes Bill Proxmire, Abe Ribicoff, TED KENNEDY, George McGovern, PAUL SARBANES, Jacob Javits, BILL ROTH, Jim McClure and Roger Jepsen on the Senate side, plus a number of people on the House side, including someone both of us respect a great deal, Henry Reuss, who for many years was a Member of the House and was chairman of the Banking Committee and a very distinguished Member.

Mr. SARBANES. Will the Senator yield, since the Senator mentioned me?

Mr. SIMON. Yes, I am pleased to yield. I wanted to make that point.

Mr. SARBANES. First of all, I agree with that statement. The response has often been too little and too late, which only underscores the problem as set out by the Senator earlier.

He said, "Surely if we go into a recession, we will join here to waive the requirement and make the extended unemployment benefits available." The fact is we have done that too late.

What the Senator is not recognizing is that the way the stabilizers work now, they kick in as soon as the economy slows down. We then start running a deficit. Under the balanced budget amendment, we would not be able to do that. You would not be able to run the deficit until you convene and got your 60 votes in order to do the waiver. By that time, you are on the downward slope.

Mr. SIMON. I reclaim my time.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. SIMON. I reclaim my time to point out there is absolutely nothing to prevent us from responding.

There is something to prevent us from responding irresponsibly, and that is what we have been doing. We have been saying, basically, "The heck with our children and our grandchildren and future generations. We are going to give a political response."

Now, there is no question we are going to have to make some hard choices, but I think it is essential that we make those hard choices. And I think, whether it is the Senator from Maryland or the Senator from Tennessee or the Senator from Pennsylvania or the Senator from Illinois, we have to keep in mind what the GAO says, and that is if—and they use the year 2001, this was a June 1992 report—by the year 2001, we balance the budget, by the year 2020 there will be a 36 percent increase in the standard of living of all of our people.

Mr. THOMPSON. Will the Senator yield?

Mr. SIMON. I am pleased to yield to my colleague from Tennessee.

Mr. THOMPSON. To make sure I understand, in answer to the question of the Senator from Maryland as to how this amendment would operate, he is under the impression, apparently, that we would have difficulty in responding, as he suggested, because it might put us in a deficit situation.

I am wondering whether or not, however, the Congress would have the opportunity subsequent to that action any time within that fiscal year to come up with a three-fifths vote and, in effect, ratify the previous action. In other words, does the Senator subscribe to the concern of the Senator from Maryland or is this an answer to that?

Mr. SIMON. There is no question that is one of the options. I would add, Data Resources, Inc., says if we adopt this, we are going to create 2.5 million more jobs in this country.

Mr. SARBANES. What is the option on responding to the recession?

Mr. SIMON. In response to the question of the Senator from Tennessee, Mr. President, it is that we face basically three options. One is to build in a surplus, which I favor and which others have indicated they favor so that you have this cushion.

And maybe there are really four options.

The second is to build in additional automatic stabilizers so that you build up a fund and if you have a dip in employment in Tennessee, the President would be authorized to immediately launch some projects there.

Mr. SARBANES. Will the Senator yield on that point?

Mr. SIMON. Let me finish responding to your question and the question of the Senator from Tennessee.

The third option is that we build in, as we have discussed in committee, because you cannot balance everything down to a dime, that in a $1.6 trillion budget you might have a 3 percent leeway where that could then be shifted over to the next fiscal year.

And the fourth option is to get more than the 60 votes. And we have shown over and over and over again we have the ability to do that. And we have done that, you know, for earthquakes in California, for storms in Florida and Louisiana, for floods in Illinois and Missouri. We have done that over and over. So I do not think that is a great problem.

Mr. THOMPSON. Will the Senator yield?

Mr. SIMON. I yield to my college from Tennessee.

Mr. THOMPSON. As I understood the concern of the Senator from Maryland it is that for each action anywhere within the fiscal year we would have to get a three-fifths vote together immediately to take any action. However, I was under the impression that that was not the case; that subsequent to any action, any time within the fiscal year, Congress would have the option to ratify the action or perhaps take other measures that might counterbalance it. In other words, there would not be a succession of crises all along the way. The obligation would be to have a balance at the end of the fiscal year.

Mr. SIMON. Mr. President, it seems the obligation to have a balance at the end of the fiscal year—I would have to say someone might have a point of order at some point. If someone wanted to launch a $100 billion program, and that clearly would create a deficit situation.

Mr. THOMPSON. Even though technically we would not know, even then.

Mr. SIMON. That is correct. So ultimately we are at the end of the fiscal year.

Mr. SARBANES. Will the Senator yield on those points?

Mr. SIMON. I will be pleased to yield for a brief question.

Mr. SARBANES. Maybe I will reserve and answer the Senator's points, point by point. I thought the Senator might prefer an exchange, but if he wants to do it that way it is fine by me.

Mr. SIMON. Mr. President, I want to touch on one other point, and then I will be leaving the floor here.

The question has been mentioned about capital budgets, and that States have capital budgets. Now, frequently, States have to. But I also have to add, and I say this as a former State legislature in Illinois, frequently States take advantage of this.

The State decides—in Illinois—does not need to have bond issues. We are now spending huge amounts of money on interest. We do not call it deficits but we issue bonds. It is not wise. The biggest capital budget in the history of humanity, not just the history of our country, has been the Interstate Highway System. It was proposed, to his credit, by President Eisenhower. But President Eisenhower said, "Let's issue bonds to pay for it." And a distinguished Senator from Tennessee, the father of our Vice President, Senator Albert Gore, Sr., said, "Let's not issue bonds. Let's do it on a pay-as-you-go basis, and let's increase the gasoline tax." And we did it.

As of about a year ago the estimate was that we saved about $750 billion in interest because of that. What project is there that the Federal Government does today that requires that we have to issue bonds? The biggest single thing we do is a nuclear carrier. That will cost about $6 billion. We will say inflation goes up to $8 billion, pay for it over a period of 4 to 6 years. In a 1.6 trillion budget, we can do that.

Second, it is very significant that we were putting a lot more money into capital investments when we were not paying $300 billion-plus for interest. Our investment budget has gone down with these deficits, not up. Our fiscal imprudence just does not make sense.

The General Accounting Office has said we ought to divide our budgets into investment and consumption. The General Accounting Office also warns against using capital budgets as an excuse for deficits. It would be a great mistake to follow that line.

There is no question, Mr. President, if we have the courage to adopt this amendment, we are going to face some tough choices. And we are going to have to squirm. And we are going to have to cast some unpopular votes. If balancing the budget were popular, we would have done it a long time ago. It is popular in concept but as soon as I say, "We will have to step on your toes in spending," then, all of a sudden, it does not become popular.

I would add one other point: My friends who say we can balance the budget without a constitutional amendment—first of all, they gave that speech in 1986 when we failed by one vote. Then we had a $2 trillion deficit. Now it is $4.7 trillion. We have an obligation to spell things out, and I think we should spell out, in general terms. Not as suggested precisely by Senator DASCHLE's motion. But I think in general terms we do have an obligation. I think we should move on that right after this is adopted.

But if we have an obligation, so do our friends who oppose this, who say we can do it without a balanced budget. We have this advantage. The most conservative estimate on savings on interest with the adoption of this is by the Congressional Budget Office. They say we can save $140 billion in interest. Data resources, Inc. is talking about $500 or $600 billion in savings. Plus when interest goes down, revenue goes up.

We are talking about how we, because we exercise some discipline, can build a better future for our country.

I am never going to be a candidate for anything again, Mr. President. Maybe I will run for the local school board or something like that, but I will not run for the Senate. I will not run for Governor. I will not run for President. I am interested in doing something for the future of my country. Here we have a chance to do it. Let Members not miss this opportunity. I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. I thank the Chair. Mr. President, I want to comment on a couple of points that have been made.

First of all, on the capital budget issue, most economists estimate that of the current official budget, anywhere from $125 to $200 billion—depending on the standard used of what we spend—would be a capital expenditure if we had a capital budget.

It is important to understand that because what the Senator from Illinois and his adherents are pushing for here is to balance the budget, encompassing what State and local governments or businesses would treat as a capital budget.

These are the items that any prudent, well-run business or State and local government would say represent investments in the future. These are assets that have a long useful life, and therefore it is reasonable to provide for them by borrowing and then amortizing the expenditure over the life of the asset.

That is what individuals do. In fact, most people, when they buy a home do not balance their budget in the year they buy the home. They go very deeply into deficit. Only those who can pay for the home out of cash are able to say that they are not incurring a deficit in that year. If they were bound by an amendment such as the one we are talking about here, they would not be able to do that.

Most people, assuming that the size of the mortgage they are getting bears a proper relationship to their income and their employment prospects, regard borrowing as a prudent thing to do. In fact, we say to young people,

You ought to go ahead and buy a home. You have enough income to sustain the mortgage payment and you have the use of this asset. You would be building up home equity instead of paying rent. Why not go ahead and do it?

Businesses make this type of investment decisions. They go out and borrow in order to enhance the productive capacity of their businesses.

We do have the problem whether at the Federal level we are incurring the deficit for consumption or investment. I think if it is being incurred for consumption, there is a very strong argument against doing that because we are enhancing today's living standard by throwing the burden on tomorrow.

I heard the Presiding Officer talk about the responsibility he feels toward his offspring that is coming, and that is a reasonable statement to make. However, if it is an investment that is being made for the future, borrowing may be a very smart thing to do. Is it imprudent and irresponsible to incur a reasonable amount of debt in order to educate your children?

Suppose you cannot afford at the moment the full cost of your child's education out of your current income flow? But you know that if your children are educated, their earning capacity will be enhanced. I am able to carry this obligation over time if I treat it as a capital asset and amortize it. I think most middle-class people do that in meeting the college or professional school costs of the education of their children.

This distinction is made at the State level—the States would not balance their budgets if they kept their books the way the Federal Government does. Most States have an operating budget which they are required to balance. They have a capital budget which they fund by borrowing. They are very explicit about borrowing.

We had two Governors who testified only 10 days ago that having a balanced budget requirement at the State level helped them to maintain a good credit rating.

Now, why do they need a good credit rating if they are not borrowing? They have a balanced budget requirement and which is helpful to them in maintaining a good credit rating.

The reason you are concerned about having a good credit rating is because you are borrowing. They acknowledged under questioning that only the operating budget must be balanced, and they make active use of a capital budget for which borrowing is permitted. So this obligation you are placing upon the Federal budget would be the equivalent of saying to every State you must balance not only the operating budget but you must fund the capital budget out of current revenue. It could be the equivalent of saying the same thing to private business or to individuals. If we had capital budgeting at the Federal level now, the deficit problem would be very significantly diminished, because a fair amount of what we are spending are on capital items which under any reasonable capital budgeting approach would have been placed in the capital budget, and in most places then financed through borrowing.

That is why these Governors want to have a good credit standing. I have a State that runs a very responsible fiscal policy, and they are one of five States with a AAA bond rating. That is important to us. But the fact is that we are still borrowing in order to carry out our capital projects. We get a very good interest rate on doing that, better than most States, but we are still not doing the capital budget out of current revenues.

Now, let me turn to the problem about economic downturns, and whether they will be precipitated into a recession and in turn a depression.

What we have managed to do is build into the workings of our fiscal policy automatic stabilizers. If the economy declines, we lose revenues because people lose their jobs, they are not paying taxes, and we also increase expenditures because they receive income support payments—unemployment insurance, food and medical supplements—in order to sustain their family. The consequence of the increase in expenditures and the reduction in revenues is that you get a deficit.

Now, if you try to eliminate that deficit as the economy is moving downward, you are only going to drive the economy down further. You are going to push it down into the hole. This is what happened all through the last century and through the first half of this century.

Mr. President, I invite your attention to this chart about the percentage change in our gross national product beginning back in the 1890's and coming forward until today.

This drop is the end of World War II. It was after World War II, learning from the experience of the Great Depression, that we built in these automatic stabilizers which, when the economy went soft, would in effect seek to offset that deterioration by compensating aspects in the Federal budget.

What has happened because of that is that we now have been able throughout this postwar period to avoid the very deep boom and bust cycles that we previously had experienced.

We still get some fluctuation in the business cycle, but we have been able to diminish them very significantly. There are tremendous economic benefits that flow from a more stable business cycle.

The question becomes how are you going to address that situation as it develops? My friend from Illinois says we will get together and 60 votes will certainly waive the requirement and we will then incur the deficits which need to be incurred to offset this.

He then, quoted from a study which said that the use of fiscal policy had been too late and too little, generally speaking, in the post-World War II period. And I indicated to him that I agreed with it had been too late and too little.

It has been too late and too little without the constraint of a balanced budget amendment and without the requirement of a supermajority to have a more responsive fiscal policy, it defies logic and rationality to anticipate under this changed circumstance that the action is going to come earlier and in greater quantity than heretofore experienced.

Mr. THOMPSON. Will the Senator yield on that question?

Mr. SARBANES. Sure.

Mr. THOMPSON. Does the Senator believe that we have been too late and too little because of just a willful refusal to address it or perhaps because of Government's inability to fine tune the economy and to predict where it is going to be even a short place down the road?

Mr. SARBANES. I think at the moment we have a certain stabilizing benefit that comes automatically. For instance, the unemployment insurance plan. But it is limited. Then we go into a downturn, and we say we have to extend the unemployment insurance benefits. But by the time you reach that point, you are on the downward slope and you look around and you have a pretty serious situation on your hands.

Now, as we start on the downward slope, we often do not recognize it at

the time. The automatic stabilizers start working right away.

It is my own view we would not admit or recognize a situation that required a response in time. In fact, I doubt even if we can get a majority requirement early in the downturn. I will not argue for the moment whether later, when things are really falling to pieces all around you, whether you can get the 60 votes or not. Some think you would have difficulty doing it even then. I am focusing on to what extent you get on this slope and how much momentum begins to build in a downward direction before you are able to check it.

We have done a pretty good job here in the post-World War II period. We get ups and downs, but only in a couple of instances have they actually crossed into negative growth. So we have been able to keep the economy in essentially a positive growth mode with varying degrees of ups and downs and stability. But this is a marked contrast of what we used to go through.

Mr. THOMPSON. If the Senator will yield for a moment? Is it the Senator's understanding of the constitutional amendment proposed that, if early in the fiscal year a need was perceived to take such action as the Senator just described, that there must be an immediate vote with a 60 percent majority at that time? Or could that vote be taken at a subsequent time within the fiscal year?

Mr. SARBANES. That is a good question. I do not think the amendment fully answers that question. I think one might well go into court and assert if we had taken measures to incur a deficit, that in effect would end up violating this provision and ought to be restrained by court. Whether a court would pick up on that I do not know.

I take it the Senator's argument is we could do it in June and we would have until September 30, somehow, to work this thing out. The trouble with that is the recessions do not turn around in a quarter or two quarters. Once you get on a downward trend it takes a little bit of time to come back up. You are fighting to hold it back.

The point I make to my distinguished colleague is the more momentum that builds up in a downward direction the harder it is to check it and bring the economy back. It is always better to respond early because usually that means you can address the situation with a lesser amount than will be required later when the economy is driven deeper into the hole.

So I understand the point the Senator is making. I do not know the answer to it. But even if one were to answer it in the direction in which he presupposes, I do not think it helps very much because we are going to come up against that fiscal year before long and then we are going to be faced with an absolute crisis: What to do prior to the end of the fiscal year, in terms of the amendment. This amendment does not require a budget balance over the business cycle.

Mr. THOMPSON. Suppose——

Mr. SARBANES. A budget balance over the business cycle would have more rationality to it. It still does not address the capital budget point.

Mr. THOMPSON. Pardon me. The underlying question—we will set aside the previous question. I am sure others can address that in terms of when the vote must be taken or whether or not there is any leeway. My impression is that there is probably substantially more leeway under this amendment than the Senator believes that there is.

I guess my underlying concern is, and question is the extent to which the Government has had success in fine-tuning the economy by fiscal policy?

It seemed to me the Senator from Illinois was very persuasive, and the economists he quoted, of the proposition that we have not been very successful along those lines and that it, in fact, has had to do with monetary policy more than fiscal policy which would not be addressed by the concern of the Senator.

Mr. SARBANES. My answer to that is it depends on your definition of success. I happen to think that the fiscal stabilizers in the post-World War II period have been a success. And I think it is a consequence of a combination of fiscal and monetary policy.

It is the same process used by other countries. It is not as though I am putting for an analysis something that is only used by the United States and not used by others. Countries have sought to avoid what they experienced, which of course culminated in the Great Depression in 1930's when we had an absolute collapse with respect to our gross national product. We had a 15-percent drop in gross national product.

Franklin Roosevelt came in and he said we are going to balance the budget. Hoover was running deficits in the budget. Everyone said you have to balance the budget. Hoover tried to balance the budget unsuccessfully. The effort to balance the budget, I am asserting here, in those economic circumstances, worsened the economy.

Roosevelt came in and said we are going to balance the budget. Then they got in there and they came to realize if they tried to balance the budget in those economic times they were only going to worsen the state of the economy. More people would be out of work. There would be less purchasing power and the spiral would continue to go downward. That is when they moved in a different direction.

I am not arguing you should have unrestrained or unlimited deficits. Obviously you need to be very prudent. I am trying to make the point, first on the capital budget, that this amendment requires you to pay out of current income for items that virtually everyone else in the economy pays on a capital basis. In other words they borrow it and pay for it and they regard that as a prudent measure.

Second, I do not think the amendment permits the flexibility necessary during economic downturns. It says "Total outlays for any fiscal year shall not exceed total receipts for that fiscal year," unless you use the escape clause.

This also means you cannot do anticipatory budgeting. We now have a concept that we build up a surplus in a trust fund and then use it in difficult circumstances. That is what we do with unemployment insurance. So when the economy is running well, the income into the unemployment trust fund is greater than the outgo from the trust fund. We build up a balance in the trust fund. The thinking is that then when we hit a tough economic time in which the payments out will exceed what is flowing in, we will use up the balance in the trust fund that we have built up.

This amendment would not allow you to do that because in the outyear, it makes no provision for having outlays in excess of receipts. If everything else was in balance and you sought to pay out of the trust fund, your outlays would be exceeding your receipts; total outlays and total receipts. So you would be in a jam as a consequence.

Again people say, "We are going to waive that. We are going to give the supermajority vote." I am not sanguine about that, even if the issue is put to us. But the point I made earlier is that these things happen early on and now we get an automatic response. In the future you would require a discretionary response. I have very serious doubts that it would come early enough and responsively enough to avoid this kind of development.

Mr. President, I want to turn to this GAO study that the Senator from Illinois has been citing from time to time. This was a study in which the GAO had four alternative scenarios, one of which was an absolute scare scenario that any rational person would have been traumatized by. This report, incidentally, is being used in the discussion here as a support for the balanced budget amendment.

Prof. Sidney Winter, of the Wharton School of the University of Pennsylvania, Chief Economist of the General Accounting Office, when the 1992 report, "Budget Policy, Prompt Action Necessary to Avert Long-Term Damage to the Economy" was prepared for the Congress made the following statement about his views on the balanced budget amendment to the Constitution.

A balanced budget amendment is an amendment that would risk converting some future economic downturn from recession to depression. For that reason, a constitutional amendment is the wrong tool for long-term

budget discipline. The right tool is the Budget Enforcement Act of 1990, as amended, which is the only tool the Congress really needs.

Last year, after my colleague from Illinois quoted the GAO report, we wrote to the GAO asking some questions about the assumptions of this June 1992 report, and also asking about the current long-term deficit outlays. They, in their response last year to me, stated that they developed four scenarios to show the implications of various fiscal policies in dealing with the deficit. These scenarios were projected out to the year 2020. One scenario was doing nothing and allowing the deficit and cumulative debt to grow unchecked. This was a report in June 1992.

So this report actually was before the August 1993 deficit reduction program, which was passed by the Congress at the recommendation of the President.

So the scenarios were: One, doing nothing and allowing the deficit and cumulative debt to go unchecked. That is the scenario which is constantly cited by my colleague from Illinois. In other words, he takes that scenario and what it said, and says, "My God, look at this." The fact of the matter is that the scenario has already been rendered irrelevant, its assumptions not warranted, by actions taken by the Congress since the report in June of 1992 and up to this time.

The second scenario was holding the deficit to 3 percent of gross national product. The third was achieving a balanced budget early in the next century, and maintaining balance thereafter. And the fourth was achieving a balanced budget and then moving in the surplus.

The letter then goes on and says:

You ask whether our analysis considered the costs or benefits of adopting a balanced budget amendment to the Constitution. It did not.

I repeat that. "It did not."

The GAO has long supported making the hard programmatic policy choices that would lead the country to a more balanced budget. We have not endorsed the balanced budget amendment to achieve this goal.

We then asked them about the current deficit outlook. This is what they said:

With regard to your question about the current deficit outlook, it has indeed improved in the 2 years since our 1992 analysis. In the Omnibus Reconciliation Act of 1993, the Congress and the President have taken action that the Congressional Budget Office estimates will reduce the deficit by $433 billion from 1994 through 1998.

Actually, the figures are turning out better than that.

The CBO now projects the deficit will be 3.1 percent of gross domestic product in 2003, down from its projections of 6.8 percent a year ago. These recent improvements in the deficit obviously would affect the starting point used in our 1992 report, which would in turn alter the outcomes of the four scenarios we outlined years ago. At least through 2004, CBO's projections indicate that we have steered away from the path projected in the no-action scenario.

So here is what happened. They projected a no-action scenario path, and on the basis of a no-action scenario path, you had great difficulty. In fact, we took action, and as a consequence of taking action, they were projecting last year the deficit would be down there 6.8 percent of GDP to 3.1 percent of GDP.

Obviously, more needs to be done. But the point that needs to be made is this absolute scare scenario that has been cited again and again is no longer applicable because the assumptions upon which it was based no longer hold.

In fact, they went on and said in the letter:

In the 2 years since we have developed the model, new information has become available that shows somewhat higher productivity, lower Federal interest costs, and higher labor force projections. We believe these changes could work to improve the long-term deficit outlook to some extent.

So, Mr. President, I want to underscore that the dynamics of this situation are such that the changes we have made have in fact had a very beneficial effect. The United States now ranks the best among the G–7 industrialized countries, in the ratio of the deficit to its gross product. That was not the case before; that was not the case before the August 1993 legislation. But as a consequence of that and the deficit reduction that has followed the 1993 Omnibus Reconciliation Act, what has happened is the economy has grown, and grown in a very steady and encouraging way. The deficit has come down, and the ratio of the deficit to the gross product has improved markedly, as this letter said—and this letter was in the first part of last year—projected down from what was projected as 6.8 percent to 3.1 percent.

So this is all by way of making the point that, first, we are making progress; second, as to the scare scenario that is constantly cited to say we absolutely have to adopt this balanced budget amendment because things are just worsening, worsening, worsening, is in fact wrong, things are improving. There is more that remains to be done. But in my judgment, to try to do them through an amendment to the Constitution is not the way to go.

Actually, I agree with the GAO, whose report is being cited as a justification to enact this constitutional amendment. And the GAO itself says:

The GAO has long supported making the hard programmatic policy changes that would lead the country to a more balanced budget. We have not endorsed a balanced budget amendment to achieve this goal.

There are real problems that are inherent in this amendment. Economic downturns would be exaggerated and become recessions. We make no provision for a capital budget, and therefore, there would be a real question of whether we would be able to do the kind of capital investment for the future strength and productivity of the economy, which everyone in a dynamic society is doing. There is a great concern that this matter would be thrown into court; we may have the judiciary making basic budget decisions which ought to be made by the President and by the Congress.

I hope it is not anyone's intention here to shift these issues into the courts. The Constitution does not have particular, substantive policies in it. Those are left to be worked out by the President and the Congress. The Constitution is a framework to define how we reach decisions, and it also guarantees the liberties of our citizens.

I think that this amendment has a very substantial risk of promoting instability and retarding economic growth. I very much hope that, upon reflection, perceiving the problems that are connected with locking a matter of this sort into the Constitution, my colleagues will not move to send this proposal to the Senate.

(Ms. SNOWE assumed the chair.)

Mr. THOMPSON. Will the Senator yield for a question?

Mr. SARBANES. I am happy to yield. I am more than willing and anxious to explore these matters with my colleagues.

Mr. THOMPSON. I appreciate that. The Senator from Maryland has had a long and distinguished career with these budgetary matters, and I want to have the benefit of his insight, because it is certainly different than the insight I have.

I get the impression from the Senator that we made progress in 1993, and that is indicative of the fact that we can continue to do that and we will really have no big problem.

Mr. SARBANES. No. I think we have a problem, but I think we have made progress and I hope we can continue to make progress. I do not think the recourse, as the GAO indicated, is this amendment to the Constitution.

Mr. THOMPSON. I wonder if we should not examine how much progress we have made and what the likelihood is of making the progress we are going to have to make. The 1993 budget arrangement, as I understand it, adds over $1 trillion to the debt. We have come to the point now where we are using as a flag of success to wave a situation that actually adds over $1 trillion to the debt. As I look at the figures, CBO figures, they indicate that the deficit is going to go up to $222 billion in 1998, and will go up in the year 2004 to $421 billion.

The Senator rightfully points out that the deficit as a percentage of GDP has gone down. But I look and see that they project in the year 2020 that the

deficit will be 21 percent of GNP. That is going to be along the time, or shortly after the time, the baby boomers start retiring and the demographics overwhelm us.

Mr. SARBANES. What are the assumptions of that projection? That nothing is done?

Mr. THOMPSON. You would have to ask CBO that.

Mr. SARBANES. I think I know the answer.

Mr. THOMPSON. Does the Senator disagree with the CBO analysis?

Mr. SARBANES. I think the assumption of the projection is a no-change scenario, just like an assumption of the GAO study which has been cited was a no change. GAO then, literally in less than 2 years from the time they made this projection, based on a no-change scenario, in effect, says that is now moot or irrelevant because important changes have been made and therefore the dynamics are very different.

The biggest problem on the deficit as we look ahead is the health care issue. If you look at the components of where they expect to have a deficit problem, it is in the health care field, and obviously we have a tough problem to deal with in health care. Despite not dealing with it last year, it is my understanding that most Members think something has to be done and it has to be addressed. What will be done and how is another open question. But there is obviously a matter there that has to be addressed.

Suppose I said to the Senator, well, we have a capital budget and we are going to have $150 or $200 billion a year in the capital budget—which would be $1 trillion over 5 years—of capital investment, just like a business would make a capital investment or State and local governments would; would the Senator be upset by that? Would he regard that as being imprudent, as sort of an irrational policy?

Mr. THOMPSON. My understanding is that it would represent only about 4 percent of our expenditures anyway. I am not sure it would make that much difference one way or another, frankly.

My other concern with the capital budget, of course, is the definition of a capital budget and how you defined it and whether or not everything all of a sudden would start to go into that budget.

Mr. SARBANES. I think that is a good point. Obviously, you would have to have careful definitions because, in fact, the way State governments or private businesses sometimes get into trouble is they put into the capital budget items that ought to be on the operating budget side and paid for through the current flow of income. But the fact that you have that problem at the margin in terms of definition and the possibility of abuse does not detract from the fact that very prudent people, as part of rational decisionmaking, use a capital budget and adopt a concept of paying for the capital budget by borrowing. And depending on the circumstances, it makes sense for the family, it makes sense for the business, it makes sense for State and local government, and it would for the Federal Government.

Mr. THOMPSON. I think the Senator's concern is well placed. I, for one, have been concerned that in this country for a long period of time we have refused to make any sacrifices, as far as consumption is concerned, and that the first things usually on the chopping block are things that benefit the next generation and that we ought to be spending more on what would probably be decided as capital items, infrastructure, things that will make our country stronger and more competitive and greater in future years and consume less. I happen to not think the Senator's concern would best be the approach to take to resolve that. But I appreciate the concern.

But getting back to, I think, the most fundamental concern, we can talk about a capital budget, we can talk about this would somehow restrict the Government from fine-tuning the economy, we can debate over whether or not the Government has had that much success in times past.

Mr. SARBANES. If I could interject, I think the impact of this would not be on fine-tuning. It would be on rough-tuning. In other words, I do not even think you would be able to do rough-tuning, let alone fine-tuning.

Mr. THOMPSON. All right. But the basic question to me, fundamentally, is whether or not we have a very, very serious problem that is going to turn into a catastrophic problem down the road or whether or not this is overblown; whether or not the entitlements commission, for example, the bipartisan commission headed by two very distinguished Senators, one from each party, whether or not they are wrong when they say in the year 2020 that a handful of programs and the interest on the debt is going to run us out of money and we are not going to have enough money for national defense, infrastructure, research and development, and all these other things. Whether or not the President, as I understand it, is wrong when his own projections show that around about 1998, even though we have made some progress in recent years with a massive tax increase—we cannot have one of those every time we want to make a little progress, in my estimation; anyway I will not argue you that point now—but the President's own figures show that the deficits skyrocket.

One of my colleagues used this chart. If we do not balance the budget, deficits will grow to more than 18 percent of GDP by 2030. I mean we have all seen these charts. And everybody—all the economists I have heard, the Concord Coalition, headed by two distinguished former Senators, one from either party; the distinguished Pete Peterson, a former Secretary of Commerce, in the recent book he has out—everybody that I have heard pretty much agrees that we have a very, very serious problem on our hands and that we are kind of fiddling while the country is burning around here.

Does the Senator disagree with that assessment?

Mr. SARBANES. In part.

What I would say to my distinguished colleague is you could have shown me a chart far worse than that one if you had done it before August 1993 and the adoption of the deficit reduction package.

Mr. THOMPSON. And I could show you a chart far worse than that one if we take it out into the future.

Mr. SARBANES. But what you are doing when you show me those charts is you are assuming no action. Just as in 1992, if you assumed no action, you would have shown a chart of great concern. We took action and, therefore, the situation was improved.

Now I am not asserting that the action taken thus far is a complete response to the problem. But I am trying to make the point that these scare scenarios are all premised on sort of doing nothing. We had one before. We did something. We got a very substantial improvement. We need to do even more in order to have further improvement.

And the hangup is essentially connected with the rising costs of medical care. If you break out the analysis and say, "What is it that is growing that is going to create this problem in the future?" It is the cost of medical care.

Mr. THOMPSON. I think we are narrowing the debate. I think we both pretty much agree that we have a very serious problem. I think where we finally perhaps disagree is the prospects of doing anything about that on the current course.

We have been talking about balancing the budget for years and years and we have been talking about fiscal responsibility. Every Member who gets on this floor to speak says they are for a balanced budget and every Member says they fought for fiscal responsibility.

As the Senator from Illinois pointed out awhile ago, the last time we debated the balanced budget amendment the same things were said. "We made some progress. We are going to make more."

We are going in the wrong direction. My concern is that we will take no action. My concern is that we will continue to do the wrong action that we have been doing for the last 70 years.

Mr. SARBANES. I say to my distinguished friend, I voted for the 1993 package and that was used against me in the last campaign. But I bellied up and I voted for a measure that had

spending cuts and tax increases in an effort to try to do something real about the deficit. And I think it did do something real about the deficit. We need to do yet more.

But I think we need to do it that way and not to pass an amendment to the Constitution of the United States, which then carries with it all of these problems that I have been discussing.

I am essentially arguing that some of the concepts contained in this proposal are really counterproductive and will, in effect, be harmful to us. I am very concerned what will happen to investment. And I am very deeply concerned that we are going to go back to a situation in which the economy starts moving this way instead of what has happened in the postwar period.

One point on growth in the size of our current economy is $65 billion in goods and services. So if you get a drop like this, interestingly enough, not only are you going to have no growth and rising unemployment, but you are going to have an incredible deficit problem. In the end, you are going to break down because if you keep trying to correct the deficit problem in an economic downturn, you are just going to drive yourself deeper into the hole.

That is what happened, as I indicated earlier, first to Hoover and then to Roosevelt, until Roosevelt moved off it in an effort to come out of the depression.

Mr. THOMPSON. I thank my colleague.

Mr. SARBANES. Madam President, I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. I thank the Chair.

Madam President, the distinguished minority leader today introduced what he is calling a right-to-know amendment to the balanced budget amendment legislation.

Well, the Senator's amendment has at least one thing right: its title, because the American people certainly do have a right to know.

They have a right to know why Congress has spent this country $4.5 trillion into debt, and why it still keeps spending. They have the right to know how much their taxes will go up if the balanced budget amendment does not pass.

And, Madam President, they have the right to know what these higher taxes will mean to the kind of life they are trying to provide for their children and for their families if the balanced budget amendment does not become law.

That is what Americans have a right to know.

The question is not "what happens if the balanced budget amendment passes?" The question really is, "What happens if it does not pass?"

The question is not, "What will get whacked?" The question is, "What will get taxed?"

Madam President, without this amendment, taxes will go up. That has been the pattern over the past 30 years. Congress decides it needs another ornament for its Christmas tree of social programs, another rich chocolate concoction on its dessert tray, and it passes along the bill to the folks who can least afford to pay it, and that is the taxpayers.

There is no reason to think that Congress has changed its ways.

But do we really need an amendment to the Constitution to protect the taxpayers? My colleagues in this body who say we should not need a balanced budget amendment are right, because Congress should have the backbone to limit its spending and to set priorities, just as every Main Street American family does.

The good Senator from Maryland has been talking about borrowing.

If a family in St. Paul, MN, wants to buy a house, it works out a mortgage and a payment schedule that fits the family budget.

But eventually, that debt is repaid. It is not passed on to the next generation. That is what the vast majority of Americans do when they make a major purchase. That is not how the Federal Government works. It borrows the money without any kind of payment schedule. The debt continues to build, the payments keep being deferred, and the debt is passed down to our children.

Now, if that family in St. Paul decides it needs to tighten its belt, it does. But Congress simply goes out and buys a bigger belt. Congress does not have the backbone to restrain itself. It never has. Maybe it never will.

We will now look at the facts. Congress has spent more than it has taken in for 55 of the last 63 years. We have not had a balanced Federal budget since 1969 and deficit spending is now responsible for about 90 percent of the national debt.

For my colleagues who sometimes get lost in all the statistics, here is the reality of what the national debt means to average Americans. Every family of four owes $3,500 on just the interest alone on the national debt, and that means $3,500 less to care for our kids, $3,500 less to keep our families fed and clothed.

Those numbers are scary, but what is that interest based on? It is based on the debt, $4.5 trillion, a debt that equals nearly $20,000 for every man, woman, and child in this country today. Now, I have four children: Michelle, Tammy, Rhiannon, and Morgan. And I have four grandchildren: Wesley, Wyatt, Chelsea, and the latest, born just this morning, less than 12 hours old, and already his share of the national debt is nearly $20,000. All he has consumed is some air—free air that we take for granted. But he already owes more than $20,000 to our national debt.

We need the balanced budget amendment to force Congress to do what it should have done already. The American people agree. A large majority of them support the balanced budget amendment. A large majority say that they are willing to sacrifice some Government services in order to get this burdensome Federal deficit under control.

Madam President, I remind my colleagues who speak against the amendment that we would not be having this debate were it not for 30 years of irresponsible spending by this body, abuses that led to bloated committee staffs and expenses, and duplicative programs. A lot of what passed for Government spending in the last several decades was simply window dressing, window dressing for a very expensive shop in which the American people were sold a phony bill of goods on their own credit card.

Now, opponents have accused Members of being mean spirited and cold during these debates. But those are simple scare tactics tossed around by those who like the comfortable cushion of Government that they have been resting on for 30 years, but which has become a bed of nails for the American taxpayers. What is truly mean spirited and cold would be saddling the next generation with more deficit, more debt, and more uncertainty.

So, Madam President, the right-to-know amendment is a clever bit of propaganda, but it is dangerous legislation. We cannot strap the hands of future Congresses by carving in stone exactly how a balanced budget must be achieved. Three Congresses will come and go during the 7 years over which the budget will be balanced. Things change, needs will change, conditions will change. Each Congress needs the leeway to make its own budget decisions.

Now, if the Senate breaks the promise it made to the American voters last November and ultimately votes this legislation down, we, the majority party, must be prepared to take the next step. We have to show that we can submit a balanced budget. We have to show that we can live under a balanced budget. Many of my colleagues are committed to a balanced budget, but without this amendment. In working together, we must be prepared to prove we sincerely are interested in restoring fiscal sanity into the Federal Government.

My friend and colleague from Idaho, Senator CRAIG, has taken such a strong leadership role in this issue. It reminded me of a quote I would like to share:

> The question of whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, morally bound to pay them ourselves.

That was Thomas Jefferson, almost 200 years ago, and yet the questions he raised during the founding years of this Republic are just as relevant today. And now it is time to answer the questions—not for me, not for my colleagues, but for our children and our grandchildren and, again, the newest member of my family, just 12 hours old, Blake, and the debt we are passing on to him. They have a right to know. They have a right to know we did everything within our power to help secure their future.

Thank you, Madam President. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, parliamentary inquiry. Is there any time limit on Senators at this point?

The PRESIDING OFFICER. No, there is not.

Mr. DOMENICI. I do not intend, by that question, to leave the impression that I intend to speak a long, long time. I just wondered how much time I had.

I want to start my talk here with fellow Senators, and more importantly, with those people in the United States who are interested in what is going on. I want to say, particularly to the senior citizens of the United States, those who have spent their adult lives in our behalf, who have worked hard and diligently to make America a great country, I want to tell them what I think the Democrats are doing to their grandchildren and to their children's future by the tactics they are taking here on the Senate floor in an effort to defeat a constitutional amendment.

This is not said in any animosity or anger. It is because we are lodged in a very difficult war. Our war and our declaration of war is, we want to get rid of the deficit and we want the people of our country to back Members in that with a constitutional amendment. That is how we think we will win the war. If the war is declared in a constitutional amendment, and the people adopt it, then we will have at our side the full power of America saying, "Enough's enough. We are going to see how it all comes out, but we will tell everyone right up front, the politicians, they are not going to have the luxury of spending beyond our means a few years down the line."

First, I want to say to those who are listening, some make it sound like if this constitutional amendment is passed and we get to the year 2002, it does not make a difference what the condition of the world is, what happens by way of emergencies; we are going to have a balanced budget.

Now, it is not that at all. So I want to say to those Americans who are worried about themselves and their security or their pension program, this is a constitutional amendment that says, "If you do not want to balance the budget, you have to bring the issue front and center; you can't hide it anymore. And second, you need 60 votes instead of a simple majority to add to the deficit."

Now, let me explain the way it is structured. We will not wake up in the morning and say, "We passed a budget and we can't do anything about it because we are going in the red $60 billion and we didn't know it." That will not happen, Madam President and fellow Americans, because at a point in time when we are supposed to be at zero and we get there, then whenever we exceed it, we cannot borrow any more money. We cannot make it any clearer. We cannot borrow any more money unless we bring it to the floor of the Senate and the House, and hopefully by that time, contrary to what we have today, Presidents will be on the side of the balanced budget because there will be a Constitution that says not just Republicans and a few Democrats that are supporting them are supposed to balance a budget; the law of the land, the Constitution, will say "Mr. President, down there at Pennsylvania Avenue, you send up budgets that are in balance."

Rest assured that Presidents are not immune. They are not going to send budgets up here, as the one we are going to get on Monday, that in the midst of very good times, cuts nothing and says: We did pretty well 3 years ago. We will leave everything alone while this happens.

This is a very good chart. I wish it were bigger so we could see it. While it has a lot on it, it is very descriptive of what will happen to our great country soon. Here is 1990, 1991, 1992; the budget is going up. The little red pile here is going up. Coming down a little, the so-called "We are getting the deficit under control budget," that I heard my good friend from Maryland just say he voted for. Here it comes down a little bit; this is going to be the year 1996. It is coming down a little, if the President does not do anything.

Look what happens after that. Here we come up; it is not so far. Here we are at 2000; going up again by 2010. I say to those people in the United States that have little grandkids, now it is starting up about 2010, and about the time they are getting in high school, look what happens to it.

Now, frankly, there are those who will say, "We do not need a constitutional amendment to fix this. We do not need one. We will just go about fixing it up, as we have."

Let me read here. Do Members know how many times we passed statutes saying we are supposed to get to a balanced budget? I will count them here: 1921, 1964, 1978, 1978, 1978, 1979, 1980, 1985, 1987, and 1990 we passed this; in some cases, just passed others. We told the American people "We have done it. We have done it."

I was here when the great Senator, Mr. Byrd from Virginia, passed statute law, and it said we are not going to have any more debts, did it not? It said the law of the land is going to be balanced budgets. Ever since it was passed they go up. Is that not interesting? Is that not interesting?

That is what this shows. We have come to the conclusion—and thank God about 75 percent of Americans agree—that it will not happen unless it is the absolute, basic constitutional law of the land, unless we have up here in front of Congress and Presidents a law that says you do it; it is against the law unless you do that. That is what we think will get the job done.

Now, there are those who say we would like to do it another way, or let us just be patient. There are even those who have this list of economists of the United States, just a long list, I say to my friend of Tennessee, of all these American economists.

Well, frankly, the economists, when you put them in front of you at a table, most of them will say you have to get the deficit under control. And most of them will say it is a big, big problem. So if you are a political leader, you have a responsibility to do something about it, not just talk. And the economists, if you ask them, Mr. Economist, if there is no way to get there, and if the trend of our political leadership is our inability to stop the appetite to come to the Federal Government so we will try to solve problems by spending money, if it is that or a constitutional amendment, there are a lot of them who will say they do not like its rigidity, but we ought to get there.

Now, I try to tell everyone, including those who might be worried that with three-fifths vote in the Senate and House, if there is an emergency or if one of the major programs of our land temporarily went out of kilter, you can get the votes in the Chamber to break that budget for the circumstance that demands it. So that makes it rather rational.

You could even ask that list of economists that are against it that I hear some Democrats touted in the press galleries of this Chamber today, you could even ask some of them if the emergency is serious enough and three-fifths of the Congress votes to change it, does that not do away with a lot of your worries? And most of them would say yes, from the purely economic standpoint.

I have used this quote over and over, but I am going to wrap it into my comments today, and I have been talking about it. The quote I am going to read is from Laurence Tribe, whom the Senator from Utah knows, a very liberal constitutional professor:

> Given the centrality in our revolutionary origins of the precept that there should be no taxation without representation, it seems especially fitting in principle that we should

somehow seek to tie our hands so that we cannot spend our children's legacy.

Now, that is the constitutional amendment. We are going to tie our hands so this does not happen because, if this happens, not only will we destroy our children's legacy, but we will tell you next week as we address economic issues as it relates to a balanced budget amendment, we will tell you in more detail the economics. But for now we can tell you that in about 10 or 12 years, if you do not get with it and tie our hands and hit us, hit all the elected leaders with a great big 2 by 4, which is addressed at their tendency to be mules, just address that so that they will do something, there will not be any money to spend on anything except paying for the national debt and paying for part of the population's entitlements. There will not be any National Government money for education, I say to the Senator from Tennessee, none. In fact, under one scenario there will not be any for the Defense Department, which is the only thing we could not send back to the States to do, in theory. It is the only thing we are totally obligated to do. The rest of what we do is optional. We elect to do much of it, but it is optional. But there would not be any money to do that if everything in the entitlements of our country is unchanged.

Now, what is rampant in America today—and you see the battlegrounds. I have just stated them for you. We declare war against the deficit. And when we declare it, we say let us win it. When we say let us win it, we say there has not been a way to win it before. So this war will be the amendment that says you cannot spend any more. That will be the declaration. That will be when you go to war.

Those who oppose it say they want us to go to war before we make the declaration of war. They want us to produce a 7-year balanced budget before the war has been declared, and what? And the President of the United States and Democrats and Republicans alike and every American has to be committed to that balanced budget.

Before that ever occurs, this amendment that they are offering here today, this resolution, let us be honest about it, it is not intended to do anything except kill the constitutional amendment. That is what it is for, plain and simple. They know, those who propose it, if you could draw a 7-year balanced budget today, you would not need the constitutional amendment. What are we going through all this for, if we could just sit down, a few of us—maybe the Senator from Tennessee could join me, we could have our Republicans on the Budget Committee and a few Democrats and write this 7-year balanced budget. We all tried that for so many years. If we could do it and it meant anything, then we would not be here asking these sovereign States of America to seriously consider changing our most sacred document, the Constitution.

Mr. HATCH. Will the Senator yield for a question on that?

Mr. DOMENICI. I will be happy to yield.

Mr. HATCH. Through the years, we have had a variety of plans proposed that would bring us to a balanced budget—Zero Deficit Plan, Concord Coalition, Senate Budget Committee Plan, Economic and Budget Outlook for Fiscal Years—a lot of others. You could just go through plan after plan. But they have never had the votes. Is that not really the problem?

Mr. DOMENICI. Not only they never have the votes, as soon as you have them all out there, they become political documents and whoever had the courage to put something down in them that was tough, the other side immediately turned down the plan and went to the public, and it became a war of who is not going to hurt this group or that group, and there goes the plan.

You are beginning to see what those who have this in mind intend of this document. They intend that. I would say for those on the other side who propose and regularly say they are for balanced budgets—the President said it in his State of the Union Address, we need a balanced budget, something like that—I would ask them to draft that 7-year document. Put the 7 years down and tell us how we are going to get there under your idea.

We do not see any forthcoming, and do not hold your breath, it will not be forthcoming Monday in the President's budget either. But at some point in time when a constitutional amendment is in effect, no President will escape sending a budget down here that is balanced. And that makes a big difference, because then we are in the war together. We are not Republicans in the war and Democrats on the sideline and a President who speaks it but not engaged.

For those who say, where is the detailed plan? I just want to tell you of the great achievements in our history that were tough, that you had to put everybody together on, that you had to muster all kinds of support, the biggest one might be the Second World War, just might be.

Is it not interesting, FDR took to the airwaves of the United States and declared war. Would it not have been nice if we would have said: Mr. President, you really know what is wrong with America. You know this is a danger to democracy and freedom. It probably will stop existing in the world. We know that with you, but how are you going to win the war? Put it all down. Write it up. What are we going to do the first 6 months? What are we going to do at the end of a year? What are we going to do at the end of 2 years? Do not declare the war until you have done all that. Right?

That is what is being said here and across America about a constitutional amendment. Do not declare the war and put everybody in this boat together to save America from this—do not do that. Tell us how you are going to get there, precisely, before in fact you pass the instrument of public support, the amendment, which is the equivalent of FDR's declaration of war.

As you think of how things go together, what happened after that declaration? People who did not have the least idea that they were supposed to do something for their country, did it. People who had no idea they were supposed to sacrifice, sacrificed. People changed their way of life because of that declaration. In fact, people went on ration plans, as I recall. I was young. A lot of things were raised and controlled because we had a real problem.

So I think we just ought to be honest with the American people and I want to be honest with them today. I have tried my dead-level best to be honest. The Democrats who are proposing that we not pass the amendment until we have the 7-year game plan—and I will talk about that in detail next week, on how much will be required to do what they have done, how many words they have changed, how many new demands they have put in, in a Constitution—but those who are on that side of this issue, they do not want a balanced budget. They can come down here, and clearly some of them may come and say Senator DOMENICI was not fair. I want one. They are saying if we want one, why do we not produce it? For those who want to get up here and say we do not want the constitutional amendment but we want a balanced budget, I challenge them. Tell the American people how you are going to do it. Right? Everybody gets up on that side of the aisle and says we do not want this—we want a balanced budget. How long are we going to be on the floor, 2 more weeks? We will ask our leader, if you want to start meeting over there we will give you another week, go meet and you tell us how you are going to do it. Because you are either not for it or you are telling us we will do it another way, just do not do it this way.

So I say to them do it your way. We anxiously await it. Put it on paper.

They will not do it. There is no question about it. First of all they would not have the courage to do it. Second, they would say it is useless to do it, nobody is going to buy it anyway this early. So what is left? What is left is what we are for and what we have been telling our people we are for.

Those people who are against this—I want to just conclude—they are for the status quo. They do not want to change anything. If they do not want to

change anything then this will never get changed—this will never get changed. We will rock along and in good times we will not cut anything significant.

If ever there was a time to dramatically reduce the deficit spending, it is now. Guess what might have happened if we would have been reducing the deficit more, Madam President? We might not have had the interest rates go up. That is interesting. Ask some economists that, all those who are saying we need flexibility. If we reduce the deficit some more so there would not be so much pressure out there, you might not have had the interest rates go up or they might have gone up less. It is the right time. In fact it was a better time to have done more 2 years ago, as we recommended to the President.

Those who are against this want to continue to do what they have been doing. I have alluded to the President's ideas that we will see in his budget proposal.

I want to conclude and say to those who are worried about how this is going to affect them, I want to suggest two things. Maybe—maybe you ought to think with us what is going to happen to you if we do not do it. If we do not do it. For every American who says I want to know what is going to happen to me, I want to see the plan—and those people are great Americans. And the organizations representing those people, the AARP—wonderful organization—but why do we not ask, and why do they not ask what will happen to us in the best sense of the word "us," our kids, our neighbors, our friends, our families—what is going to happen to them if we do not do this?

Second, I want to seriously propose that once the constitutional amendment is passed—and I hope those who believe some of us in public life will listen attentively—the constitutional amendment will not determine your cause. It will not determine—the amendment for the balanced budget—it will not determine how your program is handled. It will not determine how your pension is handled. It will tell your political leaders get to a balanced budget. And before you ever get there, the issues will be joined on whether their cause shall be—whether Social Security's cause shall be secure; whether Medicare will be changed—because we will have to vote on those as we implement the constitutional amendment.

There will be ample opportunities to protect everybody's cause. But everybody knows you cannot keep them all like they are. So they all have to be ready to say let us talk. After we have this in let us have hearings.

Now some say, wait a minute, Senator DOMENICI, why do we not do that ahead of time? We try that ahead of time; we do not get anywhere ahead of time. We try it bipartisan and we leave some people out and it is dead. Presidents do not join and then they wait. And those who wait win and those who propose it lose. Just like this one. If we were to propose one without the President, we lose, we accomplish nothing. And we pulled a big hoax on the American people.

So I conclude that we are on the right side. We are on the right side if this is an American cause. If we are worried about our economic future and our children's future, there is no way to get where we ought to go by saying, at a point in time when a constitutional amendment is adopted, we are all in the same boat. And the boat is sailing—changing here and there—but it is sailing toward balance. And those who are interested in the future will join in trying to direct it in the right way, doing the least harm and doing the best that we can with the money we have.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Madam President, first of all I want to thank the Senator from New Mexico for his remarks and for his inspirational leadership in this area. Those of us who have been following these matters know the Senator from New Mexico is not only the strongest advocate for fiscal responsibility but he has been a leader and an inspiration to all those who are concerned in this area. If we had the leadership and the knowledge and the courage of Senator DOMENICI more prevalent in this body we would not be here today, debating a constitutional amendment. But we are. Because we have not had that kind of leadership.

I would like to address, for a moment, the discussion that was had earlier concerning an amendment, the so-called right-to-know amendment. I was not here for most of the discussion that was led by the distinguished minority leader. But basically as I understand it, his position is that they think the American people have a right to know the details of this plan which they know as a practical impossibility and would be an irrelevance anyway. One Senator could not bind another and there are all kinds of plans floating around. All that is known but the point is yet made—the people's right to know.

I would like to make a couple of points about that. First of all, it occurs to me this approach assumes a great deal more ignorance on the part of the American people than is present. It assumes the American people, who overwhelmingly support a balanced budget amendment, think it can be done without any sacrifice whatsoever.

This amendment and this approach presupposes that the American people want a balanced budget amendment but they think we can go right along the same old way we have been going without anybody making any incremental adjustment in any program and still achieve a balanced budget.

I just came off the campaign trail. I can tell you that the people in my State know better than that. I can also tell you that I have never run across a grandparent or I have never run across a recipient of any of these programs, Medicare, Medicaid and so forth, I have never run across a person who is concerned enough to even be present around where there is a political discussion taking place who would not be willing to make some incremental modest adjustment if they thought it went to benefit their child or their grandchild.

We assume apparently in this body that the American people not only are ignorant but they are greedy, and that it does not matter that we are spending our grandchildren's birthright; it does not matter that we are bankrupting them; it does not matter that they have no representation and we are spending their money; that we are so greedy all we can concern ourselves with is the current list of goodies or the current list of programs or the current benefits that are now being received; and we cannot see past that and we will let the next generation take care of itself.

Madam President, I am not willing to concede that. How in the world can we come to the conclusion that is the kind of America that we have in this country? The American people are better than that. It is time that the Congress of the United States caught up to the American people. But let us talk a little bit more about the right to know.

The distinguished minority leader believes in the right to know. I believe in the right to know. It is kind of like the balanced budget. Everybody in this body believes in the right to know. Everybody in this body believes in a balanced budget. I think the American people have a right to know. Let us talk about the young people for a minute because there may be some young people out there—maybe just teenagers—who are just beginning to familiarize themselves with the process, who are just beginning to understand what is going on in this country, and are just beginning to realize that this is for them, this is for them and for their children. But they may not really fully understand some things yet.

They have the right to know that, if we do not make any more progress than we have made in the past, we are headed for economic disaster in this country. It is not even a matter of debate. You talk to any economist. You talk to anybody who has written on the subject. You talk to any congressional committee. We have all seen the charts. We look at what is right in front of us and say, "Well, by George, we really were courageous. We passed

the largest tax increase in the history of America a couple of years ago. So that is the kind of courage we show. We are going to spend the taxpayers' money again, and we do not have any problem." When everybody knows, even the administration's own estimate that in 1998—after the next Presidential election, coincidentally—it is going to go off the charts. These young people have a right to know that.

They also have a right to know, if they are listening to the eloquent remarks on the other side of the aisle about all we have to do is do what we did in 1993, it is ironic, I think, and somewhat indicative of the position that we are in in this country where a piece of legislation that adds over $1 trillion to the debt is used as a success story. But be that as it may, there have been several efforts in times past that have been alluded to earlier. But it is really significant. It cannot be overemphasized enough when you go to consider what the alternative is if we do not pass a balanced budget amendment.

Can we do what the opponents of the balanced budget amendment say? We have to pull up our socks and do the right thing. I wish it were that simple. I wish it were that easy. Some of us probably would not have even run for office, if it had been that simple and that easy. But we have been talking about this, passing resolutions, making promises, trying to bind the President for 70 years.

Everybody was for a balanced budget back in 1921 to force the President to recommend one. In 1964, Congress got up on its feet and said we must do it soon. It is the sense of the Congress that we have to balance this budget in 1964. They actually balanced the budget after that. But even before the last balanced budget they were talking about it. In 1978, it became a matter of national policy. Are we to take that lightly? Is that something that just trips off the lips of folks around here? We state it is a matter of national policy, and they go on record in 1978. The deficit kept growing. The debt kept growing.

In 1978, Humphrey-Hawkins came back, and say it is a prioritization. We prioritize a balanced Federal budget. That was a good year. Apparently everybody had balanced budgets on their mind because it was obvious even then that things were getting out of hand. And if we did not put aside some of our short-term political considerations where every special interest group in America would descend on this town periodically and demand theirs, and the devil with the future generation, if we did not stop that way of doing business, we would be in big trouble. In 1978 they passed a law that required a balanced budget for the year 1981.

So what happened in fiscal year 1981? They had a $79 billion deficit for the very year they passed the law saying this cannot happen.

The Budget Act of 1974, they said we have the solution now. We have the answer to it now because Congress will have to come up with an annual budget resolution, and people will be afraid to vote for these large debts, these large deficits in a budget resolution. That was 1974. What happened? In 1975, the deficit skyrocketed again and continued on.

Gramm-Rudman-Hollings in 1985—we know what happened to that. It worked fine until the gravy train stopped, and a little bit of a lid was put on the pork barrel. So we had to make some adjustments, and effectively rendered it irrelevant. The 1990 budget deal, the deal to end all deals, did nothing to reduce the deficit. In 1993, we talked about it.

That is the only answer that I hear. From 1921 on, we have been trying our best, with everybody agreeing, that we had to balance the budget. And not only have we not balanced the budget, the problem continues to get worse as we sit here today, and as we discuss this. This is the good news. This is the good news. There are more people in the work force, more two-earner families. Before too long it is going to reverse itself. It is going to be the bad news. It is going to be the bad news with fewer and fewer people in the workplace supporting more and more people.

That is why we have to take responsible measures to protect Social Security. The balanced budget amendment protects Social Security. The most irresponsible thing you could do to elders on Social Security, including my mother, would be to let the status quo continue. There is not going to be anything for anybody a little bit further down the road.

The Democratic Senator from Nebraska and the Republican Senator from Missouri issued a report recently that said in the year 2020, I believe, we are going to run out of money. I am paraphrasing it a little bit. They were more eloquent than that. But they said a handful of programs and the interest on the national debt is going to take everything. Yet we continue down the same road.

The right to know? The young people have a right to know what is happening to them. There is a lot of talk about the stagnation of income over the last 20 years. Real income is not going up. What people do not talk about is for the younger folks, the younger working people starting out with their families. Since 1973, their income level has been going down and actually losing ground for these young people because of the tremendous debt which is sopping up the savings. And we cannot have investment without savings, and we cannot have growth without investment.

The economy is slowing down and people are feeling the loss of the American dream, the basic optimistic assumption that every young person growing up has had since this country began, and that was that if they worked hard, they would do at least as well or better than their parents. You talk to young people now and they do not feel that way. Young people have a right to know what is happening to them. What about their right to know?

The other side says they want the right to know what State is going to be cut. I think we ought to tell the young people what is going to happen to them. I think we ought to tell them how long the fight has been and the struggle has been and how fruitless it has been and how the Congress of the United States has ignored its own protestations, ignored its own laws, because it is so, so difficult, apparently, to do the right thing because of the political considerations and the political careerism that drives people to shortsightedly look toward the next election instead of the next generation.

People have a right to know what is going to happen. The real purpose of the right-to-know amendment, of course, is a scare tactic. It is designed to be able to point to some program that some group is going to be hurt by and have them descend on this town and pressure them and raise money against Members and try to scare everybody off, because there are certain groups who apparently are shortsighted enough to say if it means any reduction in my State, for example, that I will do anything rather than take any kind of reduction in my State. Never mind that it might work to benefit my State in the long run. Never mind that it might work to lower interest rates because we get a handle on this deficit, and that it will help my State or my municipality in its borrowings and the activities of my State. Never mind all that. If there is any scare tactic that might work, let us use it.

No, the real problem is that there are a lot of people who, for the first time in their lives, see a realistic possibility for the lid to get put on the pork barrel and the gravy train to stop on the tracks. That is what most of this is all about.

Finally, as long as we are talking about the right to know, I think if this body does not do the overwhelming will of the American people, they ought to have the right to know next election the people who were not willing to take the first step toward putting us in a position to avoid bankrupting our grandchildren.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. CRAIG). The Senator from Utah.

Mr. HATCH. I cannot begin to tell folks out there how much I appreciate these new Senators, who really realize how important it is to bring about change in the Congress of the United

States. I particularly appreciate these last two who have spoken here today, Senator Grams and Senator Thompson. They know what the feeling is out there. They understand the American people are sick and tired of what is going on. They know that we have to do something about it.

Mr. President, I was very interested in how the Daschle amendment was brought to the forefront here today. I was absolutely astounded at the form of that amendment. That amendment is a trivialization of the Constitution of the United States.

As a matter of fact, the Daschle substitute amendment is unconstitutional. It is constitutionally defective. It sets forth a mode of promulgation for the balanced budget amendment that violates article V of the Constitution. Article V sets forth only two conditions for promulgation by Congress of a constitutional amendment. First, the amendment must be passed by a two-thirds vote of both Houses of Congress.

Second, Congress may specify the mode of ratification of the amendment. That is, Congress may specify either that the amendment is to be ratified by State legislatures or State conventions. These are the only constraints that the Constitution attached to Congress in promulgating an amendment.

Any amendment that satisfies these conditions must be sent to the States for ratification. However, the Daschle substitute here would add another condition. Under the Daschle substitute, even after the balanced budget amendment has been passed by both Houses, it would not be submitted to the States until after "the adoption of a concurrent resolution as described in section 9 of his substitute."

In short, the Daschle substitute would impose a wholly new condition upon submitting the balanced budget amendment for ratification. The new condition violates article V of the Constitution. It would impose an additional hurdle on ratification by the States of a validly promulgated amendment. It would prevent the States from ratifying the amendment as quickly as they might otherwise do. There is no precedent for this new condition on promulgation, and it plainly violates the heralded article V of the Constitution.

As a matter of fact, under the Daschle approach, Congress could, for example, condition promulgation of a very popular amendment on the States first giving up their power to the Federal Government. If it is popular enough, the States might not even have any control over it.

Some of the opponents of the balanced budget amendment have expressed concern about amending the Constitution. Some of those who have always been against the balanced budget amendment have actually been concerned about amending the Constitution. It would be especially odd if these opponents supported the Daschle substitute, which seeks to amend the Constitution in an unconstitutional manner. The mode of promulgation of the amendment set forth in the Daschle substitute is unconstitutional, and everyone should reject that amendment.

Let me just make the case here for a minute and point to just some of the constitutional language. On the chart you will notice I have a big question mark after "constitutional language." These are some of the new terms that the Daschle amendment has in it, statutory terms, terms that are interpreted by the Congress itself, that they are going to put into the Constitution and load up the Constitution, so there will be even more litigation.

"Aggregate levels of new budget authority." My goodness. Think about that. "Aggregate levels of new budget authority." I will get into these in detail on Monday. I will just list them now. Here are the words "major functional category." What in the world does that mean? It means anything Congress says it is. All of these mean anything Congress says. After we put it into the Constitution, Congress can manipulate these words and the definitions any way Congress wants to. That means the balanced budget amendment would not be worth the paper it is written on. It means we trivialize the Constitution with unconstitutional language and an unconstitutional approach.

"Account-by-account basis." These are accounting terms that we are going to write into the Constitution, in the sense of undefined accounting terms?

"Allocation of Federal revenues." What does that mean? What does "reconciliation directives" mean? We all know that in the budget process it means pretty much whatever the budget process says it means. That is continually shifting and changing.

"Section 310(A) of the Congressional Budget Act." Write the Budget Act into the Constitution? As much as many think the Budget Act is a good act, it is not the Constitution and it is not perfect. Some think it is a lousy approach to budgeting.

"Omnibus reconciliation bill." What in the world does that mean? This is language in the Daschle amendment that the opponents of this are bragging would help to protect the people out there. Give me a break.

The Congressional Budget Office? They are going to write the Congressional Budget Office into the Constitution? If there is any office I would not write into the Constitution, it would be the Congressional Budget Office. It is incredible. We will not just need lawyers to analyze the Constitution, we are going to need a group of accountants. Now, if you think lawyers are bad, think about that.

How about economic and technical assumptions? Oh, my goodness, what does that mean? Talk about language that is inappropriate for the Constitution.

And they even write Committee on the Budget into the Constitution. Now, some on the Budget Committee may feel that is a good idea, but in all honesty I do not see how any constitutional scholar would think that is a good idea.

This is trivialization of the Constitution. This is unconstitutional language. This is language that can be interpreted any way the Congress wants to interpret it or the Budget Committees wants to interpret it, or anybody on the floor of the Senate or House wants to interpret it, at any time they want to interpret it, in any way they want to interpret it.

How in the world can we put that type of stuff in the Constitution as though we are writing a mere statute. The reason the Constitution has been in existence and heralded by people all over the world and certainly every American and sworn to be upheld by all of us Members of Congress is because the Constitution does not get into statutory specifics, and it does not leave huge loopholes. It is subject to interpretation as it is, and sometimes the interpreters do not believe it.

But can you imagine the field day those who want to disrupt this country, those who really do not believe in the Constitution, those who really want to change things all the time, those who want to spend and tax more and more, can you imagine what this type of language will do to benefit them? And this is supposed to be a legitimate amendment? A legitimate good faith amendment? No. It is for one reason, and that is to try to defeat the balanced budget amendment. And the opponents would do it at any cost.

Now, look, let us get down to brass tacks. Since almost every Republican will vote for this, we need no less than 15 of the 47 Democrats over here to vote for it. That is what we need. We need 15 courageous Democrats to match the 72 courageous Democrats in the House. Those people will be heroes to all of us because they will make the difference whether the balanced budget amendment passes. Forget the better than 50 Republicans who will be voting for this. We will give the credit to those 15.

As a matter of fact, I do not care who gets the credit. I just want to get this fiscal house in order. And the only hope we have, after years of profligate spending, after years of unbalanced budgets, after years of people standing up in the Senate and saying, "Let's do it"—I have heard that so much it makes me sick anymore—after years of that type of language, we know we are not going to get there without a balanced budget amendment.

So why do we not bite the bullet and do the things we have to do? Let us not

trivialize the Constitution with junk like this.

Now, what does this mean? Well, we have two amendments to it saying if this amendment does not pass, then the President should have to come up with a 7-year plan.

Now, the President's budget will be here Monday. And it is going to have, by their own admission, according to the New York Times, no less than $190 billion deficits every year for the next 10 or 12 years. And that is assuming that all of the optimistic economic projections of the President and economic factors stay the same.

We all know that is unlikely, because already Senator KENNEDY has been on the floor today talking about increasing the minimum wage. Well, you do not increase something 20 percent and expect it not to affect inflation. Because if they push the minimum wage up from the bottom, you can well bet those at the top of that wage spectrum are also going to demand that same 10- to 20-percent increase.

What does that do? That increases inflation. That means the interest rates go up. That means that we pay more for this second highest item in the Federal budget, interest against the national debt. It means that $190 billion a year in deficits every year for the next 12 years is very optimistic. It means that for another 10 or 20 years without a balanced budget amendment we will not have any mechanism, not any, other than people saying we should do it, to get spending under control. Except maybe increasing taxes.

Do you not think the American people are taxed to death? My gosh, wait until April 15 comes along. Some of the taxes in the President's tax plan, the tax increases do not even hit until this April 15. And I think people are really going to be upset when they find out it is not just the rich that are paying for all this. Everybody in America is paying higher gas taxes right now. They are paying higher gas prices right now. I saw a top premium gas last night for $1.40 a gallon. It was about a $1.18 when that tax bill passed.

What do you think causes those things to go up? Why, it is Government, by and large. And count on your gas prices, if we do not get a balanced budget amendment passed, count on your gas prices to start getting up around the European prices of $2 and $3 and $4 a gallon. Wait until America has to do that and our love affair with the automobile is going to be severely hampered. That is where we are headed. That is exactly where we are headed, in the same direction as those socialized economies all around the world which are paying through the nose because they have allowed Government to grow too large.

Mr. President, it is unbelievable to me that anybody would in any kind of sincerity put up an amendment that does this to the Constitution. It is unworthy of this body, in my opinion. Others can come out and argue for it if they want to.

But the fact of the matter is any amendment they bring up is an amendment to kill the balanced budget amendment. And there are some in this body who would do anything to keep on taxing and spending, because that is what they believe gets them elected. To me, it is time to quit worrying about elections and to worry about the country, and the balanced budget amendment makes us worry about the country.

Mr. President, we will have a lot more to say about this on Monday. But let me tell you what is going to happen. Senator DOLE has asked me to tell the Senate that if we have a full and good debate on Monday and probably Tuesday, we may be able to carry over the vote on this Daschle amendment for Wednesday. But if we do not have a good debate and we just waste time around here on Monday, then we will probably move to table the underlying Daschle amendment on Tuesday.

Some of our friends on the other side want to put it over until Wednesday so they can coordinate it with the President's press conference down at the White House, which, of course, is, in the opinion of some, geared to undermine the balanced budget amendment.

We can live with that. We think a good idea does not necessarily have to be afraid to stand up to any kind of withering criticism. It is not very withering after all, anyway.

But we are going to table this Daschle amendment. We have to table it. We could not for a minute allow this type of stuff into the Constitution of the United States, this type of definitional misuse of words.

Mr. President, that is basically what is going to happen this next week. We looked forward to Monday when we can debate this in earnest and go into some of these words and what they mean in detail.

Also talk even further, about why we need the balanced budget.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMISTS OPPOSE BALANCED BUDGET AMENDMENT

Mr. MOYNIHAN. Mr. President, this morning, in a room just off the Senate floor, a group representing over 450 of our Nation's most distinguished and respected economists—among them seven Nobel Laureates—gathered to express their profound and unequivocal opposition to a constitutional amendment requiring a balanced Federal budget.

Their conclusions, based not on partisan proclivities, but on decades of scholarly inquiry in the field of economics, deserve the full attention of the Senate. I ask unanimous consent that a portion of their remarks be reprinted in the CONGRESSIONAL RECORD.

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

STATEMENT OF HENRY J. AARON ON THE BALANCED BUDGET AMENDMENT

The economic, legal, and political arguments against the balanced budget amendment are powerful, and I hope that these arguments persuade enough Senators to defeat the amendment in the Senate. Nonetheless, it is possible that the proposed amendments will be sent to the states for ratification. My remarks this morning are addressed to state legislators. They can be expressed in one word: Beware!

Congress has elected not to include in the draft amendment any limit on the capacity of Congress to place mandates on the states. The reason is the supporters of the amendment knew that they could not count on enough votes to pass the amendment if such a prohibition were included. Why are members of Congress unwilling to include such limits in the amendment but instead are limiting themselves to procedural limitations, which they are free to change at any time?

The reason, clearly, is that members of Congress understand that they may wish to carry out policies for which they are unwilling to vote the taxes that would be required under the balanced budget amendment. They wish to reserve to themselves the power to force states and localities to carry out the Congressional will.

Let me be clear. I believe that unfunded mandates are often appropriate vehicles for federal action and I oppose including in the constitution prohibitions or major constraints on their use. But such mandates, on occasion, have been used abusively or inappropriately in the past. A balanced budget amendment makes it quite likely that they would be used far more extensively in the future.

The public mood currently oppose activist policies by the federal government. But anyone with more than an ounce of historical perspective should recognize the political styles change. Should the states ratify the balanced budget amendment, Congress will predictably and inexorably turn to mandates on states and localities to carry out the Congressional will at such time in the future as the public mood comes once again to favor activist government, By forcing states to raise taxes to pay for mandated services, Congress will be able to claim credit, while state officials take the heat.

In plain English, the balanced budget amendment is a time-bomb that threatens to undermine state fiscal and governmental autonomy. State legislators, whether conservative or liberal, should act as custodians for their successors whose independence is vital for the health of the U.S. political system.

STATEMENT OF ISABEL V. SAWHILL

There are lots of reasons to be against a Balanced Budget Amendment to the Constitution. These have been well-articulated by my colleagues today.

However, in my view, there is only one big reason—and that is that a Balanced Budget Amendment is a dishonest means of achieving a worthy goal.

Let me be clear. I am all for balancing the budget. It is the single most important means we have to put the economy on a higher growth path and improve standards of living. But amending the Constitution will not get the job done. Only doing the job will get the job done.

To use a simple analogy, you can't lose weight simply by making a New Year's resolution to go on a diet. You can only lose weight by eating less or exercising more.

Let's have a debate about how fast and when we can safely take off the pounds. Let's also have a debate about whether we should eat less or exercise more. But let's not pretend that resolutions or changing a document as basic as the Constitution will solve the problem.

It substitutes process for problem-solving, pious words for specific deeds, public manipulation for restoration of the public trust.

Thank you.

STATEMENT BY PAUL A. SAMUELSON AND ROBERT M. SOLOW

We oppose the Balanced Budget Amendment because we believe it to be both bad government and bad economics.

At the most fundamental level we think that it is a grave mistake to involve the Constitution in the year-to-year making of economic policy. In this case, especially, when the mere definition of what is allowed and forbidden can never be unambiguous, it seems damaging and foolhardy to impose a constitutional mandate whose meaning will have to be adjudicated on a case-by-case basis by the courts. Federal judges who have better things to do will have to decide whether this or that accounting gimmick counts as revenue or outlay in calculating the balance of the budget. The infinite inventiveness of accountants can always stay one step ahead of the judiciary. It is astonishing that conservatives who think of themselves as strict constructionists can contemplate embroiling the Constitution so directly in matters of everyday politics that should clearly be the province of legislation.

It is inevitable, and it is clearly intended, that the constraint imposed by the Balanced Budget Amendment will be used as an instrument of social policy by denying the Federal government the means to do things that a majority of Congress might otherwise wish to do. The result will be legislation by accounting decisions, reviewed by the courts.

More narrowly, the Amendment is bad economics. It puts more emphasis on the ritual idea of an annually balanced budget than it should have. There may be times when it would be best if the Federal Budget, however defined, should be in prolonged surplus. The Balanced Budget Amendment does not forbid this, but there can be no doubt that it works in the direction of favoring exact balance. The economy may not always suffer from inadequate national saving, as it does now. So there may be times when the Federal budget should be in deficit for a few years. We emphasize that we do not think this is one of those times, but we can not say it will never happen.

Many economists have pointed out how perverse the Amendment can be when the economy falls into recession. Then the appearance of a cyclical deficit is a desirable, functional event, not an undesirable one. At such a moment, the higher taxes or reduced transfers or lower expenditures that would be needed to restore balance will worsen the recession and do relatively little to reduce the budget deficit. Of course some escape mechanisms will be built into the amendment. But they will inevitably be slow, uncertain in their scope, and subject to manipulation by a minority. (This would be an obvious occasion for dissidents to challenge the accounting conventions in use.)

We are strongly in favor of a gradual, appropriately flexible program aimed at increasing the national saving rate by reducing the Federal deficit. This is a hard thing to do, given the voting public's desire to have public services and social programs without paying for them by taxes. But that is the sort of problem democracies have to learn to deal with in the ordinary way, by legislation and executive action. Getting the Constitution involved can only subvert our political system and endanger our economy.

STATMENT OF JEFF FAUX,

Economists are famous for producing a wide variety of different answers to the same question.

Yet there are some things on which there is—although never a perfect consensus—wide agreement. The folly of a Balanced Budget Amendment to the Constitution is one of them. Even those who almost always disagree on budgetary and fiscal policies believe such an amendment would seriously damage the nation's ability to conduct sensible economic policy.

The Amendment would: make economic policy making more rigid, legalistic, and slow at a time when domestic and world markets are increasingly volatile and complex; cripple efforts to stabilize the business cycle; hamper the public's capacity for making long-term investments in human and physical capital; make it almost impossible to coordinate economic policies with other nations; and, put macroeconomic policy in the hands of the courts.

The Balanced Budget Amendment is an irresponsible act that will severely weaken the national capacity to cope with the economic problems of the 21st century.

STATEMENT OF LAWRENCE CHIMERINE

My name is Lawrence Chimerine. I am Managing Director and Chief Economist of the Economic Strategy Institute. I appreciate the opportunity to testify before the Joint Economic Committee on the advisability of a constitutional amendment to balance the federal budget.

In sum, my views are as follows:

a. While the Clinton administration economic and budget program enacted in 1993 has dramatically improved the deficit outlook, future deficits will still be unacceptably high without further policy actions. In particular, while the deficit is now falling, most projections suggest that it will start rising again in approximately two years, and will continue to rise substantially into the next decade.

b. Deficits do matter. In particular, cutting the deficit is the only reliable way to increase our anemic national saving rate in order to provide for higher investment in the long term—this is necessary to increase productivity, improve our international competitiveness, and to create a rising standard of living for most of our citizens. Cutting the deficit will also bring down real interest rates and reduce our dependence on foreign capital, both of which are also desirable in the long term.

c. There is no simple rule to guide future deficit reduction. My own view is that a multi-year deficit reduction program should be enacted as soon as possible to reduce the projected deficit in ten years by at least one-half, but to allow for delays of part or all of the policy actions if economic growth in any year is below a specified minimum level. This will avoid excessive fiscal drag at a time when the economy may already be weak, but at the same time will generate confidence in financial markets that significant future deficit reduction will occur in order to get the maximum impact on long term interest rates as soon as possible.

d. Despite my view that it is important that we bring down future budget deficits, I am strongly against enactment of a balanced budget amendment, for several reasons. First, striving for a balanced budget in the year 2002 may create too much fiscal drag, especially during the next several years when the effect of recent increases in interest rates and other factors begin to slow economic growth. Thus, it may not be good fiscal policy—at a minimum, it may be necessary to stretch out the period for reaching a balanced budget considerably. Secondly, it will be extraordinarily difficult to achieve a balanced budget in the year 2002 without decimating some major programs which are important for our economic and/or social well being, or without significant tax increases. This would be especially the case if defense, social security benefits, and some other entitlements, as well as the now large interest component of federal spending, are excluded from cuts—this would require extraordinarily large cuts in other programs. Since many of these programs affect the poor, many people will be badly hurt, or it will force state and local governments to sharply raise taxes in order to reduce their pain. Spending cuts are also likely to affect programs that are needed to help build for the future, including public infrastructure, support for research and development, education, etc.—this too would be unwise. Third, the requirement to balance the budget in every year would make the business cycle worse by requiring spending cuts or tax increases during recessions, exactly the opposite of sound macroeconomic policy. Fourth, it will likely result in budget gimmickry, such as the use of optimistic assumptions, putting programs off budget, etc. to reduce the difficulty in actually facing up to the spending cuts or tax increases that would be required. In the long run this could actually make future deficits even worse.

e. I am particularly concerned about consideration of a balanced budget amendment at the same time that there appears to be a head-long rush to enact sizeable tax cuts and to increase the defense budget, and to make it more difficult to raise taxes in the future. Needless to say, the huge revenue losses from the tax cuts now being proposed will make it even more difficult to even come close to balancing the budget in the years ahead, or even in fact to put the deficit on a downward trend. Furthermore, while no one likes tax increases, it is not desirable to reduce our future flexibility on the tax side because we may reach a point where tax increases are necessary in order to reduced budget deficits, or to fund vital programs.

THE EVOLUTION OF THE DEFICIT PROBLEM

Many still believe that the enormous deficits of the last fourteen years have been the result of overspending by Congress. However, today's massive deficits, as well as those during the 1980s, were directly attributable to the misguided economic policies that were implemented in the early 1980s under the banner of supply-side economics. Multi-hundred billion dollar deficits for as far as the

eye can see were predictable at that time because:

1. The mythical spending cuts that would supposedly result from the elimination of waste, fraud, and abuse were enormously exaggerated from day one.

2. The incentive effects of supply-side tax cuts were inconsistent with most empirical evidence, and thus were enormously overstated.

3. Thus, not only did the big military spending increases and large tax cuts put massive pressure on the deficit, but the anticipated spending offsets, and the added revenues from economic growth, could never and did never materialize.

4. Furthermore, the explosion in health care costs and other entitlements have pushed the cost of those programs far beyond earlier expectations.

5. The problem was worsened by the use of extremely optimistic (and usually inconsistent) economic assumptions, understatement of program costs, budgetary gimmicks, etc. which enabled the Reagan administration to consistently present budgets that were projected to be in balance, when in truth there was virtually no possibility of that occurring.

6. Finally, the problem began to feed on itself. The inaccurate projections created an attitude of indifference and neglect which prevented any real solution to the deficit problem, thereby causing the national debt to skyrocket so that interest on the debt began to grow at an enormous rate.

BUDGETARY MYTHS

The move toward a constitutional amendment to balance the budget clearly reflects the frustration which currently exists in the Congress regarding the inability to effectively deal with the deficit problem, as well as an effort to find a way to avoid making the hard decisions. It also appears to be an indirect admission of guilt by the Congress that they in fact are also responsible for the budgetary mess. The real problem, as mentioned earlier, was the lack of leadership by the Reagan Administration during those years, and the spreading of a number of budgetary myths that perpetuated the inaction. As indicated earlier, these included the following:

1. Waste, fraud and abuse—the idea that multi-billions could be saved by eliminating waste, fraud and abuse in government programs—a painless solution that was absurd from day one.

2. Tax cuts would pay for themselves (even more than pay for themselves) because of strong incentive effects which would create faster economic growth—there was no legitimate economic evidence to support the conclusion that the large tax cuts enacted in the early 1980s would have the huge impact on savings, investment, and work effort that had been predicted, nor would it produce the strong economic growth which underlied economic and budgetary projections at that time. As a result, it was clear that the tax cuts would result in substantial revenue losses, which is exactly what happened. The assertion by many that the problem is not on the revenue side because tax revenues actually increased as a result of the tax cuts of the early 1980s is inaccurate. Both personal and corporate income tax collections as a share of income and profits respectively are far below where they were a decade ago—total tax revenues are roughly at the same ratio of GNP as they were prior to the enactment of the supply-side program primarily because of the big increase in Social Security taxes enacted in the mid-1980s, and because of other tax increases enacted along the way.

3. We will grow our way out of it—this was another form of the argument stated above, which, as mentioned earlier, was insupportable from day one.

4. State and local budget surpluses will offset the Federal deficit—this too was a red herring which was employed by those who were belittling the deficit in the 1980s. State and local surpluses were never large enough to come anywhere near offsetting Federal deficits.

5. Deficits don't matter—when all the arguments mentioned above turned out to be wrong, it was asserted by the Reagan administration that deficits don't really matter anyway. They cited the economic expansion of the 1980s, despite the deficit, as proof. Of course, as many of us pointed out at the time, we were able to attract massive sums from overseas to help finance those deficits and extend the economic expansion—any reasonable expectation was that the flow of capital from overseas would eventually fade out, as has now been the case.

6. The deficit is due to Congressional overspending—once previous Administrations ran out of rationalizations, the blame shifting began. The truth is, however, that Congress has appropriated less money for discretionary programs (usually in defense) than the Administration asked for in ten out of the twelve years between 1980 and 1992. In fact, discretionary non-defense spending and grants-in-aid to State and local governments were cut substantially during the 1980s, not only relative to earlier current service projections, but as a share of the total budget, and as a share of total GNP. Many domestic programs have fallen sharply in real terms as a result.

We all know why the deficit is still huge and why the problem has not been addressed. It's because of dishonesty in the budgeting process, and lack of leadership from previous Administrations, which resulted in a series of proposed budgets which purportedly balanced the budget in "out years" based completely on mythical savings, extraordinarily optimistic assumptions, budgetary gimmicks, program understatements, etc. The problem was essentially assumed away. Perhaps Congress should have taken the lead on its own, but it was unrealistic to expect 535 Senators and Congressmen, each with their own constituents, to take the lead on a matter like this.

THE CURRENT DEFICIT OUTLOOK

The Clinton Administration and Congress enacted the most significant deficit reduction package in 1993 since the problem developed. The combination of spending cuts and tax increases enacted will reduce total deficits in the 1994–1998 period by almost $500 billion and will also reduce the level of the deficit each year beyond that time. Furthermore, unlike previous attempts to reduce the deficit, this is real deficit reduction—it was based on realistic economic assumptions and estimated impacts of the specific policy actions, so that the actual reduction in the future will closely match the estimates provided at the time the budget plan was implemented.

Unfortunately, however, the deficit outlook is still poor. While the deficit in the next two fiscal years will be about half of the near $350 billion annual level experienced in the early 1990s, in great part because of the new deficit package, as well as because of the economic recovery, virtually all projections indicate that the deficit will begin to rise again by fiscal 1997, and all continue to rise at a substantial rate into the next century. For example, the Congressional Budget Office is now projecting that the deficit will rise to over $400 billion in the year 2004, from the approximately $180 billion projected for fiscal years 1995 and 1996. These projections imply increases in the deficit to GDP ratio, and in the national debt to GDP ratio. In great part, this reflects the bottoming out of defense spending near the end of this decade, as well as continued increases in the cost of the entitlements. Furthermore, this horrendous deficit outlook is in reality even worse because it includes sizable surpluses from the Social Security trust fund—when these trust fund surpluses begin to be paid in benefits early in the next century, the unified deficit is likely to skyrocket unless steps are taken to reverse current trends.

CUTTING THE DEFICIT IS IMPORTANT

This outcome is unacceptable. It should now be clear that these enormous deficits do matter. They have already begun to slowly suck the vitality out of the U.S. economy by squeezing out productive investment, keeping real interest rates extraordinary high, increasing our dependence on foreign capital, reducing the effectiveness of fiscal policy as a stabilization tool, and by creating pressures on those Federal programs that are needed to help build our economy for the future. In my view, the urgency to reduce the deficit is even greater now than it was in previous years, for the following reasons:

1. Personal savings have declined since the 1980s, despite the supply-side incentives, thus reducing the supply of domestic savings.

2. The flow of capital from Japan, Germany, and other parts of the world, which helped fund our deficits in the 1980s when we were the world's major capital importer, has slowed dramatically. This is resulting from the fact that many of those countries are no longer generating surpluses at the same degree as they were previously, and because other parts of the world have become large capital importers as well.

3. A consensus is finally developing that the most critical need in the United States is to improve our productivity and competitiveness—we can no longer grow, as we did in the 1980s, by building empty office buildings and patriot missiles, and by leveraging the system, while long-term growth factors are deteriorating. It is clear that reversing the weak trend of productivity and improving our international competitiveness will require substantial increases in investment, including modernizing our capital stock, investing in education and job training, and rebuilding our infrastructure. High real long-term interest rates, largely caused by massive deficits at a time of lower domestic savings and a reduced inflow of foreign capital, will discourage some of our needed investment.

In effect, it is essential that we create invest-led growth in the United States in order to begin to build for the future. But to do that, the federal deficit must be gradually reduced in order to free up more of our savings to finance private investment, and to reduce real long-term interest rates. Furthermore, it is essential that government priorities be changed at the same time that deficits are reduced—clearly, more federal spending is needed for rebuilding the existing infrastructure and developing the infrastructure of the future, improving the quality of education, funding more non-defense research and development, and for other such programs that will both directly improve U.S. productivity, and help begin to rebuild the U.S. economy. The challenge of

course is how to do both—across the board spending cuts, or any other method that does not result in the necessary change in priorities, will not be sufficient if our objective is to get the U.S. economy on the right course for the future.

A BALANCED BUDGET AMENDMENT IS NOT THE ANSWER.

Despite the urgency of reducing future budget deficits, I am strongly opposed to the enactment of a balanced budget amendment. In my judgment, it is simply another gimmick like those that have been implemented in the last six or seven years, beginning with Gramm-Rudman, which have had very little, if any, impact. It will not only be an ineffective tool in dealing with the problem, but in my view is simply a way to attempt to avoid what will be difficult choices, and place the blame for any unpopular spending cuts or tax increases on a mechanical formula rather than on Presidential or Congressional decisions. In brief, my concerns, are as follows:

1. Which budget is to be balanced? Is it the structural budget deficit, the unified budget deficit, the on-budget deficit, etc.? Should government investment be included or excluded? Answers to these and similar questions are not intuitively obvious.

2. It is likely to encourage even more use of optimistic forecasts, program underestimation, moving programs off-budget, and other similar techniques in order to avoid the tough decisions that will be needed to be made to actually balance the budget. Thus, the balanced budget amendment has the potential of making the budget process even more flawed than it was in the 1980s. We are also likely to see the adoption of more gimmicks that produce short-term revenue gains at the expense of revenue loss beyond the balanced budget period, which will simply make the long-term problem even worse.

3. There are times when a balanced budget may be undesirable. These may include periods of recession or slow growth, wartime periods, or situations when domestic emergencies might exist. In my view, it will be difficult to plan for all these contingencies in a balanced budget amendment, and any effort to offset these factors will be harmful to the economy. Furthermore, its goal of reaching a balanced budget in a relatively short period of time may create too much fiscal drag too rapidly.

4. In my view, if will probably make it more difficult for us to deal with our other critical budget problem, namely reorienting our priorities, because the tendency will be to look for the easiest ways of cutting the deficit, rather than those that are best for the economy.

5. What if, in fact, a balanced budget isn't achieved because the economic assumptions turned out to be incorrect, even if they were reasonable in the first place? How do we make adjustments for it? Who gets penalized? These are also difficult issues that would have to be covered.

6. Efforts to enact major tax cuts at the same time that the balanced budget amendment is being debated is the height of cynicism, especially the tax cuts that have been proposed in the Republican Contract with America. Those tax cuts would generate sizable revenue losses, especially in the out years, making what will already be an extraordinarily difficult task of substantial deficit reduction (let alone a balanced budget) in seven years virtually impossible without almost a near dismantling of government programs except for social security and national defense. This is the height of cynicism, as well as horrendously bad social and economic policy.

It is also important to remember that the Federal budget, by its sheer size, and because of its role as a stabilization tool, should not be considered in the same way as an individual state or local government.

HOW TO CUT THE DEFICIT

While additional long term deficit reduction is thus essential, this must be balanced with two other objectives. First, it is important that we do not further undermine the use of fiscal policy as a stabilization tool. In particular, it would be counterproductive to cut the deficit so quickly that we would dramatically weaken the economy when it is already operating below full employment. Second, we need to reduce future deficits in a manner that would not make it more difficult for us to deal with our other critical budget problem, mainly reorienting our priorities away from consumption and more toward public investment and other expenditures that are needed to support long term economic growth.

I suggest the following approaches an alternative to a balanced budget amendment.

1. Unfortunately, there is no precise rule of thumb or model simulation which can give us the optimum path for future deficit reduction. In my view, an appropriate objective would be to cut the $400 billion deficit now projected by CBO for 2004 in half—this would suggest that over the next 10 years the nominal deficit would be roughly flat, implying a gradual decline in the deficit in real terms, in the deficit as a share of GDP, and even more importantly, in the debt to GDP ratio. Such a target would imply putting in place approximately $15–20 billion per year of budget restraint for each year over the ten year period—in my judgment, with the safeguards I will list below, I think this is doable and will not create too much fiscal drag on the economy.

2. Spending cuts should be the top priority. In view of the large cuts in non-defense discretionary programs in the 1980s, and given the need to increase spending in some of these areas, it is unlikely that huge savings will be realized from this sector of the budget. Thus, spending cuts must come from additional reductions in military spending, from an effective health care cost control program, and from slowing the enormous growth in the entitlements, especially the pension and health programs. I would suggest that the concept of entitlements is no longer something that this country can afford. All of the so-called entitlement programs must be slowly converted to means testing, either by scaling back benefits for upper income and high wealth individuals and/or by increasing taxes on those benefits. We should reduce (not eliminate) benefits for those who could do with less—households and individuals with modest means should be spared. Furthermore, consideration should be given to further extending the retirement age for full benefits. Scaling back of health and pension benefits should not apply only to entitlement programs—public employees are now receiving extremely generous benefits which are no longer affordable. Finally, I would suggest that any reductions in social security benefits partly be earmarked for investments to build for our future, especially for education and other programs which benefit primarily younger people. In effect, we would be reducing benefits for the elderly to be used to make a better life for their children and grandchildren.

3. Deficit reduction must be fair. In particular, it is now well documented that most of the benefit of the tax cuts of the 1980s went to those in the upper income groups—in the meantime, large social security tax increases and budget cuts have significantly reduced after-tax incomes for many low and middle income families. This has only been partly reversed in the 1993 budget package. Thus, it is important that deficit reduction be structured in a way that the impact is greatest on those who can afford it. Many will make the argument that increases in taxes on upper income individuals will create huge disincentives for savings and investment and thus would be counterproductive—however, as we learned in the 1980s, these arguments are exaggerated. Furthermore, the economy can not function effectively when a large and increasing share of purchasing power and wealth is concentrated in relatively few hands—this holds down demand and thus will prevent long term growth.

4. The arithmetic is very clear—even with the phasing-in of entitlement reform and some additional cuts in defense and non-defense discretionary programs, some tax increases (not tax cuts) will be needed in order to reduce deficits to acceptable levels. The assertion that the problem is not on the revenue side because tax revenues have actually increased as a result of the tax cuts of the early 1980s is inaccurate. Both personal and corporate income tax collections as a share of income and profits, respectively, are below where they were a decade ago—total tax revenues are roughly at the same ratio of GDP as they were prior to the enactment of the supply-side program primarily because of the big increase in Social Security taxes enacted in the mid-1980s, and because of other tax increases enacted along the way.

In my view, increased revenues should come first from eliminating counterproductive tax expenditures (incentives, exemptions, etc.) now in place, and then secondly, if more revenues are needed, from increasing taxes in a progressive manner on activities that we want to consume less of. Thus, broadening the tax base and consumption taxes should be considered before across the board tax increases. In the former category, some candidates are the following: eliminating or scaling back the interest deduction on mergers and acquisitions; scaling back the deduction for corporate advertising expenses and/or for corporate entertainment; a lower limit on the mortgage interest deduction than is now in place; taxation of a portion of corporate health care insurance premiums (this may also be helpful in controlling health care costs).

5. Most importantly, I believe that to the extent possible, a multi-year program designed to bring about the amount of deficit reduction described above should be adopted as soon as possible. This would be desirable for several reasons. First, it would avoid having to go through the torturous process on an annual basis—the medicine can all be taken at once. Second, and more importantly, one way to reduce the effect of fiscal drag on economic growth is to bring interest rates down as quickly as possible, especially long term rates—this can be best accomplished if the markets believe that a credible program to reduce future deficits is in place. While easier Federal Reserve policy can also help, the Federal Reserve has lost most of its control over long term interest rates. Convincing the markets that the federal demand for credit will be dramatically reduced in the future will be a more effective way to bring down long term interest rates than an easier monetary policy.

6. It is possible to design a multi-year deficit reduction program that can allow some

flexibility to deal with emergencies and recessions. This will prevent fiscal policy from worsening economic downturns. If these exceptions are truly limited, they are not likely to undermine the credibility of the long term program. I suggest that the deficit reduction program be accompanied with an "escape clause" in the form of a minimum level of GDP or employment growth, or a threshold unemployment rate, beneath which future installments of deficit reduction will be delayed or scaled back in order not to create an even weaker economic environment. This is particularly important since the current level of economic activity is so low that the economy is likely to be underutilized for many years.

MORNING BUSINESS

Mr. HATCH. Mr. President, I ask unanimous consent that we now call up a period to transact morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE NATIONAL EMERGENCY WITH HAITI—MESSAGE FROM THE PRESIDENT—PM 8

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

1. In December 1990, the Haitian people elected Jean-Bertrand Aristide as their President by an overwhelming margin in a free and fair election. The United States praised Haiti's success in peacefully implementing its democratic constitutional system and provided significant political and economic support to the new government. The Haitian military abruptly interrupted the consolidation of Haiti's new democracy when, in September 1991, it illegally and violently ousted President Aristide from office and drove him into exile.

2. The United States, on its own and with the Organization of American States [OSA], immediately imposed sanctions against the illegal regime. Upon the recommendation of the legitimate government of President Aristide and of the OAS, the United Nations Security Council imposed incrementally a universal embargo on Haiti, beginning June 16, 1993, with trade restrictions on certain strategic commodities. The United States actively supported the efforts of the OAS and the United Nations to restore democracy to Haiti and to bring about President Aristide's return by facilitating negotiations between the Haitian parties. The United States and the international community also offered material assistance within the context of an eventual negotiated settlement of the Haitian crisis to support the return to democracy, build constitutional structures, and foster economic well-being.

The continued defiance of the will of the international community by the illegal regime led to an intensification of bilateral and multilateral economic sanctions against Haiti in May 1994. The U.N. Security Council on May 6 adopted Resolution 917, imposing comprehensive trade sanctions and other measures on Haiti. This was followed by a succession of unilateral U.S. sanctions designed to isolate the illegal regime. To augment embargo enforcement, the United States and other countries entered into a cooperative endeavor with the Dominican Republic to monitor that country's enforcement of sanctions along its land border and in its coastal waters.

Defying coordinated international efforts, the illegal military regime in Haiti remained intransigent for some time. Internal repression continued to worsen, exemplified by the expulsion in July 1994 of the U.N./O.A.S.-sponsored International Civilian Mission [ICM] human rights observers. Responding to the threat to peace and security in the region, the U.N. Security Council passed Resolution 940 on July 31, 1994, authorizing the formation of a multinational force to use all necessary means to facilitate the departure from Haiti of the military leadership and the return of legitimate authorities including President Aristide.

In the succeeding weeks, the international community under U.S. leadership assembled a multinational coalition force to carry out this mandate. At my request, former President Carter, Chairman of the Senate Armed Services Committee Sam Nunn, and former Chairman of the Joint Chiefs of Staff Colin Powell went to Haiti on September 16 to meet with the de facto Haitian leadership. The threat of imminent military intervention combined with determined diplomacy achieved agreement in Port-au-Prince on September 18 for the de facto leaders to relinquish power by October 15. United States forces in the vanguard of the multinational coalition force drawn from 26 countries began a peaceful deployment in Haiti on September 19 and the military leaders have since relinquished power.

In a spirit of reconciliation and reconstruction, on September 25 President Aristide called for the immediate easing of sanctions so that the work of rebuilding could begin. In response to this request, on September 26 in an address before the United Nations General Assembly, I announced my intention to suspend all unilateral sanctions against Haiti except those that affected the military leaders and their immediate supporters and families. On September 29, the U.N. Security Council adopted Resolution 944 terminating U.N.-imposed sanctions as of the day after President Aristide returned to Haiti.

On October 15, President Aristide returned to Haiti to assume his official responsibilities. Effective October 16, 1994, by Executive Order No. 12932 (59 Fed. Reg. 52403, October 14, 1994), I terminated the national emergency declared on October 4, 1991, in Executive Order No. 12775, along with all sanctions with respect to Haiti imposed in that Executive order, subsequent Executive orders, and the Department of the Treasury regulations to deal with that emergency. This termination does not affect compliance and enforcement actions involving prior transactions or violations of the sanctions.

3. This report is submitted to the Congress pursuant to 50 U.S.C. 1641(c) and 1703(c). It is not a report on all U.S. activities with respect to Haiti, but discusses only those Administration actions and expenses since my last report (October 13, 1994) that are directly related to the national emergency with respect to Haiti declared in Executive Order No. 12775, as implemented pursuant to that order and Executive Orders Nos. 12779, 12853, 12872, 12914, 12917, 12920, and 12922.

4. The Department of the Treasury's Office of Foreign Assets Control [FAC] amended the Haitian Transactions Regulations, 31 C.F.R. Part 580 (the "HTR") on December 27, 1994 (59 Fed. Reg. 66476, December 27, 1994), to add section 580.524, indicating the termination of sanctions pursuant to Executive Order No. 12932, effective October 16, 1994. The effect of this amendment is to authorize all transactions previously prohibited by subpart B of the HTR or by the previously stated Executive orders. Reports due under general or specific license must still be filed with FAC covering activities up until the effective date of this termination. Enforcement actions with respect to past violations of the sanctions are not affected by the termination of sanctions. A copy of the FAC amendment is attached.

5. The total expenses incurred by the Federal Government during the period of the national emergency with respect to Haiti from October 4, 1991, through

October 15, 1994, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to Haiti are estimated to be approximately $6.2 million, most of which represent wage and salary costs for Federal personnel. This estimate has been revised downward substantially from the sum of estimates previously reported in order to eliminate certain previously reported costs incurred with respect to Haiti, but not directly attributable to the exercise of powers and authorities conferred by the declaration of the terminated national emergency with respect to Haiti.

Thus, with the termination of sanctions, this is the last periodic report that will be submitted pursuant to 50 U.S.C. 1703(c) and also constitutes the last semiannual report and final report on Administration expenditures required pursuant to 50 U.S.C. 1641(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 3, 1995.*

REPORT OF A PROCLAMATION TO AMEND THE GENERALIZED SYSTEM OF PREFERENCES—MESSAGE FROM THE PRESIDENT—PM 9

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

The Generalized System of Preferences [GSP] program offers duty-free treatment to specified products that are imported from designated beneficiary countries. It is authorized by the Trade Act of 1974, as amended.

I am writing to inform you of my intent to add Armenia to the list of beneficiary developing countries for purposes of the GSP program. I have carefully considered the criteria identified in sections 501 and 502 of the Trade Act of 1974. In light of these criteria, I have determined that it is appropriate to extend GSP benefits to Armenia.

I am also writing to inform you of my decision to terminate the designation of The Bahamas and the designation of Israel as beneficiary developing countries for purposes of the GSP program. Pursuant to section 504(f) of the Trade Act of 1974, I have determined that the per capita gross national products of The Bahamas and of Israel have exceeded the applicable limit provided for in section 504(f). Accordingly, I have determined that it is appropriate to terminate the designation of The Bahamas and Israel as GSP beneficiaries.

This notice is submitted in accordance with sections 502(a)(1) and 502(a)(2) of the Trade Act of 1974.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 3, 1995.*

MESSAGES FROM THE HOUSE

At 12:07 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House insists upon its amendments to the bill (S.1) to curb the practice of imposing unfunded Federal mandates on States and local governments; to strengthen the partnership between the Federal Government and State, local, and tribal governments; to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local, and tribal governments without adequate funding, in a manner that may displace other essential governmental priorities; and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statues and regulations; and for other purposes, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. CLINGER, Mr. DREIER, Mr. PORTMAN, Mr. DAVIS, Mr. CONDIT, Mrs. COLLINS of Illinois, Mr. TOWNS, and Mr. MOAKLEY as the managers of the conference on the part of the House.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–341. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–348 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–342. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–349 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–343. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–350 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–344. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–351 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–345. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–352 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–346. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–353 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–347. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–354 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–348. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–355 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–349. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–356 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–350. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–357 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–351. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–358 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–352. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–359 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–353. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–360 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–354. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–361 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–355. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–365 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–356. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–367 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–357. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–368 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

EC–358. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 10–369 adopted by the Council on December 6, 1994; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 178. A bill to amend the Commodity Exchange Act to extend the authorization for the Commodity Futures Trading Commission, and for other purposes (Rept. No. 104–7).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATCH (for himself, Mr. BAUCUS, and Mrs. FEINSTEIN):

S. 351. A bill to amend the Internal Revenue Code of 1986 to make permanent the credit for increasing research activities; to the Committee on Finance.

By Mr. PRESSLER:

S. 352. A bill to amend the Federal Water Pollution Control Act to establish a comprehensive program for conserving and managing wetlands and waters of the United States, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SIMON:

S. 353. A bill to clarify the circumstances under which a senior circuit court judge may cast a vote in a case heard en banc; to the Committee on the Judiciary.

By Mr. BREAUX (for himself, Mr. JOHNSTON, Mr. SIMON, and Mr. BUMPERS):

S. 354. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage the preservation of low-income housing; to the Committee on Finance.

By Mr. ABRAHAM:

S. 355. A bill to provide that the Secretary of the Senate and the Clerk of the House of Representatives shall include an estimate of Federal retirement benefits for each Member of Congress in their semiannual reports, and for other purposes; to the Committee on Rules and Administration.

By Mr. SHELBY (for himself and Mr. COVERDELL):

S. 356. A bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mr. BAUCUS and Mrs. FEINSTEIN):

S. 351. A bill to amend the Internal Revenue Code of 1986 to make permanent the credit for increasing research activities; to the Committee on Finance.

RESEARCH ACTIVITIES LEGISLATION

Mr. HATCH. Mr. President, I am pleased today to join with my friends and colleagues, Senator MAX BAUCUS, and Representatives NANCY JOHNSON and ROBERT MATSUI in the House, in introducing legislation that would extend permanently the tax credit for increasing research activities. The Omnibus Budget Reconciliation Act of 1993 temporarily extended this tax credit until June 30, 1995, when it is set to expire.

As the United States is shifting from an industrial based economy to an information and technology based economy, conducting research for tomorrow's products and methods is increasing in importance. In 1981, the Reagan administration and the Congress recognized this need, and the credit for increasing research and experimentation [R&E] activities was first enacted. Unfortunately, due to revenue concerns and uncertainty about its effectiveness, the credit was enacted with a sunset date of December 31, 1985. Since then, the credit has been extended four more times for periods varying from 6 months to 3 years.

Mr. President, this Nation is the world's undisputed leader in technological innovation. American know-how has given our Nation benefits undreamed of a few years ago. Research and development by U.S. companies has led the way in delivering these benefits, which enhance U.S. competitiveness as well as the quality of life for everyone. And, as the pace of change in our world quickens, the role of research has taken on increased importance.

The R&E credit has played a key role in placing the United States ahead of its competition in developing and marketing new products. Recent studies indicate that the marginal effect of $1 of the R&D credit stimulates approximately $1 of additional private research and development [R&D] spending over the short run, and as much as $2 of extra R&D over the long run.

Mr. President, the benefits of the R&D credit, though certainly very significant, have been limited by the fact that the credit has been temporary. In many fields, particularly pharmaceuticals and biotechnology, there are relatively long periods of development. The more uncertain the long-term future of the R&D credit is, the smaller the potential of the credit to stimulate increased research. This only makes sense, Mr. President. U.S. companies are managed by prudent business men and women. They evaluate their R&D investments by comparing the present value of the expected cash flows from the research over the life of the investment with the initial cash outlay. These estimates take into account the potential availability of tax credits. However, because of the uncertainty of a credit that has been allowed to expire 5 times in 14 years, many decision makers do not count on the R&E credit as being available in the long run. This, of course, means that fewer research projects will meet the threshold of viability and results in fewer dollars being spent on research in this country.

It is important to note that while U.S. investment in research and development has generally grown since 1970, our international competitors have not stood still. In fact, United States nondefense R&D, as a percentage of gross domestic product [GDP], has been relatively flat since 1985, while Japan's and Germany's have grown.

Unlike a few years ago, it is now not always necessary for U.S. firms to perform their research activities within the boundaries of the United States. As more nations have joined the United States as high-technology manufacturing centers, with educated work forces, multinational companies have found that moving manufacturing functions overseas is sometimes necessary to stay competitive. The same is often true with basic research activities. In fact, some of our major trading partners now provide generous tax incentives for research and development conducted in those nations. In some cases, these incentives are more attractive than the R&E credit the United States provides, particularly when the temporary nature of our credit is considered. Therefore, Mr. President, we are at risk of having some of the R&D spending in the United States transferred overseas if we do not keep competitive.

President Clinton, when campaigning for the presidency in 1992, recognized the importance of stimulating private R&D investment and called for a permanent R&E credit. I firmly hope that the President's fiscal year 1996 budget continues this commitment by providing for the permanent extension of the credit.

Mr. President, my home State of Utah is home to a large number of innovative companies who invest a high percentage of their revenue in research and development activities. For example, between Salt Lake City and Provo lies the world's biggest stretch of software and computer engineering firms. This area, which was named "Software Valley" by Business Week, is second only to California's Silicon Valley as a thriving high technology commercial area.

In addition, the Salt Lake City area is home to at least 145 biomedical firms that employ nearly 8,000 workers. These companies were conceived in research and development and will not survive, much less grow, without continuously conducting R&D activities.

In all, Mr. President, there are approximately 80,000 employees working in Utah's 1,400 plus and growing technology based companies. Research and development is the lifeblood of these firms, and hundreds of thousands more throughout the Nation that are like them. A permanent and effective tax incentive to increase research is essential to the long-term health of these businesses.

High-technology companies are leading us into the 21st century. Research and development must continue or this industry will shrivel up and die. We cannot allow that to happen.

I am aware, Mr. President, that not every company that incurs R&D expenditures in the United States can take advantage of the R&E credit. For many companies, particularly in the defense and aerospace industries, declining research and development expenditures as a percentage of sales, which came about as a result of lower defense spending by the Federal Government, have put the credit out of

reach. Thus, even a permanent credit, as currently structured, holds little or no incentive to increase research activities for these firms. Other companies find the current R&E credit less effective than it could be because of various problems inherent in the structure of the credit. In short, the credit, even if permanently extended, is not perfect. Congress should examine ways to improve it and to make it more effective in delivering incentives to increase R&D activity for all companies. I intend to explore various ideas to make the credit better. And, I invite my colleagues and interested parties to join me in this endeavor.

In the meantime, however, it is important that this Congress send a strong signal that the current credit should not be allowed to expire. This bill today is intended to serve as a benchmark. I urge my colleagues to show their support for the concept of a permanent R&E credit by cosponsoring this legislation. By the time we have the opportunity to consider a tax bill, probably later this spring, we hope to be able to offer improvements to the credit that all companies will find effective in encouraging the kind of research activities that will keep this Nation a leader in the technological developments that will lead us into the next century.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREDIT FOR INCREASING RESEARCH ACTIVITIES MADE PERMANENT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 28(b) of such Code is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after June 30, 1995.

• Mr. President, it is with great pleasure that I join with my colleague from Utah, Senator HATCH, to introduce a bill critical to the ability of American businesses to effectively compete in the global marketplace. This bill will provide the economic incentive to encourage businesses to undertake the research necessary to develop the technical innovations required to increase the supply of quality jobs in the United States.

The legislation that we introduce today, and the companion legislation Representatives NANCY JOHNSON and ROBERT MATSUI are introducing in the House on this date, will make the R&D credit permanent for amounts paid for incurred after June 30, 1995.

For the past several years, essentially because of budget constraints, Congress extended the R&D credit on an sporadic basis. Corporations have been unable to count on the credit as a certainty in financing the multi-year development projects necessary to the economic well being of the companies particularly in a highly competitive, global market place.

The bill introduced today to permanently extend the R&D credit is only the beginning. Over the last few years, I have received the input of a variety of business leaders and industry representatives concerning ways to facilitate additional investment in research and development. Included in this process were discussions with representatives of small and large businesses, new companies, and mature industries. As a result, I have concluded that additional modifications should be made to the R&D credit provisions to fulfill the objectives contemplated by Congress when it first enacted and subsequently modified the credit—fostering leadership in new technology, promoting the emergence of new businesses, aiding the conversion of the defense industry, and promoting an environment in which our Nation's companies can successfully compete with their foreign counterparts.

On March 26, 1993, I, together with our former colleague, Senator Danforth, introduced S. 666, the Research Development Enhancement Act of 1993. I believed at that time and continue to believe that S. 666 effectively addressed a number of issues which, had the legislation been enacted, would have facilitated additional investment in U.S.-based research and development.

I look forward to working with my colleague, Senator HATCH, and with Members of Congress and the administration to obtain a permanent extension of the R&D credit and to ultimately effect revisions to the credit to encourage American companies to invest additional funds in research and development.•

By Mr. PRESSLER:

S. 352. A bill to amend the Federal Water Pollution Control Act to establish a comprehensive program for conserving and managing wetlands and waters of the United States, and for other purposes; to the Committee on Environment and Public Works.

THE COMPREHENSIVE WETLANDS CONSERVATION AND MANAGEMENT ACT OF 1995

Mr. PRESSLER. Mr. President, today I am introducing legislation that addresses a major concern of land owners and businesses not only in South Dakota but throughout the United States. The concern is wetlands.

Traveling throughout South Dakota and listening to the people, it is clear that wetlands are an issue on everyone's mind. More often than not, current wetlands policy is a burden on our farmers, ranchers, and business people. Problems with current wetlands policies have affected farmers and ranchers predominantly. However, current policies also are now affecting those who live in our cities and small towns. The bill I am introducing today would go far in establishing a policy that neither is burdensome nor imposes unwarranted costs and regulations.

And what are these wetlands concerns? The right to own private property is one. Compensation to property owners when land is taken away or when use of the land is restricted is another. Government-forced changes in farming and ranching operations are on everyone's mind. Current excessive penalties and fines could force young farmers and ranchers off the land. Obstacles to business expansion are another current concern.

Mr. President, the list of concerns goes on. These concerns are not imagined. They are real. Problems are occurring throughout South Dakota. In just one county in South Dakota—Kingsbury—nearly 20 percent of that county's farmland contains Government wildlife easement wetlands. However, Government officials have not notified farmers of those easements.

Seven possible wetlands violations were reported in Kingsbury County last year. Yet four of the seven operators charged had no idea there were wetlands easements on their farms.

In several cases, local officials quickly identified the problem, and notified the affected farmers. The farmers, unaware of any wetlands damage or violations, quickly repaired the disruption of their wetlands. Now these farmers are waiting for a ruling from Washington bureaucrats on what their penalty will be.

The penalties will not be light. Farmers have told me they are being threatened with fines as high as $515,000. Fines as high as $65,000 have already been levied.

Mr. President, I do not know any farm or ranch family that can afford to lose that amount of money. Efforts must be taken to ensure that any fine or penalty is in line with violations. Many violations are incidental and quickly repaired. Penalties should fit the crime.

Thousands of South Dakotans have written, called, or visited with me about the definition of wetlands and the rules and regulations designed to protect wetlands. Farmers, ranchers, business men and women, and individual South Dakotans have clearly identified one of the most important issues affecting their lives. They are concerned about the definition of wetlands and what guidelines should be adopted to protect them.

The bill I am introducing today addresses these wetlands concerns. My bill would create much-needed guidelines for identifying and delineating

wetlands and creating a balance between growth and the protection of private property. Simply put, this bill puts common sense into our wetlands policy.

Current law is too broad, and it is causing to many problems throughout the country. Congress has never passed a comprehensive law defining wetlands. Without that definition, Federal agencies have been aggressively pursuing control over private property in the name of saving wetlands.

What the Government should or should not be doing in this area needs to be defined clearly. My bill does that. It provides definitions that protect true wetlands areas and protects the rights of private property owners.

My bill requires certain criteria to be met and verified before an area can be regulated as a wetland. Such an approach is more reliable in identifying true wetlands. It prevents field inspectors from mistakenly classifying dry, upland areas that are drained effectively as wetlands, and also eliminates a major source of confusion and abuse caused by current regulations.

Mr. President, I ask that an explanation of the bill be printed in the RECORD at this point.

Mr. President, I applaud my friend and colleague Senator BREAUX for being the leader on this issue during previous Congresses. Only through the kind of common sense and balanced approach proposed in my bill can the Nation's agricultural, business, environmental, and individual interests be addressed properly. Action is needed. I urge my colleagues to take a close look at this bill and join me in supporting this bill.

Mr. President, I ask unanimous consent that a copy of my bill and additional material be printed in the RECORD.

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

S. 352

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 "Comprehensive Wetlands Conservation and Management Act of 1995".

SEC. 2. FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) wetlands play an integral role in maintaining high quality of life through material contributions to the national economy, food supply, water supply and quality, flood control, and fish, wildlife, and plant resources, and to the health, safety, recreation, and economic well-being of citizens throughout the United States;

(2) wetlands serve important ecological and natural resource functions, such as providing essential nesting and feeding habitat for waterfowl, other wildlife, and many rare and endangered species, fisheries habitat, the enhancement of water quality, and natural flood control;

(3) much of the wetlands resource of the United States has sustained significant loss or degradation, resulting in the need for effective programs to limit the loss and degradation of ecologically significant wetlands and to provide for long-term restoration and enhancement of the wetlands resource base;

(4) because 75 percent of the wetlands in the lower 48 States is privately owned and because the majority of the population of the United States lives in or near wetlands, an effective wetlands conservation and management program must reflect a balanced approach that conserves and enhances important wetlands functions and values while observing private property rights, recognizing the need for essential public infrastructure, such as highways, ports, airports, sewer systems, and public water supply systems, and providing the opportunity for sustained economic growth; and

(5) the Federal permit program established under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) was not originally conceived as a wetlands regulatory program and is insufficient to ensure that the wetlands resource base of the United States will be conserved and managed in a fair and environmentally sound manner.

(b) PURPOSE.—The purpose of this Act is to establish a new Federal regulatory program for activities in wetlands and waters of the United States to—

(1) assert Federal regulatory jurisdiction over a broad category of specifically identified activities that result in the loss or degradation of wetlands and waters of the United States;

(2) account for variations in wetlands functions or values in determining the character and extent of regulation of activities occurring in wetlands;

(3) provide sufficient regulatory incentives for conservation, restoration, or enhancement activities;

(4) encourage conservation of resources on an ecosystem basis to the fullest extent practicable; and

(5) balance public and private interests in determining the conditions under which activity in wetlands and waters of the United States may occur.

SEC. 3. WETLANDS CONSERVATION AND MANAGEMENT.

Title IV of the Federal Water Pollution Control Act (33 U.S.C. 1341 et seq.) is amended by striking section 404 and inserting the following new section:

"SEC. 404. PERMITS FOR ACTIVITIES IN WETLANDS OR WATERS OF THE UNITED STATES.

"(a) DEFINITIONS.—As used in this section:

"(1) ACTIVITY IN WETLANDS OR WATERS OF THE UNITED STATES.—The term 'activity in wetlands or waters of the United States' means—

"(A) the discharge of dredged or fill material into waters of the United States, including wetlands at a specific disposal site; or

"(B) the draining, channelization, or excavation of wetlands.

"(2) CREATION.—The term 'creation', used with respect to wetlands, means an activity that brings wetlands into existence, at a site where the wetlands did not formerly occur, for the purpose of compensation.

"(3) DIRECTOR.—The term 'Director', used without further modification, means the Director of the United States Fish and Wildlife Service.

"(4) ENHANCEMENT.—The term 'enhancement', used with respect to wetlands or waters of the United States, means an activity that increases the value of a function in wetlands or waters of the United States.

"(5) FASTLANDS.—The term 'fastlands' means lands located behind permitted man-made structures, such as lands located behind a levee to permit utilization of the lands for commercial, industrial, or residential purposes consistent with each local land use planning requirement.

"(6) GROWING SEASON.—The term 'growing season' means, for each plant hardiness zone, the period between the average date of last frost in spring and the average date of first frost in autumn.

"(7) INCIDENTALLY CREATED.—The term 'incidentally created', used with respect to wetlands, means lands that otherwise meet the standards for delineation of wetlands described in paragraphs (1) and (2) of subsection (g), if a characteristic of the wetlands is the unintended result of a human-induced alteration of hydrology.

"(8) MAINTENANCE.—The term 'maintenance' means an activity undertaken to ensure continuation of wetlands or the accomplishment of a project goal after a wetlands restoration or wetlands creation project has been technically completed, including water level manipulation and control of any nonnative plant species.

"(9) MITIGATION BANKING.—The term 'mitigation banking' means wetlands restoration, enhancement, preservation, or creation for the purpose of providing compensation for wetlands loss or degradation.

"(10) NORMAL FARMING, SILVICULTURE, AQUACULTURE, OR RANCHING ACTIVITY.—The term 'normal farming, silviculture, aquaculture, or ranching activity' means a normal ongoing practice identified as a normal ongoing activity by the Secretary of Agriculture (in consultation with the Cooperative State Research, Education, and Extension Service for each State, the land-grant university system, and the agricultural colleges of the State), taking into account any existing practice (as of the date of the identification) and any other practice that may be identified in consultation with the affected industry or community.

"(11) PRIOR CONVERTED CROPLAND.—The term 'prior converted cropland' means lands that were both manipulated (by drainage or other physical alteration to remove excess water from the land) and cropped before December 23, 1985, to the extent that the lands no longer exhibit significant wetlands functions or values.

"(12) RESTORATION.—The term 'restoration', used with respect to wetlands, means an activity undertaken to return wetlands from a disturbed or altered condition with lesser wetlands acreage or fewer wetlands functions or values to a previous condition with greater wetlands acreage or more wetlands functions or values.

"(13) SECRETARY.—The term 'Secretary', used without further modification, means the Secretary of the Army.

"(14) TEMPORARY.—The term 'temporary', used with respect to an impact, means the disturbance or alteration of wetlands or waters of the United States caused by an activity under a circumstance in which, not later than 3 years following the commencement of the activity, the wetlands or waters—

"(A) are returned to the condition in existence prior to the commencement of the activity; or

"(B) display a condition sufficient to ensure that without further human action the wetlands or waters will return to the condition in existence prior to the commencement of the activity.

"(15) WETLANDS.—The term 'wetlands' means lands that meet the standards for delineation of lands as wetlands set forth in paragraphs (1) and (2) of subsection (g).

"(16) WETLANDS FUNCTIONS.—The term 'wetlands functions' means the roles wetlands serve that are of value, including flood water storage, flood water conveyance, ground water discharge, erosion control, wave attenuation, water quality protection, scenic and aesthetic use, food chain support, fishery support, wetlands plant habitat support, aquatic habitat support, and habitat for wetlands-dependent wildlife support.

"(b) AUTHORIZED ACTIVITIES.—

"(1) PERMIT REQUIREMENT.—No person shall undertake an activity in wetlands or waters of the United States unless the activity is undertaken pursuant to a permit issued by the Secretary, except as provided in paragraph (3).

"(2) ISSUANCE OF PERMITS.—The Secretary may issue permits authorizing activities in wetlands or waters of the United States in accordance with the requirements of this section.

"(3) ACTIVITIES NOT REQUIRING PERMITS.—An activity in wetlands or waters of the United States may be undertaken without a permit described in paragraph (2) from the Secretary if the activity is authorized under paragraph (5) or (6) of subsection (e), is exempt under subsection (f), or is otherwise exempt under another provision of this section.

"(4) APPLICATION.—Any person seeking to undertake an activity in wetlands or waters of the United States shall submit an application to the Secretary identifying the site of the activity. The applicant shall also provide such additional information regarding the proposed activity as may be necessary or appropriate for purposes of determining whether and under what conditions the proposed activity may be permitted to occur.

"(c) WETLANDS CLASSIFICATION.—

"(1) APPLICATION.—In submitting an application under subsection (b), any person seeking to undertake an activity in wetlands for which a permit is required under subsection (b) shall request that the Secretary determine, in accordance with paragraph (3), the classification of the wetlands in which the activity is proposed to occur. The applicant shall also provide such information as may be necessary or appropriate for determining the classification of wetlands.

"(2) NOTICE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), not later than 90 days after the receipt of an application described in paragraph (1) relating to an activity in wetlands, the Secretary shall provide notice to the applicant of the classification of the wetlands that are the subject of the application and shall state in writing the basis for the classification. The classification of the wetlands that are the subject of the application shall be determined by the Secretary in accordance with the requirements for classification of wetlands under paragraphs (3), (4), and (5).

"(B) NOTICE REGARDING ADVANCE CLASSIFICATION.—In the case of an application proposing an activity located in wetlands that are the subject of an advance classification under subsection (h), the Secretary shall provide notice to the applicant of the classification within 30 days following the receipt of the application, and shall provide an opportunity for review of the classification under paragraphs (4) and (5).

"(3) CLASSIFICATION.—On receipt of an application under this subsection with respect to wetlands, the Secretary shall, in accordance with the standards and procedures established by regulation issued under subsection (i)—

"(A) classify as type A wetlands the wetlands that are of critical significance to the long-term conservation of the ecosystem of which the wetlands are a part if—

"(i) the wetlands serve critical wetlands functions and values, including the provision of critical habitat for a concentration of avian, aquatic, or wetlands-dependent wildlife;

"(ii)(I) the wetlands consist of or are a portion of 10 or more contiguous acres and have an inlet or outlet for relief of water flow; or

"(II) the wetlands contain a prairie pothole feature, playa lake, or vernal pool;

"(iii) there exists a scarcity within the watershed or aquatic ecosystem of identified ecological functions served by the wetlands such that the use of the wetlands for an activity in wetlands or waters of the United States would seriously jeopardize the availability of the identified functions;

"(iv) there is no overriding public interest in the use of the wetlands for purposes other than conservation; and

"(v) the nature and scope of the wetlands functions and values of the wetlands are such that minimization and compensation are not feasible means for conserving the wetlands functions and values;

"(B) classify as type B wetlands the wetlands that provide habitat for a significant population of avian, aquatic, or wetlands-dependent wildlife, or provide other significant wetlands functions and values, including significant enhancement or protection of water quality in waters of the United States, or significant natural flood control; and

"(C) classify as type C wetlands the wetlands that—

"(i) serve limited wetlands functions and values;

"(ii) serve marginal wetlands functions and values but that exist in such abundance that regulation of activities in the wetlands is not necessary for conserving important wetlands functions and values;

"(iii) are prior converted cropland;

"(iv) are fastlands; or

"(v) are wetlands within industrial complexes or other intensely developed areas that do not serve significant wetlands functions and values as a result of the location of the wetlands.

"(4) DE NOVO DETERMINATION.—Not later than 30 days after receipt of notice of an advance classification by the Secretary under paragraph (2)(B), an applicant may request that the Secretary make a de novo determination of the classification of wetlands that are the subject of the notice. The de novo determination shall be made by the Secretary in consultation with the Director. The Secretary may sustain the advance classification made by the Director. The Secretary may modify the classification if the Secretary determines, on examination of all relevant information submitted by the applicant or otherwise available to the Secretary (including, if appropriate, an on-the-ground examination) that—

"(A) the lands involved do not meet the standards for delineating wetlands set forth in paragraph (1) or (2) of subsection (g);

"(B) the weight of relevant information does not support the determination of the advance classification with respect to the specific wetlands involved;

"(C) the factual basis for the advance classification is no longer valid; or

"(D) the limitations on uses of the specific wetlands involved that would be imposed by the Secretary under this section would effectively preclude reasonable economic use of the wetlands.

"(5) APPEALS.—In the event that the Secretary delegates authority to determine the classification of wetlands under paragraphs (3) and (4), the Secretary shall, by regulation, provide for a right of appeal to the Secretary or the designee of the Secretary of the classification of wetlands under paragraph (3) or the de novo determination of an advance classification in accordance with paragraph (4).

"(6) MAXIMUM PERCENT OF LANDS CLASSIFIED AS TYPE A WETLANDS.—No more than 20 percent of any county, parish, or borough shall be classified as type A wetlands. For purposes of this paragraph, a county, parish, or borough includes any land in the county, parish, or borough that is owned by the United States or by a State, including land in a unit of the National Wildlife Refuge System, land in the National Park System, and land subject to a conservation easement.

"(d) COMPENSATION FOR LANDOWNERS.—

"(1) ELECTION TO SEEK COMPENSATION.—Any person (including a State or political subdivision of a State) who owns an interest in lands that have been classified as type A wetlands by the Secretary under subsection (c)(3)(A) or by the Director under subsection (h) may, not later than 2 years after receipt of actual notice of the classification (or not later than 2 years after a de novo determination of the classification under subsection (c)(4)), notify the Secretary and the Director that the person is electing to seek compensation for the fair market value of the interest in lands at the time of the classification, in accordance with the requirements of this section. The fair market value may include reasonable attorney's fees and shall be calculated without regard to any diminution in value resulting from the applicability of this section.

"(2) NEGOTIATIONS.—Immediately on receipt by the Secretary and the Director of notification of election to seek compensation under paragraph (1), the Director shall enter into good faith negotiations with the owner for purposes of determining the value of the interest in lands that have been classified as type A wetlands. Not later than 90 days after receipt of the notification of election by the owner under paragraph (1), the Director shall make an offer of reasonable compensation to the owner.

"(3) ACTION OF OWNER.—

"(A) IN GENERAL.—Not later than 6 years after the date the Director makes an offer of compensation under paragraph (2), the owner shall provide notice that the owner, in the discretion of the owner—

"(i) accepts the offer of compensation;

"(ii) has filed a claim for determination of the value of the compensation described in paragraph (1) with the United States Court of Federal Claims; or

"(iii) advises the Director and the Secretary that the owner elects to retain title to the wetlands and elects not to receive compensation for the taking of land under this subsection.

"(B) FAILURE TO PROVIDE NOTICE.—Failure to provide notice in accordance with this paragraph shall be deemed an election to retain title to the wetlands and not to receive compensation under this subsection.

"(4) EFFECT OF ACCEPTANCE OF OFFER OR FILING OF CLAIM.—On acceptance of an offer of compensation, or the filing of a claim for determination of the value of compensation, under paragraph (3), the classification as type A wetlands of the wetlands that are the subject of the offer or claim shall be binding on the owner and any successor in interest, and the title to the lands shall pass to the United States. The classification of the lands as type A wetlands under this paragraph

shall constitute a taking by the United States of the interests in the lands of the owner and shall be compensable under this subsection.

"(5) EXTENT OF TAKING.—A taking under this subsection shall be deemed to be a taking of surface interests in lands only, with the following exceptions:

"(A) EXPLORATION OR DEVELOPMENT NOT COMPATIBLE WITH CONSERVATION.—If the Secretary determines that the exploration for or development of oil and gas or mineral interests is not compatible with conservation of the surface interests in lands that have been classified as type A wetlands located above the oil and gas or mineral interests (or located adjacent to the oil and gas or mineral interests where the adjacent lands are necessary to provide reasonable access to the interests), the Secretary may classify the oil and gas or mineral interests as type A wetlands and notify the owner of the interests that the owner may elect to receive compensation for the interests under paragraph (1).

"(B) FAILURE TO PROVIDE REASONABLE ACCESS.—The failure of the Secretary to provide reasonable access to oil and gas or mineral interests located beneath or adjacent to surface interests of type A wetlands shall be deemed a taking of the oil and gas or mineral interests. The Secretary shall classify the oil and gas or mineral interests as type A wetlands and notify the owner of the interests that the owner may elect to receive compensation for the interests under paragraph (1).

"(6) JURISDICTION.—The United States Court of Federal Claims shall have jurisdiction—

"(A) to determine the value of interests taken and the fair compensation required under this subsection and the Constitution;

"(B) in the case of oil and gas or mineral interests, to require the United States to provide reasonable access in, across, or through lands that may be the subject of a taking under this subsection solely for the purpose of undertaking activity necessary to determine the value of the interests taken; and

"(C) to provide other equitable remedies determined to be appropriate.

"(7) EXECUTION OF JUDGMENT.—Any judgment rendered under paragraph (6) may be executed, at the election of the owner. Any owner seeking to execute such a judgment shall execute the judgment not later than 2 years after the date the judgment is rendered. The owner may, prior to the execution of the judgment, enter into an agreement with the United States for satisfaction of the judgment through a crediting of a tax benefit, acquisition of an interest in oil and gas or minerals, an exchange of interests in lands with the United States, or other means of compensation.

"(8) CONSTRUCTION.—

"(A) AVAILABILITY OF OTHER REMEDIES.—The remedy for a taking of an interest in lands under this subsection shall not be construed to preempt, alter, or limit the availability of other remedies for the taking of the interest in lands under the Constitution or under State law, including the taking of rights to the use of water allocated under State law or the taking of the interest in lands by denial of a permit under this section.

"(B) TAKING BY DENIAL OF A PERMIT.—Any award of compensation for the taking of an interest in lands by denial of a permit under this section shall be based on the fair market value of the interest in lands at the time of the taking. The fair market value may include reasonable attorney's fees and shall be calculated without regard to any diminution in value resulting from the applicability of this section.

"(9) MANAGEMENT.—Interests in lands acquired by the United States under this subsection shall be managed by the United States Fish and Wildlife Service as a part of the National Wildlife Refuge System unless the Secretary of the Interior, acting through the Director, makes a determination otherwise, or unless otherwise provided by law.

"(10) REQUIREMENTS GOVERNING USE OF WATER.—No action taken under this subsection shall be construed to alter or supersede requirements governing use of water applicable under State law.

"(e) REQUIREMENTS APPLICABLE TO PERMITTED ACTIVITY.—

"(1) ISSUANCE OR DENIAL OF PERMITS.—Following the provision of notice of wetlands classification pursuant to subsection (c) if applicable, and after compliance with the requirements of subsection (d) if applicable, the Secretary may issue or deny a permit for authorization to undertake an activity in wetlands or waters of the United States, in accordance with the requirements of this subsection.

"(2) TYPE A WETLANDS.—

"(A) IN GENERAL.—The Secretary shall deny a permit authorizing an activity in type A wetlands unless the Secretary determines that—

"(i) the activity can be undertaken with minimal alteration or surface disturbance of the wetlands; or

"(ii) the proposed use of the land, taking into account all proposed mitigation, will result in overall environmental benefits, including the prevention of wetlands loss or degradation.

"(B) TERMS AND CONDITIONS CONCERNING MITIGATION.—Any permit issued authorizing activities in type A wetlands may contain such terms and conditions concerning mitigation (including terms and conditions applicable under paragraph (3) for type B wetlands) as the Secretary determines to be appropriate to prevent the unacceptable loss or degradation of type A wetlands.

"(3) TYPE B WETLANDS.—

"(A) CONSIDERATIONS.—The Secretary may issue a permit authorizing an activity in type B wetlands subject to such terms and conditions as the Secretary finds are necessary to ensure that the watershed or aquatic ecosystem of which the wetlands are a part does not suffer significant loss or degradation of wetlands functions and values. In determining whether specific terms and conditions are necessary to avoid a significant loss or degradation of wetlands functions and values, the Secretary shall consider the following:

"(i) The quality and quantity of ecologically significant functions and values served by the areas to be affected.

"(ii) The opportunities to reduce impacts through cost-effective design to avoid or minimize use of wetlands.

"(iii) The costs of mitigation requirements and the social, recreational, and economic benefits associated with the proposed activity, including local, regional, or national needs for improved or expanded infrastructure.

"(iv) The ability of the applicant for the permit to mitigate wetlands loss or degradation as measured by wetlands functions and values.

"(v) The environmental benefit, measured by wetlands functions and values, that may occur through mitigation efforts, including restoration, preservation, enhancement, or creation of wetlands functions and values.

"(vi) The marginal impact of the proposed activity on the watershed or aquatic ecosystem of which the wetlands are a part.

"(B) ALTERNATIVE SITE ANALYSES AND PROJECT PURPOSES.—In considering applications for permits with respect to activities on type B wetlands, the Secretary may require alternative site analyses for individual permit applications involving the alteration or permanent surface disturbance of 10 or more contiguous acres of wetlands. In the case of such an application, there shall be a rebuttable presumption that the project purpose for the activities as defined by the applicant shall be binding on the Secretary. In the case of such an application, the definition of project purpose for the activities sponsored by a public agency shall be binding on the Secretary, subject to the authority of the Secretary to impose mitigation requirements to minimize impacts on wetlands functions and values, including cost-effective redesign of the project to avoid wetlands.

"(C) REQUIREMENTS FOR MITIGATION.—Except as otherwise provided in this section, requirements for mitigation shall be imposed if the Secretary finds that activities undertaken under this section will result in the loss or degradation of type B wetlands functions and values where the loss or degradation is not an incidental or a temporary impact. When determining the mitigation requirements in any specific case, the Secretary shall take into consideration the characteristics of the wetlands affected, the character of the impact on ecological functions, whether any adverse effects on wetlands are of a permanent or temporary nature, and the cost-effectiveness of the mitigation and shall seek to minimize the costs of the mitigation.

"(D) REGULATIONS GOVERNING REQUIREMENTS FOR MITIGATION.—The Secretary shall issue regulations under subsection (i) governing requirements for compensatory mitigation, for activities occurring in type B wetlands, that allow for—

"(i) minimization of impacts through project design for the activities, including avoidance of specific wetlands impacts where economically practicable and consistent with the project purpose, provisions for compensatory mitigation, if any, and other terms and conditions necessary and appropriate in the public interest;

"(ii) preservation or donation of type A wetlands or type B wetlands (if title has not been acquired by the United States and no compensation for the taking of the wetlands has been provided) as mitigation for activities that result in loss or degradation of wetlands;

"(iii) enhancement or restoration of lost or degraded wetlands as compensation for wetlands lost or degraded through permitted activity;

"(iv) compensation through contribution to a mitigation banking program established for a State pursuant to subparagraph (F);

"(v) offsite compensatory mitigation with respect to an activity in a wetlands, if the mitigation contributes to the restoration, enhancement, or creation of significant wetlands functions and values on a watershed or ecosystem-wide basis and is balanced with the effects that an activity proposed to be carried out under a permit will have on the specific site (except that offsite compensatory mitigation, if any, shall be required only in the State in which the proposed activity is to occur, and shall, to the extent

practicable, be within the watershed or aquatic ecosystem within which the proposed activity is to occur, unless otherwise consistent with a State wetlands management plan);

"(vi) contribution of in-kind value acceptable to the Secretary and otherwise authorized by law;

"(vii) in areas subject to wetlands loss or degradation, construction of coastal protection and enhancement projects;

"(viii) contribution of resources of more than 1 permit recipient toward a single mitigation project; and

"(ix) other mitigation measures determined by the Secretary to be appropriate, in the public interest, and consistent with the requirements and purposes of this Act.

"(E) COMPENSATORY MITIGATION.—Notwithstanding subparagraph (C), the Secretary may determine not to impose requirements for compensatory mitigation, with respect to an activity in a wetlands, if the Secretary finds that—

"(i) the adverse impacts of an activity proposed to be carried out under a permit are limited;

"(ii) the failure to impose compensatory mitigation requirements is compatible with maintaining wetlands functions and values and no practicable and reasonable means of compensatory mitigation is available;

"(iii) there is an abundance of similar significant wetlands functions and values in or near the area in which the proposed activity is to occur that will continue to serve the functions and values lost or degraded as a result of the activity, taking into account the impacts of the activity and the cumulative impacts of similar activity in the area;

"(iv) the temporary character of the impacts and the use of minimization techniques make compensatory mitigation unnecessary to protect significant wetlands functions and values; or

"(v) a waiver from requirements for compensatory mitigation is necessary to prevent special hardship.

"(F) MITIGATION BANKING PROGRAM.—

"(i) ESTABLISHMENT.—The Secretary, in consultation with the Director, shall establish a mitigation banking program in each State. The mitigation banking program shall be developed in consultation with the Director and the Governor of the State in which the wetlands covered by the mitigation banking program is located. After approval of the program by the Secretary, the Secretary may require contributions to the program as a means for ensuring compensation for loss and degradation of wetlands functions and values in the State in accordance with the requirements of this paragraph.

"(ii) PRIMARY OBJECTIVE.—The primary objective of the programs shall be to provide for the restoration, enhancement, or, where feasible, creation of ecologically significant wetlands on an ecosystem basis.

"(iii) FUNCTIONS AND VALUES.—Each program described in clause (i) shall—

"(I) provide a preference for large-scale projects for conservation, enhancement, or restoration of wetlands, unless the Secretary (or the Governor of a State that is administering a State permit program under subsection (l)) determines that a smaller project will contribute substantially to the conservation, enhancement, or restoration of ecologically significant wetlands functions and values or that the restoration of indigenous wetlands resources cannot be accomplished through large-scale projects;

"(II) authorize mitigation banks sponsored by private entities or public entities;

"(III) provide for the crediting to a State or privately maintained mitigation bank of contributions in land or cash, or in-kind contributions, so that persons unable to sponsor specific mitigation projects can contribute to the mitigation bank;

"(IV) have sufficient requirements to ensure completion, maintenance, and supervision of wetlands projects for at least a 25-year period, including requirements for bonds or other evidence of financial responsibility;

"(V) authorize the imposition of bonding requirements on private entities operating the banks;

"(VI) limit activities in or on wetlands that are part of a mitigation bank to uses that are consistent with maintaining or gaining significant wetlands functions and values; and

"(VII) authorize a credit to be provided on an acre-for-acre or value-for-value basis for type A and B wetlands that are permanently protected in national conservation units in any State that has converted less than 10 percent of the historic wetlands base of the State to other uses.

"(4) ACTION ON APPLICATIONS.—

"(A) TIMING.—In the case of any application for authorization to undertake activities in wetlands or waters of the United States that are not type C wetlands, final action by the Secretary shall occur not later than 180 days after the date the application is filed, unless—

"(i) the Secretary and the applicant agree that the final action shall occur within a shorter or longer period of time;

"(ii) the Secretary determines that an additional, specified period of time is necessary to permit the Secretary to comply with other applicable Federal law; or

"(iii) the Secretary, not later than 15 days after the date the application is received, notifies the applicant that the application does not contain all information necessary to allow the Secretary to consider the application and identifies any necessary additional information, in which case the provisions of subparagraph (B) shall apply.

"(B) ADDITIONAL INFORMATION.—On the receipt of a request for additional information under subparagraph (A)(iii), the applicant shall supply the additional information and shall provide notice to the Secretary that the application contains all requested additional information and is therefore complete. The Secretary may—

"(i) not later than 30 days after the receipt of notice from the applicant that the application is complete, determine that the application does not contain all requested additional information and, on the basis of the determination, deny the application without prejudice with respect to resubmission; or

"(ii) not later than 180 days after the receipt of notice from the applicant that the application is complete, review the application and take final action on the application.

"(C) FAILURE TO ACT ON APPLICATION.—If the Secretary fails to take final action on an application as provided in subparagraph (B)(ii), on the 180th day described in the subparagraph a permit shall be presumed to be granted authorizing the activities proposed in the application under such terms and conditions as are stated in the completed application.

"(D) APPEALS.—Not later than 60 days after the date of a decision of the Secretary denying a permit requested in an application under this paragraph, the applicant may appeal the decision to the Secretary of Defense or the designee of the Secretary of Defense. On such an appeal, the Secretary of Defense or the designee shall uphold the decision of the Secretary of the Army if the Secretary of the Army proves by clear and convincing evidence that granting the permit requested in the application would be inconsistent with this section.

"(5) TYPE C WETLANDS.—

"(A) PERMIT NOT REQUIRED.—Activities in wetlands that have been classified as type C wetlands under subsection (c)(3)(C) by the Secretary or under subsection (h) by the Director may be undertaken without a permit referred to in subsection (b).

"(B) REPORTING REQUIREMENTS.—The Secretary may establish requirements for reporting activities undertaken in type C wetlands.

"(C) ALTERNATIVE SITE ANALYSIS AND MITIGATION NOT REQUIRED.—No requirements for alternative site analyses or mitigation of environmental impacts shall apply for activities undertaken in type C wetlands.

"(6) NATIONAL, REGIONAL, OR STATEWIDE GENERAL PERMITS.—

"(A) IN GENERAL.—The Secretary may, in accordance with a regulation issued under subsection (i), issue general permits on a national, regional, or statewide basis for any category of activities in wetlands or waters of the United States for which a permit would otherwise be required under subsection (b), if the Secretary determines that the activities in the category are similar in nature and that the activities, whether performed separately or cumulatively, will not result in a significant loss or degradation of ecologically significant wetlands functions and values or of ecologically significant waters of the United States. Permits issued under this paragraph shall include procedures for expedited review of eligibility for the permits (if the review is required) and may include requirements for reporting and mitigation. The Secretary may impose requirements for compensatory mitigation for the permits if necessary to avoid or minimize the significant loss or degradation of significant wetlands functions and values where the loss or degradation is not an incidental or a temporary impact.

"(B) EXISTING GENERAL PERMITS.—General permits issued on a national or regional basis for activities in the wetlands or waters of the United States and in effect on the date of enactment of the Comprehensive Wetlands Conservation and Management Act of 1995 shall remain in effect until otherwise modified by the Secretary.

"(f) ACTIVITIES NOT REQUIRING PERMIT.—

"(1) ACTIVITIES.—Except as provided in paragraph (3), activities in wetlands or waters of the United States shall be exempt from the requirements of this section and shall not be prohibited by or otherwise subject to regulation under this section or section 301 or 402 (except to the extent the sections relate to compliance with effluent standards or prohibitions under section 307), if the activities—

"(A) result from normal farming, silviculture, aquaculture, or ranching activities and practices, such as plowing, seeding, cultivating, minor drainage, burning of vegetation in connection with the activities and practices, harvesting for the production of food, fiber, or forest products, or upland soil and water conservation practices;

"(B) are for the purpose of maintenance, including emergency reconstruction of recently damaged parts of currently (as of the date of the maintenance) serviceable structures, such as dikes, dams, levees, water control structures, groins, riprap, breakwaters,

causeways, and bridge abutments or approaches, and transportation structures;

"(C) are for the purpose of construction or maintenance of farm, stock, or aquaculture ponds or irrigation canals and ditches, or the maintenance of drainage ditches;

"(D) are for the purpose of construction of temporary sedimentation basins on a construction site that does not include placement of fill material into navigable waters;

"(E) are for the purpose of construction or maintenance of farm roads or forest roads, or temporary roads for moving mining equipment, if the roads are constructed and maintained, in accordance with best management practices, to ensure that flow and circulation patterns and chemical and biological characteristics of the waters involved are not impaired, that the reach of the waters is not reduced, and that any adverse effect on the aquatic environment will be otherwise minimized;

"(F) are undertaken on farmed wetlands, except that any change in use of the wetlands for the purpose of undertaking activities that are not exempt from regulation under this subsection shall be subject to this section;

"(G) result from any activity with respect to which a State has an approved program for which an application was submitted under section 208(b)(4) that meets the requirements of subparagraphs (B) and (C) of the section;

"(H) are consistent with a State or local land management plan submitted to the Secretary and approved pursuant to paragraph (2);

"(I) are undertaken in connection with a marsh management and conservation program in a coastal parish in Louisiana if the program has been approved by the Governor of the State or the designee of the Governor;

"(J) are undertaken on lands or involve activities within a coastal zone of a State that are excluded from regulation under the State coastal zone management program approved under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.);

"(K) are undertaken in incidentally created wetlands, unless the incidentally created wetlands have exhibited wetlands functions and values for more than 5 years (in which case activities undertaken in the wetlands shall be subject to the requirements of this section);

"(L) are part of expanding an ongoing farming operation involving the water dependent, obligate crop, Vaccinium macrocarpin, if—

"(i) the expansion does not occur in type A wetlands;

"(ii) the expansion does not result in the conversion of more than 10 acres of wetlands or waters of the United States per operator per year; and

"(iii) the converted wetlands or waters of the United States (other than in locations where dikes and other necessary facilities are placed) remain as wetlands or other waters of the United States; or

"(M) result from aggregate or clay mining activities in wetlands or waters of the United States conducted pursuant to a State or Federal permit that requires the reclamation of the wetlands or waters of the United States, if the reclamation meets conditions for reclamation, including conditions that—

"(i) the reclamation shall be completed within 5 years of the commencement of activities in the wetlands or waters; and

"(ii) on completion of the reclamation, the wetlands or waters shall support functions (including wetlands functions, as appropriate) and values equivalent to the functions and values supported by the wetlands or waters at the time of commencement of the activities.

"(2) STATE AND LOCAL LAND MANAGEMENT PLANS.—

"(A) DEVELOPMENT AND SUBMISSION OF PLAN.—Any State or political subdivision of a State acting pursuant to State authorization may develop a land management plan with respect to lands that include wetlands. A State or local government agency, acting on behalf of the State or political subdivision, may submit the plan to the Secretary for review and approval. The Secretary shall, not later than 60 days after receipt of the plan, notify a designated State or local official in writing of approval or disapproval of the plan.

"(B) APPROVAL.—The Secretary shall approve any plan described in subparagraph (A) that is consistent with the objectives of this section. No person shall be entitled to judicial review of the decision of the Secretary to approve or disapprove a land management plan under this paragraph.

"(C) CONSTRUCTION.—Nothing in this paragraph shall be construed to alter, limit, or supersede the authority of a State or political subdivision of a State to establish a land management plan for purposes other than the objectives of this subsection.

"(g) STANDARDS FOR DELINEATING WETLANDS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT OF STANDARDS.—The Secretary shall establish standards, by regulation issued under subsection (i), that shall govern the delineation of lands as wetlands for purposes of this section.

"(B) CONSULTATION.—Before establishing standards as described in subparagraph (A), the Secretary shall consult with the heads of other departments and agencies of the United States, including the Director, the Administrator of the Environmental Protection Agency, and the Chief of the Natural Resources Conservation Service of the Department of Agriculture.

"(C) STANDARDS BINDING ON FEDERAL AGENCIES.—The standards established as described in subparagraph (A) shall bind all Federal agencies in connection with the administration or implementation of this section.

"(2) DELINEATION OF WETLANDS.—

"(A) IN GENERAL.—The standards established as described in paragraph (1)(A) shall be issued in accordance with this paragraph, and any decision of the Secretary, the Director, or any other Federal officer or employee, made in connection with the administration of the standards, shall be made in accordance with this paragraph.

"(B) REQUIREMENTS FOR DELINEATION OF WETLANDS.—For purposes of this section, lands shall be delineated as wetlands only if—

"(i) the lands are wetlands, as defined in section 502;

"(ii) the Secretary finds clear evidence of wetlands hydrology, hydrophytic vegetation, and hydric soil during the period in which the delineation (to be conducted during the growing season unless otherwise requested by the applicant) is made;

"(iii) the delineation does not result in the classification of vegetation as hydrophytic if the vegetation is equally adapted to dry or wet soil conditions or is more typically adapted to dry soil conditions than to wet soil conditions;

"(iv) the Secretary finds some obligate wetlands vegetation present during the period of delineation (except that if the vegetation is removed for the purpose of evading a requirement of this section, this clause shall not apply);

"(v) the delineation does not result in the conclusion that conditions of wetlands hydrology are present, unless the Secretary finds water present at the surface of the lands for at least 21 consecutive days during the growing season (or period requested by the applicant) in which the delineation is made and for 21 consecutive days during the growing seasons in a majority of the years for which records are available; and

"(vi) the lands were not temporarily or incidentally created as a result of adjacent development activity.

"(C) NORMAL CIRCUMSTANCES.—For the purpose of delineating wetlands under this section, a normal circumstance shall be determined on the basis of the factual circumstance in existence on the date a classification is made under subsection (h), or on the date of application under subsection (b), whichever is applicable, if the circumstance has not been altered by an activity prohibited under this section.

"(h) UNITED STATES FISH AND WILDLIFE SERVICE WETLANDS ADVANCE IDENTIFICATION AND CLASSIFICATION PROJECT.—

"(1) IN GENERAL.—The Director, after receiving the concurrence of the Chief of the Natural Resources Conservation Service, shall conduct a project to identify and classify wetlands in the United States. The Director shall complete the project not later than 10 years after the date of enactment of the Comprehensive Wetlands Conservation and Management Act of 1995.

"(2) STANDARDS FOR CLASSIFYING WETLANDS.—In conducting the project, the Director shall identify and classify wetlands in accordance with the standards for delineation of wetlands established by the Secretary as described in paragraphs (1) and (2) of subsection (g).

"(3) NOTICE AND HEARING.—Before completion of identification and classification of wetlands under paragraph (1), the Director shall provide notice and an opportunity for a public hearing in each county, parish, or borough that includes lands subject to identification and classification.

"(4) PUBLICATION.—Promptly after completion of identification and classification of wetlands under paragraph (1), the Director shall publish information concerning the identification and classification in the Federal Register and in publications of wide circulation and take other steps reasonably necessary to ensure that information concerning the identification and classification is made available to the public.

"(5) RECORDING.—The Director shall, to the fullest extent practicable, record any classification of lands as wetlands under paragraph (1) on the property records in the county, parish, or borough in which the wetlands are located.

"(6) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of the Comprehensive Wetlands Conservation and Management Act of 1995, and annually thereafter, the Secretary of the Interior shall prepare and submit to the appropriate committees of Congress a report on implementation of the project conducted under this subsection.

"(i) ADMINISTRATIVE PROVISIONS.—

"(1) PROMULGATION OF FINAL REGULATIONS.—Not later than 1 year after the date of enactment of the Comprehensive Wetlands Conservation and Management Act of 1995, the Secretary shall, after notice and opportunity for public comment, issue 1 or more

final regulations for the issuance of permits under this section. The regulations shall—

"(A) establish standards and procedures for—

"(i) the classification and delineation of wetlands, and procedures for administrative review of the classification or delineation of wetlands;

"(ii) the review of State or local land management plans and State programs for the regulation of wetlands and waters of the United States;

"(iii) the issuance of general permits on a national, regional, or statewide basis under this section;

"(iv) the issuance of individual permit applications under this section;

"(v) enforcement of this section;

"(vi) administrative appeal of an action by the Secretary denying an application for a permit referred to in subsection (b), or issuing a permit referred to in subsection (b) subject to 1 or more conditions; and

"(vii) any other related area that the Secretary determines necessary or appropriate to implement the requirements of this section; and

"(B) establish requirements governing the establishment of a mitigation bank.

"(2) JUDICIAL REVIEW OF A FINAL REGULATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any judicial review of a final regulation issued pursuant to paragraph (1), and any denial by the Secretary of a petition for the issuance or repeal of a regulation under paragraph (1), shall be conducted in accordance with sections 701 through 706 of title 5, United States Code.

"(B) JURISDICTION OF COURT.—

"(i) PETITIONS FOR REVIEW.—A petition for review of the action of the Secretary in issuing a regulation under paragraph (1), or denying a petition for the issuance or repeal of a regulation under paragraph (1), may be filed only in the United States Court of Appeals for the District of Columbia. The petition for review may only be filed—

"(I) not later than 90 days after the date of issuance or denial; or

"(II) if the petition for review is based solely on grounds arising after the date of issuance or denial, not later than 90 days after the date the grounds arise.

"(ii) PROHIBITION ON REVIEW DURING ENFORCEMENT PROCEEDINGS.—Action by the Secretary with respect to which review could have been obtained under this paragraph shall not be subject to judicial review in civil or criminal proceedings for enforcement.

"(3) INTERIM REGULATIONS.—

"(A) PROMULGATION OF INTERIM REGULATIONS.—Not later than 90 days after the date of enactment of the Comprehensive Wetlands Conservation and Management Act of 1995, the Secretary shall issue interim regulations consistent with paragraph (1). The interim regulations shall become effective on the date of issuance. Notice of the interim regulations shall be published in the Federal Register. Except as provided in subparagraph (B), the interim regulations shall apply until the issuance of final regulations under paragraph (1).

"(B) WAIVER OF INTERIM REGULATIONS.—The Secretary shall provide a procedure for waiving a provision of an interim regulation—

"(i) in a case in which the applicant demonstrates special hardship, inequity, or unfair distribution of burdens; or

"(ii) in a case in which the Secretary determines that a waiver under this subparagraph would advance the purposes of this section.

"(4) AUTHORITY TO CARRY OUT REGULATIONS.—Except as otherwise expressly provided in this section, the Secretary shall be responsible for carrying out this section. The Secretary or any other Federal officer or employee in whom any function under this section is vested or to whom any such function is delegated may perform any and all acts (including appropriate enforcement activity), and may prescribe, issue, amend, or rescind any regulation or order the officer or employee may find necessary or appropriate to prescribe, issue, amend, or rescind under this section, subject to the requirements of this section.

"(j) VIOLATIONS.—

"(1) ENFORCEMENT BY SECRETARY.—Whenever the Secretary finds, on the basis of reliable and substantial information and after reasonable inquiry, that a person is or may be in violation of this section or a condition or limitation set forth in a permit issued by the Secretary under subsection (b), the Secretary shall—

"(A) issue an order requiring the person to comply with this section or with the condition or limitation in the permit; or

"(B) bring a civil action in accordance with paragraph (3).

"(2) ORDERS ISSUED BY SECRETARY.—

"(A) COPY OF ORDER SENT TO STATES.—A copy of each order issued under paragraph (1) shall be sent immediately by the Secretary to the Governor of the State in which the violation occurred and the Governor of any other affected State.

"(B) SERVICE.—Except as provided in subparagraph (C), any order issued under paragraph (1) shall—

"(i) be issued by personal service to the appropriate person or corporate officer;

"(ii) state with reasonable specificity the nature of the asserted violation; and

"(iii) specify a period for compliance, not to exceed 30 days, that the Secretary determines is reasonable (taking into account the seriousness of the asserted violation and any good faith efforts to comply with applicable requirements).

"(C) TIME LIMIT ON ORDER AND ESTOPPEL.—

"(i) IN GENERAL.—Not later than 150 days after the date of service under subparagraph (B), the Secretary shall—

"(I) take such action as is necessary for the prosecution of a civil action in accordance with paragraph (3); or

"(II) rescind the order issued under paragraph (1) and be estopped from any further enforcement proceeding for the same asserted violation.

"(ii) DISPUTED ORDERS.—If a person receiving service under subparagraph (B) disputes the finding described in paragraph (1) and notifies the Secretary in writing not later than 90 days after the service, the Secretary shall, not later than 60 days after receiving the notification of the dispute—

"(I) take such action as is necessary for the prosecution of a civil action in accordance with paragraph (3); or

"(II) rescind the order and be estopped from any further enforcement proceeding for the same asserted violation.

"(3) CIVIL ACTIONS.—The Secretary may commence a civil action for appropriate relief, including a permanent or temporary injunction, for any violation for which the Secretary may issue an order under paragraph (1). An action commenced under this paragraph may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and the court shall have jurisdiction to restrain the violation and to require compliance. Notice of the commencement of the action shall be given immediately to the Governor of any affected State.

"(4) PENALTIES.—

"(A) IN GENERAL.—Any person who violates this section or a condition or limitation in a permit issued by the Secretary under subsection (b), or who violates an order issued by the Secretary under paragraph (1), shall be subject to a civil penalty not to exceed $25,000 per day for each violation involved, commencing on the day following expiration of the period allowed for compliance.

"(B) DETERMINATION OF AMOUNT.—The amount of the penalty imposed per day shall be in proportion to the scale or scope of the project that results in the violation. In determining the amount of a civil penalty under this paragraph, the Secretary or the court, as appropriate, shall consider the seriousness of the violation, the economic benefit (if any) resulting from the violation, any history of a previous violation, any good-faith effort to comply with applicable requirements, the economic impact of the penalty on the violator, and any other matter that justice may require.

"(k) STATE AUTHORITY TO CONTROL DISCHARGES.—Nothing in this section shall affect or impair the right of a State or interstate agency to control activity, including activity of a Federal agency, in waters of the United States within the jurisdiction of the State or interstate agency. Each Federal agency shall comply with a State or interstate requirement, whether substantive or procedural, to the same extent that a person is subject to the requirement. This section shall not affect or impair the authority of the Secretary to maintain navigation.

"(l) STATE REGULATION OF WETLANDS AND WATERS.—

"(1) APPLICATION FOR STATE REGULATION.—The Governor of a State desiring to administer an individual and general permit program for an activity in wetlands or waters of the United States within the jurisdiction of the State shall submit to the Secretary—

"(A) a description of the program proposed to be established and administered under State law; and

"(B) a statement from the chief legal officer of the State that the State law provides adequate authority to carry out the described program.

"(2) DETERMINATION BY SECRETARY.—Not later than 1 year after the date of receipt by the Secretary of a program description and statement under paragraph (1), the Secretary shall determine whether the State has the authority to—

"(A) issue permits that—

"(i) apply, and ensure compliance with, each applicable requirement of this section; and

"(ii) can be terminated or modified for cause, including—

"(I) a violation of any condition or limitation in the permit;

"(II) evidence that the permit was obtained by misrepresentation or failure to disclose fully all relevant facts; or

"(III) a change in any condition that requires either a temporary or permanent reduction or elimination of the permitted activity;

"(B)(i) issue permits that apply, and ensure compliance with, all applicable requirements of section 308; or

"(ii) inspect, monitor, enter, and require reports to at least the same extent as required under section 308;

"(C) ensure that the public, and any other State in which the wetlands or waters of the United States may be affected by the issuance of a permit under this subsection, receive notice of each application for a permit under this subsection and provide an opportunity for a public hearing before a ruling on the application;

"(D) ensure that the Secretary receives notice of each application for a permit under this subsection and, prior to any action by the State, ensure that both the applicant for the permit and the State receive from the Secretary information with respect to any advance classification under subsection (h) applicable to wetlands or waters of the United States that are the subject of the application;

"(E) ensure that each State (other than the State seeking to issue permits under this subsection) in which the wetlands or waters of the United States may be affected by the issuance of a permit under this subsection may submit a written recommendation to the permitting State with respect to any permit application and, if any part of the written recommendation is not accepted by the permitting State, ensure that the permitting State will notify the affected State (and the Secretary) in writing of the failure by the permitting State to accept the recommendation together with the reason for the failure by the permitting State to accept the recommendation of the affected State; and

"(F) abate a violation of the permit or the permit program, through a civil or criminal penalty or other means of enforcement.

"(3) APPROVAL OR MODIFICATION OF PROGRAM.—

"(A) APPROVAL OF PROGRAM.—If, with respect to a proposed State program for which a description and statement were submitted under paragraph (1), the Secretary determines that the State has the authority set forth in paragraph (2), the Secretary shall approve the program, notify the State, and suspend the issuance of permits under subsection (b) for each activity with respect to which a permit may be issued pursuant to the State program.

"(B) MODIFICATION OF PROGRAM.—If, with respect to a proposed State program for which a description and statement were submitted under paragraph (1), the Secretary determines that the State does not have the authority set forth in paragraph (2), the Secretary shall notify the State and provide a description of any revision or modification necessary so that the State may resubmit the program for another determination by the Secretary under this subsection.

"(4) FAILURE OF SECRETARY TO MAKE DETERMINATION.—If, with respect to a proposed State program for which a description and statement were submitted under paragraph (1), the Secretary fails to make a determination within 1 year after the date of receipt of the description and statement, the proposed program shall be deemed to be approved pursuant to paragraph (3)(A) on the day that is 1 year after that date, the Secretary shall notify the State of the approval, and the Secretary shall suspend the issuance of permits under subsection (b) for each activity with respect to which a permit may be issued pursuant to the State program.

"(5) TRANSFER OF APPLICATIONS.—After approval of a State permit program under this subsection, the Secretary shall transfer to the State for appropriate action any application for a permit pending before the Secretary for an activity with respect to which a permit may be issued pursuant to the State program.

"(6) SUSPENSION OF ENFORCEMENT.—If the Secretary is notified that a State with a permit program approved under this subsection intends to administer and enforce the terms and conditions of a general permit issued by the Secretary under subsection (e)(6), the Secretary shall, with respect to each activity in the State to which the general permit applies, suspend the administration and enforcement of the general permit.

"(7) CORRECTIVE ACTION.—If the Secretary determines after a public hearing that a State administering a program approved under this subsection is not administering the program in accordance with this section, the Secretary shall notify the State and, if appropriate corrective action is not taken within a reasonable time (not to exceed 90 days after the date of the receipt of the notification), the Secretary shall—

"(A) withdraw approval of the program until the Secretary determines appropriate corrective action has been taken; and

"(B) resume the program for the issuance of permits under subsections (b) and (e)(6) for all activities with respect to which the State was issuing permits, until such time as the Secretary makes the determination described in paragraph (2) and approves the State program again.

"(8) REGULATION BY AN INTERSTATE AGENCY.—For purposes of this subsection:

"(A) GOVERNOR.—The term 'Governor' includes the head of an interstate agency.

"(B) STATE.—The term 'State' includes an interstate agency.

"(C) STATE LAW.—The term 'State law' includes an interstate compact.

"(m) COPIES AVAILABLE TO PUBLIC.—A copy of each permit application submitted, and each permit issued, under this section shall be available to the public. Each permit application or portion of a permit application shall also be available on request for the purpose of reproduction.

"(n) COMPLIANCE WITH PERMIT SATISFIES REQUIREMENTS.—Compliance with a permit issued pursuant to this section, including carrying out an activity pursuant to a general permit issued under this section, shall be deemed, for purposes of sections 309 and 505, to be compliance with sections 301, 307, and 403.

"(o) EFFECTIVE DATE FOR PERMIT PROVISIONS.—After the 90th day after the date of enactment of the Comprehensive Wetlands Conservation and Management Act of 1995, no permit for an activity in wetlands or waters of the United States may be issued except in accordance with this section. Any permit for an activity in wetlands or waters of the United States issued prior to the 90th day shall be deemed to be a permit under this section and shall continue in force and effect for the term of the permit unless revoked, modified, or suspended in accordance with this section. An application for a permit pending under this section on the 90th day shall be deemed to be an application for a permit under this section.

"(p) LIMIT ON FEES.—Any fee charged in connection with—

"(1) the delineation or classification of wetlands;

"(2) an application for a permit authorizing an activity in wetlands or waters of the United States; or

"(3) any other action taken in compliance with the requirements of this section (other than a penalty for a violation under subsection (j));

shall not exceed the amount of the fee in effect on January 1, 1990.".

SEC. 4. DEFINITIONS.

Section 502 of the Federal Water Pollution Control Act (33 U.S.C. 1362) is amended by adding at the end the following new paragraph:

"(21) WETLANDS.—The term 'wetlands' means lands, such as swamps, marshes, bogs, and similar areas, that have a predominance of hydric soils and that are inundated by surface water at a frequency and duration sufficient to support, and that under normal circumstances support, a prevalence of vegetation typically adapted for life in saturated soil conditions.".

SEC. 5. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 119(c)(2)(E) of the Federal Water Pollution Control Act (33 U.S.C. 1269(c)(2)(E)) is amended by striking "wetland" and inserting "wetlands".

(b) Section 208(b)(4)(B)(iii) of the Act (33 U.S.C. 1288(b)(4)(B)(iii)) is amended by striking "the guidelines established under section 404(b)(1), and" and inserting "section 404, and with the guidelines established under".

(c) Section 309 of the Act (33 U.S.C. 1319) is amended—

(1) in subsection (a)—

(A) in the first sentence of paragraph (1), by striking "or 404"; and

(B) in paragraph (3), by striking "or in a permit issued under section 404 of this Act by a State";

(2) in the first sentence of subsection (d), by striking "or in a permit issued under section 404 of this Act by a State,,"; and

(3) in subsection (g)—

(A) by striking paragraph (1) and inserting the following new paragraph:

"(1) VIOLATIONS.—If the Administrator finds, on the basis of any information available, that a person has violated section 301, 302, 306, 307, 308, 318, or 405, or has violated any permit condition or limitation implementing any of the sections in a permit issued under section 402 by the Administrator or by a State, the Administrator may, after consultation with the State in which the violation occurred, assess a class I civil penalty or a class II civil penalty under this subsection.";

(B) in the third sentence of paragraph (2)(B), by striking "and the Secretary";

(C) in paragraph (6)(A)(iii), by striking ", the Secretary,";

(D) by striking "or Secretary, as the case may be," and "or the Secretary, as the case may be," each place they appear; and

(E) by striking "or Secretary", "or the Secretary", and "or Secretary's" each place they appear.

SEC. 6. EFFECTIVE DATE.

The amendments made by this Act shall become effective 90 days after the date of enactment of this Act.

THE COMPREHENSIVE WETLANDS CONSERVATION AND MANAGEMENT ACT OF 1995

The protection of America's wetlands is a crucial public issue that deserves significant national priority. The Pressler bill is designed to conserve true wetlands and balances wetlands protection with protection of private property rights. More important the bill contains provisions that would require fair and just compensation to the owners for the loss of or use of land classified as wetlands.

The Pressler bill would:

Assure that functionally important wetlands are protected.

Classify wetlands by value and function. Certain wetlands would be classified as wetlands with critical significance to the long-

term conservation of the ecosystem of which they are a part. Others would be classified as providing habitat for significant wildlife populations, protection water quality or significant natural flood control, and others as marginal wetlands.

Provide safeguards so that large amounts of land with little or no true wetland characteristics will be classified as wetland.

Require compensation be provided to landowners for the loss of economic use of private lands.

Clarify and reinforce current law that provides an exemption from individual permit requirements for normal farming and ranching activities on farmed wetlands.

Exempt from regulation all prior converted agricultural land since this land no longer exhibits any wetland characteristics.

Establish three criteria in designating wetlands. Criteria to be met and verified would be presence of water, hydric soils and hydrophytic vegetation.

Under the Pressler bill, prairie potholes would receive same treatment as all wetlands and not be kept under stricter rules and regulations.

Exclude man-made or artificial wetlands such as farm ponds and irrigation ditches.

NO HARM, NO FOUL?

(By Rick Mooney)

A few words to the wise wetland owner: If you're ever charged with violating Swampbuster rules, don't count on good intentions or the adage about no harm, no foul to bail you out.

Just ask Brian Odden, a grain and beef producer from Lake Preston, S.D. In November 1993, after an extremely wet summer, Odden plowed up 25 acres of rented ground that was overrun with weeds. "I had corn on it the year before," he says. "But [in 1993] we never got in the field because it was so wet. I was afraid the weed board would be after me."

The field was bordered on the north by a 14-acre slough that Odden's landlord had placed under perpetual easement with the U.S. Fish and Wildlife Service (FWS). After Odden finished plowing the field, he laid a single diagonal plow furrow across it, following a natural drainage pathway.

"I was just trying to put things back the way I found them," he says.

The following April Odden was notified by the Soil Conservation Service (SCS) that his plow furrow violated Swampbuster rules for converting a wetland. At the same time FWS notified Odden that he had violated easement provisions for "burning, draining or filling" a wetland.

In an attempt to rectify the situation, Odden immediately filled in the plow furrow. He claims local SCS officials told him that would qualify him for a minimal-effect postapproval ruling. Filling the furrow also seems to have appeased FWS, which notified Odden in a May 9 letter that they were "closing the file on the matter." In the same letter, FWS thanked Odden for his "timely restoration."

But at a field hearing two months later, state SCS officials ruled that Odden's furrow had led to substantial water loss in the wetland. To qualify for minimal effect, Odden was told, he would have to file an appeal with national SCS in Washington, D.C. He did that on July 25 and was still waiting for the outcome in December.

Big Brother watching. State SCS spokesmen claim the agency is simply following the letter of the law. But Don Parrish, policy analyst with the American Farm Bureau Federation, says Odden's case appears to be one more example of federal overreach on wetlands regulation. "Everyone talks about local solutions to local problems," he says. "But here you have a case where the locals had it all resolved and yet the feds get involved."

Even more unsettling to Odden is uncertainty about what he'll face if his appeal to Washington is turned down. Under the strictest interpretation of the law, he stands to forfeit all federal farm program benefits, including crop insurance and disaster payments, that he received during the year of the violation and the following year. An outstanding loan with FmHA could be called and an additional fine based on the size of the wetland he allegedly converted could also be levied.

Three others who are part of a family farm corporation with Odden, and the corporation itself, could each pay equal fines and penalties. "Early on, we were told that total fines and penalties could be as high as $515,000," says Odden. "It would finish us. With the kind of years we've been having, there's no way we could climb out of a hole like that."

By Mr. SIMON:

S. 353. A bill to clarify the circumstances under which a senior circuit court judge may cast a vote in a case heard en banc; to the Committee on the Judiciary.

SENIOR CIRCUIT JUDGES LEGISLATION

• Mr. SIMON. Mr. President, I introduce a bill that is neither controversial nor monumental, but highly important to the operation of our U.S. circuit courts of appeal.

Under our current law, there is a real question as to whether a circuit judge who hears an en banc case, but then takes senior status prior to the decision of that case, is eligible to participate in that decision. This situation creates the potential for significant confusion within an en banc court: If judges who participated, and cast initial votes, in an en banc case were to become suddenly ineligible to decide the case by virtue of taking senior status, the initial determination as to how a case should be decided would possibly have to be revisited. Moreover, though unlikely, the current situation also creates the potential for manipulation of the system by circuit judges unhappy with an en banc decision: Conceivably a judge could hold up the release of a particular en banc opinion in order to render a judge who heard the case as an active judge ineligible to participate in the case's decision, and thereby to force a change in the outcome of the case.

The bill I introduce today would simply clarify that circuit judges who hear an en banc case as active judges may participate in the ultimate decision of the case even if they take senior status between the time the case is argued and the time it is decided. I believe this technical change to be consistent with what Congress would have done had it been aware of this problem when it enacted the law governing circuit judges, and hope that my colleagues will facilitate its passage.

Finally, let me say that I am indebted to Chief Judge Richard Posner of the seventh circuit for bringing this problem to my attention. Judge Posner is a stellar member of the Federal judiciary, and I am very appreciative of his concerns about the technical management of our Federal courts.•

By Mr. BREAUX (for himself, Mr. JOHNSTON, Mr. SIMON, and Mr. BUMPERS):

S. 354. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage the preservation of low-income housing; to the Committee on Finance.

THE LOW-INCOME HOUSING PRESERVATION ACT

• Mr. BREAUX. Mr. President, I am introducing a bill today that charts a promising new way to enlist the private sector's help in preserving and improving the country's stock of affordable housing. I urge my colleagues to join me in cosponsoring this bill, entitled the "Low-Income Housing Preservation Act."

All of us are aware from our trips home that there is a serious shortage of affordable housing in this country. All one has to do is look at the number of homeless in towns throughout the country to know this, but the statistics tell the story as well. A 1992 Harvard study estimated that there were 4.1 million units of HUD or privately owned, publicly assisted units, while there are 13.8 million households eligible to receive HUD-funded housing assistance if the assistance were available.

Clearly we need a new approach, one that does a better job of leveraging private resources, and bringing the discipline of the marketplace to bear, while recognizing that the resources that the Federal Government can expend are severely limited. The bill I am introducing today does this by encouraging the investment of private capital to improve the condition of the Nation's stock of existing rental housing for low-income tenants. By relying largely on the private sector, rather than HUD for the necessary funding, it reduces the necessary level of Government involvement to a minimum. It is very cost-effective, because of the way the bill's tax proposals have been drafted. At the same time, it will save the Government a great deal of money that otherwise would have to be expended to fund existing or new HUD-grant programs to achieve the same end.

This is the problem. Much of the rental housing that is currently occupied by low-income tenants is not public housing, but privately owned apartment houses. HUD assistance reduces the amount of monthly rent paid by eligible tenants. This stock of affordable housing is in crisis. Many of these projects are 10 to 25 years old, or more. Their continued physical and financial stability is threatened, as the projects

age and private investors have no incentive to invest additional capital to rehabilitate them.

While the needs of these projects have been widely recognized for some time by both the Federal Government and the private sector, little has been done to address the problem. If these projects disappear because the private owners are no longer able to maintain the units, the already short supply of affordable housing will be further reduced. It is therefore vital to preserve and improve this important source of housing for low-income tenants. This is especially so in light of the considerable interest in Congress this year in making major changes in the way HUD operates. These proposals would place greater reliance on private-sector alternatives to public housing, while at the same time reducing the size and number of HUD's traditional programs to assist privately owned housing.

The private sector cannot continue to provide the low-income housing needed unless Congress corrects some of the current disincentives in the tax laws that discourage the preservation of this inventory of affordable housing. The value of these projects has been severely depressed by the 1986 changes to the tax laws. As a result, the current owners have no way to raise additional capital to rehabilitate the structures, as has become inevitably necessary with time. Because the projects' market values are so depressed, the current owners cannot receive enough cash upon sale to pay the capital gains taxes they would owe. Nor is there interest among new investors under current conditions in purchasing the projects and investing needed capital in them. As a result, these aging projects are locked into a long, slow, downward spiral. It is essential that something be done before more of these projects go into bankruptcy or fall altogether out of the Nation's stock of affordable housing.

I believe that the bill I am introducing provides a solution to the problem that will work and that is very cost-effective. Except for some technical refinements to tighten the bill's provisions, the bill is the same as the legislation I introduced last year as S. 1986.

In the first place, the bill targets the projects which are most at risk. These are projects assisted by HUD under the old section 221(d)(3) below market rate interest rate program or the section 236 program, or projects insured under the section 221(d)(3) market rate or section 221(d)(4) programs, and assisted under section 8. In all cases, the projects must be at least 10 years old and at least a majority of the units in the projects must be occupied by tenants whose income was no more than 80 percent of the area median income when they first became tenants.

According to HUD, there are almost 1 million units in the affordable housing projects that meet the bill's criteria. These projects are located in every State in the country.

The bill offers special tax benefits to new investors who agree to buy these affordable housing projects, invest the necessary capital to fix them up, and maintain them for low-income tenants. It will be the responsibility of HUD in each case to determine how much new capital must be invested in the project to make it financially and physically sound, but in no event may the capital improvements equal less than 10 percent of the adjusted basis of the rental property. In exchange, the bill reduces from 27½ years to 15 years the depreciation schedule for eligible projects purchased after the bill's effective date. It also provides that any investor in the project may claim annually up to $50,000 of losses from such projects without regard to the passive loss rules. Any project will lose its special tax benefits if it ceases to serve low-income tenants.

The Low-Income Housing Preservation Act specifically provides that any project claiming benefits under its provisions could not also benefit from the low-income housing tax credit, which provides tax credits and limited passive loss relief to those investing in low-income housing. As a practical matter, the tax credit has not been widely used to preserve the existing projects targeted by the bill I am introducing today. Under the low-income housing tax credit, the amount of tax credits available to each State is limited by law and I understand that State and local authorities have chosen as a general matter to use their credits on the construction of new projects rather than the preservation of existing projects. This bill will compliment the low-income housing tax credit by providing a deduction specifically for those investing in existing projects.

Mr. President, it is clearly in the public interest to help ensure the continued existence of these projects. The tenants will benefit as the existing owners are replaced with new owners with new capital, and a new willingness to preserve and improve the projects. The local community and the local economy will benefit from the work done in the neighborhood improving the projects, from the general improvement in the appearance of the neighborhood, and by the lower crime rates that go along with refurbished buildings. The taxpayer benefits because the number of projects that go into bankruptcy and end up in HUD's portfolio will be reduced, and because HUD will find it easier to dispose of projects already in its portfolio. Over the longer run, the taxpayers will save the cost of directly funding the needed capital improvements to the existing projects, or the cost of constructing new units that must be built when the existing projects are lost from lack of financial support.

I hope my colleagues will support this important legislation.●

By Mr. ABRAHAM:

S. 355. A bill to provide that the Secretary and the Clerk of the House of Representatives shall include an estimate of Federal retirement benefits for each Member of Congress in their semiannual reports, and for other purposes; to the Committee on Rules and Administration.

THE CONGRESSIONAL PENSION DISCLOSURE ACT OF 1995

● Mr. ABRAHAM. Mr. President, I introduce S. 355 which would require the Secretary of the Senate and the Clerk of the House of Representatives to make publicly available information relating to the pensions of Members of Congress. Under this legislation, these officers would be required in the course of their semiannual reports to the Congress to clearly set forth information relating to the following:

First, the individual pension contributions of Members;

Second, an estimate of annuities which they would receive based on the earliest possible date they would be eligible to receive annuity payments by reason of retirement; and

Third, any other information necessary to enable the public to accurately compute the Federal retirement benefits of each Member based on various assumptions of years of service and age of separation from service by reason of retirement.

The purpose of this legislation is simply to afford citizens their rightful opportunity of learning how public funds are being utilized. The taxpayers are not only entitled to know the various forms of compensation being paid to their elected officials, they are also entitled to make decisions about the reasonableness of such compensation.

My bill, S. 355, would make this information conveniently available to the public. The public does not begrudge Members of Congress reasonable pensions. Before that assessment can intelligently be made, however, the public needs to have better access to information than they currently have.●

ADDITIONAL COSPONSORS

S. 55

At the request of Mr. INOUYE, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 55, a bill to amend title 38, United States Code, to deem certain service in the organized military forces of the Government of the Commonwealth of the Philippines and the Philippine Scouts to have been active service for purposes of benefits under programs administered by the Secretary of Veterans Affairs.

S. 91

At the request of Mr. COVERDELL, the name of the Senator from Maine [Mr.

COHEN] was added as a cosponsor of S. 91, a bill to delay enforcement of the National Voter Registration Act of 1993 until such time as Congress appropriates funds to implement such act.

S. 216

At the request of Mr. INOUYE, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 216, a bill to repeal the reduction in the deductible portion of expenses for business meals and entertainment.

S. 218

At the request of Mr. MCCONNELL, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 218, a bill to repeal the National Voter Registration Act of 1993, and for other purposes.

S. 252

At the request of Mr. LOTT, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 252, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 253

At the request of Mr. LOTT, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 253, a bill to repeal certain prohibitions against political recommendations relating to Federal employment, to reenact certain provisions relating to recommendations by Members of Congress, and for other purposes.

S. 254

At the request of Mr. LOTT, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Louisiana [Mr. BREAUX] and the Senator from Pennsylvania [Mr. SANTORUM] were added as cosponsors of S. 254, a bill to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the U.S. merchant marine during World War II.

S. 256

At the request of Mr. DOLE, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 287

At the request of Mrs. HUTCHISON, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 287, a bill to amend the Internal Revenue Code of 1986 to allow homemakers to get a full IRA deduction.

S. 299

At the request of Mr. COCHRAN, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 299, a bill to amend the Federal Power Act to modify an exemption relating to the territory for the sale of electric power of certain electric transmission systems, and for other purposes.

S. 303

At the request of Mr. LIEBERMAN, the names of the Senator from New Hampshire [Mr. GREGG] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 303, a bill to establish rules governing product liability actions against raw materials and bulk component suppliers to medical device manufacturers, and for other purposes.

S. 304

At the request of Mr. SANTORUM, the names of the Senator from Arizona [Mr. KYL] and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 326

At the request of Mr. HATFIELD, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 326, a bill to prohibit U.S. military assistance and arms transfers to foreign governments that are undemocratic, do not adequately protect human rights, are engaged in acts of armed aggression, or are not fully participating in the United Nations Register of Conventional Arms.

S. 328

At the request of Mr. SANTORUM, the names of the Senator from Delaware [Mr. ROTH], the Senator from Mississippi [Mr. LOTT] and the Senator from Michigan [Mr. ABRAHAM] were added as cosponsors of S. 328, 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.

SENATE JOINT RESOLUTION 18

At the request of Mr. HOLLINGS, the names of the Senator from Nevada [Mr. REID] and the Senator from Kentucky [Mr. FORD] were added as cosponsors of Senate Joint Resolution 18, a joint resolution proposing an amendment to the Constitution relative to contributions and expenditures intended to affect elections for Federal, State, and local office.

AMENDMENTS SUBMITTED

DEPARTMENT OF ENERGY RISK MANAGEMENT ACT

MURKOWSKI (AND LOTT) AMENDMENT NO. 230

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. MURKOWSKI (for himself and Mr. LOTT) submitted an amendment intended to be proposed by them to the bill (S. 333) to direct the Secretary of Energy to institute certain procedures in the performance of risk assessments in connection with environmental restoration activities, and for other purposes; as follows:

At the end of the bill add the following:

SEC. 11. AMENDMENT OF TITLE 5, UNITED STATES CODE.

(a) IN GENERAL.—Chapter 6 of title 5, United States Code, is amended by adding at the end the following:

"SUBCHAPTER II—RISK ASSESSMENTS

"§ 621. Definitions

"In this subchapter—

"(1) AGENCY.—The term 'agency' has the meaning stated in section 551(1).

"(2) BENEFIT.—The term 'benefit' means the reasonably identifiable significant benefits, including social and economic benefits, that are expected to result directly or indirectly from implementation of a rule or an alternative to a rule.

"(3) BEST ESTIMATE.—The term 'best estimate' means an estimate that, to the extent feasible and scientifically appropriate, is based on one or more of the following:

"(A) Central estimates of risk using the most plausible assumptions.

"(B) An approach that combines multiple estimates based on different scenarios and weighs the probability of each scenario.

"(C) Any other methodology designed to provide the most unbiased representation of the most plausible level of risk, given the current scientific information available to the agency concerned.

"(4) COST.—The term 'cost' means the reasonably identifiable significant costs and adverse effects, including social and economic costs, reduced consumer choice, substitution effects, and impeded technological advancement, that are expected to result directly or indirectly from implementation of, or compliance with, a rule or an alternative to a rule.

"(5) EMERGENCY.—The term 'emergency' means a clearly imminent and substantial endangerment to public health, safety, or natural resources.

"(6) MAJOR RULE.—The term 'major rule'—

"(A) means—

"(i) a rule or a group of closely related rules that the agency proposing the rule or the President reasonably determines is likely to have a gross annual effect on the economy of $50,000,000 or more in reasonably quantifiable increased direct and indirect costs, or has a significant impact on a sector of the economy; or

"(ii) a rule or a group of closely related rules that is otherwise designated a major rule by the agency proposing the rule, or by the President on the ground that the rule is likely to result in—

"(I) a substantial increase in costs or prices for wage earners, consumers, individual industries, nonprofit organizations, Federal, State, or local government agencies, or geographic regions; or

"(II) significant adverse effects on competition, employment, investment, productivity, innovation, the environment, public health or safety, or the ability of enterprises whose principal places of business are in the United States to compete in domestic or export markets; but

"(B) does not include—

"(i) a rule that involves the internal revenue laws of the United States; or

"(ii) a rule that authorizes the introduction into commerce, or recognizes the marketable status, of a product;

"(7) PERSON.—The term 'person' has the meaning stated in section 551(2).

"(8) PLAUSIBLE.—The term 'plausible' means realistic and scientifically probable.

"(9) RISK ASSESSMENT.—The term 'risk assessment' means—

"(A) the process of identifying hazards, and quantifying (to the extent practicable) or describing the degree of toxicity, exposure, or other risk the hazards pose for exposed individuals, populations, or resources; and

"(B) the document containing the explanation of how the assessment process has been applied to an individual substance, activity, or condition.

"(10) RISK CHARACTERIZATION.—The term 'risk characterization'—

"(A) means the element of a risk assessment that involves presentation of the degree of risk to individuals and populations expected to be protected, as presented in any regulatory proposal or decision, report to Congress, or other document that is made available to the public; and

"(B) includes discussions of uncertainties, conflicting data, estimates, extrapolations, inferences, and opinions.

"(11) RULE.—The term 'rule' has the meaning stated in section 551(4).

"(12) SUBSTITUTION RISK.—The term 'substitution risk' means a potential increased risk to human health, safety, or the environment from a regulatory option designed to decrease other risks.

"§ 622. Applicability

"(a) Except as provided in subsection (b), this subchapter shall apply to all risk assessments and risk characterizations prepared by, or on behalf of, or prepared by others and adopted by, any agency in connection with health, safety, and risk to natural resources.

"(b)(1) This subchapter shall not apply to risk assessments or risk characterizations performed with respect to—

"(A) a situation that the head of the agency considers to be an emergency;

"(B) a rule that authorizes the introduction into commerce, or recognizes the marketable status of a product; or

"(C) a screening analysis.

"(2)(A) An analysis shall not be treated as screening analysis for the purposes of paragraph (1)(B) if the result of the analysis is used—

"(i) as the basis for imposing a restriction on a substance or activity; or

"(ii) to characterize a positive finding of risks from a substance or activity in any agency document or other communication made available to the public, the media, or Congress.

"(B) Among the analyses that may be treated as a screening analyses for the purposes of paragraph (1)(B) are product registrations, reregistrations, tolerance settings, and reviews of premanufacture notices and existing chemicals under the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136 et seq.) and the Toxic Substances Control Act (15 U.S.C. 2601 et seq.).

"(3) This subchapter shall not apply to any food, drug, or other product label or to any risk characterization appearing on any such label.

"§ 623. Rule of construction

"Nothing in this subchapter shall be construed to—

"(1) preclude the consideration of any data or the calculation of any estimate to more fully describe risk or provide examples of scientific uncertainty or variability; or

"(2) require the disclosure of any trade secret or other confidential information.

"§ 624. Requirement to prepare risk assessments

"(a) Except as provided in section 622, the head of each agency shall prepare for each major rule relating to human health, safety, or natural resources that is proposed by the agency after the date of enactment of this subchapter, is pending on the date of enactment of this subchapter, or is subject to a granted petition for review pursuant to section 627—

"(1) a risk assessment in accordance with this subchapter;

"(2) for each such proposed or final rule, an assessment, quantified to the extent feasible, of incremental risk reduction or other benefits associated with each significant regulatory alternative to the rule or proposed rule; and

"(3) for each such proposed or final rule, quantified to the extent feasible, a comparison of any human health, safety, or natural resource risks addressed by the regulatory alternatives to other relevant risks chosen by the head of the agency, including at least 3 other risks regulated by the agency and to at least 3 other risks with which the public is familiar.

"(b) A risk assessment prepared pursuant to this subchapter shall be a component of and used to develop the cost-benefit analysis required by subchapter II, and shall be made part of the administrative record for judicial review of any final agency action.

"§ 625. Principles for risk assessment

"(a)(1) The head of each agency shall apply the principles set forth in subsection (b) when preparing any risk assessment, whether or not required by section 624, to ensure that the risk assessment and all of its components—

"(A) distinguish scientific findings and best estimates of risk from other considerations;

"(B) are, to the maximum extent practicable scientifically objective, unbiased and inclusive of all relevant data; and

"(C) rely, to the extent available and practicable, on scientific findings.

"(2) Discussions or explanations required under this section need not be repeated in each risk assessment document as long as there is a reference to the relevant discussion or explanation in another agency document.

"(b) The principles to be applied when preparing risk assessments are as follows:

"(1)(A) When assessing human health risks, a risk assessment shall be based on the most reliable laboratory, epidemiological, and exposure assessment data that finds, or fails to find, a correlation between a health risk and a potential toxin or activity. Other relevant data may be summarized.

"(B) When conflicts among such data appear to exist, or when animal data are used as a basis to assess human health, the assessment shall include discussion of possible reconciliation of conflicting information, and, as appropriate, differences in study designs, comparative physiology, routes of exposure, bioavailability, pharmacokinetics, and any other relevant factor, including the availability of raw data for review. Greatest emphasis shall be placed on data that indicates a biological basis of the resulting harm in humans. Animal data shall be reviewed with regard to relevancy to humans.

"(2) When a risk assessment involves selection of any significant assumption, inference, or model, the agency shall—

"(A) describe the plausible and alternative assumptions, inferences, or models;

"(B) explain the basis for any choices among such assumptions, inferences, or models;

"(C) identify any policy or value judgments involved in choosing from among such alternative assumptions, inferences, or models;

"(D) fully describe any model used in the risk assessment and make explicit the assumptions incorporated in the model; and

"(E) indicate the extent to which any significant model has been validated by, or conflicts with, empirical data.

"(3) A risk assessment shall be prepared at the level of detail appropriate and practicable for reasoned decisionmaking on the matter involved, taking into consideration the significance and complexity of the decision and any need for expedition.

"§ 626. Principles for risk characterization and communication

"In characterizing risk in any risk assessment document, regulatory proposal or decision, report to Congress, or other document that is made available to the public, each agency characterizing the risk shall comply with each of the following:

"(1)(A) The head of the agency shall describe the populations or natural resources that are the subject of the risk characterization.

"(B) If a numerical estimate of risk is provided, the head of the agency, to the extent feasible and scientifically appropriate—

"(i) shall provide—

"(I) the best estimate or estimates for the specific populations or natural resources which are the subject of the characterization (based on the information available to the department, agency, or instrumentality) or, in lieu of a single best estimate, an array of multiple estimates (showing the distribution of estimates and the best estimate) based on assumptions, inferences, or models which are equally plausible, given current scientific understanding;

"(II) a statement of the reasonable range of scientific uncertainties; and

"(III) to the extent practicable and appropriate, descriptions of the distribution and probability of risk estimates to reflect differences in exposure variability in populations and uncertainties;

"(ii) in addition to a best estimate or estimates, may present plausible upper-bound or conservative estimates, but only in conjunction with equally plausible lower-bound estimates; and

"(iii) shall ensure that, where a safety factor, as distinguished from inherent quantitative or qualitative uncertainties, is used, such factor shall be similar in degree to safety factors used to ensure safety in human activities.

"(2) The head of the agency shall explain the exposure scenarios used in any risk assessment, and, to the extent feasible, provide a statement of the size of the corresponding population or natural resource at risk and the likelihood of such exposure scenarios.

"(3)(A) To the extent feasible, the head of the agency shall provide a statement that places the nature and magnitude of individual and population risks to human health in context.

"(B) A statement under subparagraph (A) shall—

"(i) include appropriate comparisons with estimates of risks that are familiar to and routinely encountered by the general public as well as other risks; and

"(ii) identify relevant distinctions among categories of risk and limitations to comparisons.

"(4) When an agency provides a risk assessment or risk characterization for a proposed or final regulatory action, such assessment or characterization shall include a statement of any significant substitution risks to human health identified by the agency or contained in information provided to the agency by a commenter.

"(5) If—

"(A) an agency provides a public comment period with respect to a risk assessment or regulation;

"(B) a commenter provides a risk assessment, and a summary of results of such risk assessment; and

"(C) such risk assessment is reasonably consistent with the principles and the guidance provided under this subtitle,

the agency shall present such summary in connection with the presentation of the agency's risk assessment or the regulation.

"§ 627. Regulations; plan for assessing new information

"(a)(1) Not later than 1 year after the date of enactment of this subchapter, the President shall issue a final regulation that has been subject to notice and comment under section 553 for agencies to implement the risk assessment and characterization principles set forth in sections 625 and 626 and shall provide a format for summarizing risk assessment results.

"(2) The regulation under paragraph (1) shall be sufficiently specific to ensure that risk assessments are conducted consistently by the various agencies.

"(b)(1) Review of the risk assessment for any major rule shall be conducted by the head of the agency on the written petition of a person showing a reasonable likelihood that—

"(A) the risk assessment is inconsistent with the principles set forth in section 625 and 626;

"(B) the risk assessment produces substantially different results;

"(C) the risk assessment is inconsistent with a rule issued under subsection (a); or

"(D) the risk assessment does not take into account material significant new scientific data or scientific understanding.

"(2) Not later than 90 days after receiving a petition under paragraph (1), the head of the agency shall respond to the petition by agreeing or declining to review the risk assessment referred to in the petition, and shall state the basis for the decision.

"(3) If the head of the agency agrees to review the petition, the agency shall complete its review within 180 days, unless the Director of the Office of Management and Budget agrees in writing with an agency determination that an extension is necessary in view of limitations on agency resources.

"(4) Denial of a petition by the agency head shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code.

"(c) The regulations under this section shall be developed after notice and opportunity for public comment, and after consultation with representatives of appropriate State agencies and local governments, and such other departments and agencies, offices, organizations, or persons as may be advisable.

"(d) At least every 4 years, the President shall review, and when appropriate, revise the regulations published under this section.

"§ 628. Decisional criteria

"For each major rule subject to this subchapter, the head of the agency, subject to review by the President, shall make a determination that—

"(1) the risk assessment under section 624 is based on a scientific and unbiased evaluation, reflecting realistic exposure scenarios, of the risk addressed by the major rule and is supported by the best available scientific data, as determined by a peer review panel in accordance with section 640; and

"(2) there is no alternative that is allowed by the statute under which the major rule is promulgated that would provide greater net benefits or that would achieve an equivalent reduction in risk in a more cost-effective and flexible manner.

"§ 629. Regulatory priorities

"(a) In exercising authority under any laws protecting human health and safety or the environment, the head of an agency shall prioritize the use of the resources available under such laws to address the risks to human health, safety, and natural resources that—

"(1) the agency determines are the most serious; and

"(2) can be addressed in a cost-effective manner, with the goal of achieving the greatest overall net reduction in risks with the public and private sector resources to be expended.

"(b) In identifying the sources of the most serious risks under subsection (a), the head of the agency shall consider, at a minimum—

"(1) the plausible likelihood and severity of the effect; and

"(2) the plausible number and groups of individuals potentially affected.

"(c) The head of the agency shall incorporate the priorities identified in subsection (a) into the budget, strategic planning, and research activities of the agency by, in the agency's annual budget request to Congress—

"(1) identifying which risks the agency has determined are the most serious and can be addressed in a cost-effective manner under subsection (a), and the basis for that determination;

"(2) explicitly identifying how the agency's requested funds will be used to address those risks;

"(3) identifying any statutory, regulatory, or administrative obstacles to allocating agency resources in accordance with the priorities established under subsection (a); and

"(4) explicitly considering the requirements of subsection (a) when preparing the agency's regulatory agenda or other strategic plan, and providing an explanation of how the agenda or plan reflects those requirements and the comparative risk analysis when publishing any such agenda or strategic plan.

"(d) In March of each year, the head of each agency shall submit to Congress specific recommendations for repealing or modifying laws that would better enable the agency to prioritize its activities to address the risks to human health, safety, and the environment that are the most serious and can be addressed in a cost-effective manner consistent with the requirements of subsection (a).

"§ 630. Establishment of program

"(a) The President shall develop a systematic program for the peer review of work products covered by subsection (c), which program shall be used uniformly across the agencies.

"(b) The program under subsection (a)—

"(1) shall provide for the creation of peer review panels consisting of independent and external experts who are broadly representative and balanced to the extent feasible;

"(2) shall not exclude peer reviewers merely because they represent entities that may have a potential interest in the outcome, if that interest is fully disclosed;

"(3) shall exclude, to the maximum extent practicable, any peer reviewer who has been involved in any previous analysis of the tests and evidence presented for certification by the peer review panel; and

"(4) shall provide for a timely completed peer review, meeting agency deadlines, which contains a balanced presentation of all considerations, including minority reports and an agency response to all significant peer review comments.

"(c) The peer review and the agency's responses shall be made available to the public and shall be made part of the administrative record for purposes of judicial review of any final agency action.".

(b) CONFORMING AMENDMENT AND TECHNICAL CORRECTIONS.—

(1) CONFORMING AMENDMENTS.—Part I of title 5, United States Code, is amended by striking the chapter analysis for chapter 6 and inserting the following:

"CHAPTER 6—THE ANALYSIS OF REGULATORY FUNCTIONS

"SUBCHAPTER I—REGULATORY ANALYSIS

"Sec.
"601. Definitions.
"602. Regulatory agenda.
"603. Initial regulatory flexibility analysis.
"604. Final regulatory flexibility analysis.
"605. Avoidance of duplicative or unnecessary analyses.
"606. Effect on other law.
"607. Preparation of analyses.
"608. Procedure for waiver or delay of completion.
"609. Procedures for gathering comments.
"610. Periodic review of rules.
"611. Judicial review.
"612. Reports and intervention rights.

"SUBCHAPTER II—RISK ASSESSMENTS

"621. Definitions.
"622. Applicability.
"623. Rule of construction.
"624. Requirement to prepare risk assessments.
"625. Principles for risk assessment.
"626. Principles for risk characterization and communication.
"627. Regulations; plan for assessing new information.
"628. Decisional criteria.
"629. Regulatory priorities.
"640. Establishment of program.

"SUBCHAPTER I—REGULATORY ANALYSIS".

(2) TECHNICAL CORRECTIONS.—The part analysis for part I of title 5, United States Code, is amended—

(A) in the item relating to chapter 5 by striking "**501**" and inserting "**500**"; and

(B) by inserting after the item relating to chapter 5 the following:

"6. The Analysis of Regulatory Functions ..... 601".

BALANCED-BUDGET CONSTITUTIONAL AMENDMENT

DASCHLE (AND OTHERS) AMENDMENT NO. 231

Mr. DASCHLE (for himself, Mr. BUMPERS, Mr. CONRAD, Mr. DORGAN,

Mr. FEINGOLD, Mr. GLENN, Mr. KERRY, Mr. LEAHY, Ms. MOSELEY-BRAUN, Mr. KERREY, and Mr. PELL) proposed an amendment to the motion to commit the joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States; as follows:

Strike all after the resolving clause and insert the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification. The article shall be submitted to the States upon the adoption of a concurrent resolution as described in section 9 of the article. The article is as follows:

"ARTICLE —

"SECTION 1. Upon the adoption by the Congress of a concurrent resolution on the budget establishing a budget plan to balance the budget as required by this article, and containing the matter required by section 9, total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later.

"SECTION 9. (a) In order to carry out the purposes of this article, the Congress shall adopt a concurrent resolution setting forth a budget plan to achieve a balanced budget (that complies with this article) not later than the first fiscal year required by this article as follows:

"(1) a budget for each fiscal year beginning with fiscal year 1996 and ending with that first fiscal year (required by this article) containing—

"(A) aggregate levels of new budget authority, outlays, revenues, and the deficit or surplus;

"(B) totals of new budget authority and outlays for each major functional category;

"(C) new budget authority and outlays, on an account-by-account basis, for each account with actual outlays or offsetting receipts of at least $100,000,000 in fiscal year 1994; and

"(D) an allocation of Federal revenues among the major sources of such revenues;

"(2) a detailed list and description of changes in Federal law (including laws authorizing appropriations or direct spending and tax laws) required to carry out the plan and the effective date of each such change; and

"(3) reconciliation directives to the appropriate committees of the House of Representatives and Senate instructing them to submit legislative changes to the Committee on the Budget of the House or Senate, as the case may be, to implement the plan set forth in the concurrent resolution.

"(b) The directives required by subsection (a)(3) shall be deemed to be directives within the meaning of section 310(a) of the Congressional Budget Act of 1974. Upon receiving all legislative submissions from committees under subsection (a)(3), each Committee on the Budget shall combine all such submissions (without substantive revision) into an omnibus reconciliation bill and report that bill to its House. The procedures set forth in section 310 shall govern the consideration of that reconciliation bill in the House of Representatives and the Senate.

"(c) The budget plan described in subsection (a) shall be based upon Congressional Budget Office economic and technical assumptions and estimates of the spending and revenue effects of the legislative changes described in subsection (a)(2).".

DOLE AMENDMENT NO. 232

Mr. DOLE proposed an amendment to the motion to commit the joint resolution, House Joint Resolution 1, supra; as follows:

Strike all after the word forthwith in the instructions and insert the following: "H.J. Res. 1, and at a later date the Judiciary Committee, after consultation with the Budget Committee, shall issue a report the text of which shall include:

"This report may be cited as the 'Need To Lead Report.'

"If Congress has not passed a balanced budget amendment to the Constitution by May 1, 1995, within 60 days thereafter, the President of the United States shall transmit to the Senate and the House of Representatives a detailed plan to balance the budget by the year 2002."

DOLE AMENDMENT NO. 233

Mr. DOLE proposed an amendment to amendment No. 232 proposed by him to the joint resolution, House Joint Resolution 1, supra; as follows:

Strike all after H.J. Res. 1, and insert the following: ", and at a later date the Judiciary Committee, after consultation with the Budget Committee, shall issue a report the text of which shall include:

"This report may be cited as the 'Need to Lead Report,'

"If Congress has not passed a balanced budget amendment to the Constitution by May 1, 1995, within 59 days thereafter, the President of the United States shall transmit to the Senate and the House of Representatives a detailed plan to balance the budget by the year 2002."

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources to consider the President's 1996 proposed budget.

The committee will hear testimony from the Forest Service on Wednesday, February 15, 1995.

The hearing will begin at 9:30 a.m., and will take place in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call Betty Nevitt or Jim Beirne at (202) 224-0765.

ADDITIONAL STATEMENTS

THE REPUBLIC OF CHINA

• Mr. CRAIG. Mr. President, last year I had the opportunity to visit the Republic of China on Taiwan and witness first hand the social, economic, and political progress in that country. During my visit I had the pleasure of meeting with President Lee Teng-Hui, who has been a strong agent of change and leader for his country. My home State, Idaho, has directly benefited by the developments in the Republic of China though an enhanced relationship and growing trade relations.

During my visit to the Republic of China I did not have an opportunity to meet with Premier Lien Chan. Therefore, it is with great pleasure that I rise today to enter into the RECORD the following statement detailing the efforts and accomplishments of Mr. Lien as presented to me by Winston L. Yang, chairman of Seton Hall University Department of Asian Studies. In so doing, I hope that others may benefit from Mr. Yang's comments and become more familiar with developments in the Republic of China.

The statement follows:

PREMIER LIEN CHAN'S REFORMS AND PROGRAMS

(By Winston L. Yang)

It has been almost two years since Lien Chan became the 14th Premier of the Republic of China (ROC) on Taiwan.

As Premier, Mr. Lien has been carrying out polices of democratization and using Taiwan's economic power to break out of the international isolation created by Peking.

Lien has reaffirmed the ROC's commitment to the official goal of eventual reunification with the mainland. But while following a pragmatic policy toward the mainland and working to expand unofficial exchanges between the two sides, he also insists on the need to strengthen Taiwan's defense and

international standing. In implementing "Pragmatic Diplomacy," Lien has advanced the possibility of Taiwan's renewed representation at the United Nations and membership in other international organizations. Mr. Lien wants to hasten the pace of Taiwan's modernization and economic development. One of his goals is to increase per capita income to at least $20,000 by the beginning of the twenty-first century.

His economic recovery program, which is both realistic and well-designed, is intended to strengthen Taiwan's economy and competitiveness.

Premier Lien has attached great importance to his administrative reform programs, which are designed to improve morale, to upgrade the quality and efficiency of government, and to reduce and ultimately eliminate corruption, insubordination, bureaucratic elitism, and waste in personnel and resources. His sight is set on establishing a clean, efficient, capable, and streamlined government, making it Taiwan's greatest "service enterprise." Personnel cuts, office automation, the closing or merging of unwieldy agencies, and an anticorruption campaign have been launched.

The administrative reform programs call for a five percent reduction in the number of government employees, a close watch for corruption, heavy penalties for violations by officials, and less bureaucratic red tape for Taiwan people. Public officials involved in fourteen targeted areas, from handling construction bids to performing judicial duties, are being closely monitored.

In the political arena, the government has overcome a number of obstacles to promote constitutional reform and established a framework for democracy that should lead to far broader democratization within the next few years. Furthermore, it has introduced an administrative reform bill to establish a clean and effective government. The plan is built on the cornerstones of honesty, efficiency, and public convenience. To achieve honest government, Lien Chan has taken concrete measures and moved simultaneously to eliminate corruption, prevent corruption, and revise laws to ensure that government employees at all levels dare not, cannot, do not, and need not be corrupt.

In an effort to improve Taiwan-mainland relations, the Government has been devoting itself to the expansion of cultural and academic exchanges, and to building complementary economic relations for the benefit of both sides. Intermediary bodies from Taiwan and the mainland have held talks and negotiations to address problems resulting from people-to-people exchanges. In April 1993 in Singapore, the intermediary bodies signed four historic agreements, the first agreements to be reached by the two sides since 1949. In August 1994, representatives of the two bodies met in Taipei and achieved important breakthroughs after Peking's delegates made concessions by recognizing Taiwan's judicial authority over the fate of airline hijackers from the mainland and Taipei's authority to patrol fishing in the Straits of Taiwan.

Naturally, Taiwan's economy is critical to the success of all programs. Mr. Lien's economic recovery program has already produced concrete results. Steady recovery and stable growth have been clearly evident since mid-1993, even though the ROC's trade surplus continues to decline. In 1993, Taiwan's economy grew by about six percent. Analysts expect the 1994 economic performance to improve further.

Yet significant change must be made in the light of economic realities. The Six-Year National Development Plan has encountered a number of problems. Necessary modifications have been made after a thorough review on the basis of needs, priorities, and the availability of resources. Seven hundred seventy-five projects have been reduced to 632, and the original budget of NT$8,238.2 billion has been scaled down to NT$6,029.4 billion. The revised plan is much more realistic. Of the 632 projects, 69 have been completed, and 406 are being implemented. Seventy-four are well into the detailed planning stages and another 30 are on the drawing board. Feasibility studies are being made for 32 projects, while the remaining 21 are yet to be started.

Lien's pragmatic approach to the ambitious plan for national development has been hailed by many experts as a prudent course toward the conservation of available resources, the reduction of waste, and the establishment of priorities. The review of the National Development Plan ordered by the Premier has revealed that supply and demand can be coordinated and balanced. Problems can be anticipated and resolved and the projected benefits can be realized through comprehensive planning concerning the use of land, manpower, and material resources.•

RULES OF THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

• Mr. MURKOWSKI. Mr. President, in accordance with rule XXVI, section 2, of the Standing Rules of the Senate, I hereby submit for publication in the CONGRESSIONAL RECORD, the Rules of the Committee on Energy and Natural Resources.

The rules follow:

RULES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

GENERAL RULES

Rule 1. The Standing Rules of the Senate as supplemented by these rules, are adopted as the rules of the Committee and its Subcommittees.

MEETINGS OF THE COMMITTEE

Rule 2. (a) The Committee shall meet on the third Wednesday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

(b) Business meetings of any Subcommittee may be called by the Chairman of such Subcommittee, Provided, That no Subcommittee meeting or hearing other than a field hearing, shall be scheduled or held concurrently with a full Committee meeting or hearing, unless a majority of the Committee concurs in such concurrent meeting or hearing.

OPEN HEARINGS AND MEETINGS

Rule 3. (a) Hearings and business meetings of the Committee or any Subcommittee shall be open to the public except when the Committee or such Subcommittee by majority vote orders a closed hearing or meeting.

(b) A transcript shall be kept of each hearing of the Committee or any Subcommittee.

(c) A transcript shall be kept of each business meeting of the Committee or any Subcommittee unless a majority of the Committee or the Subcommittee involved agrees that some other form of permanent record is preferable.

HEARING PROCEDURE

Rule 4. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee or any Subcommittee at least one week in advance of such hearing unless the Chairman of the full Committee or the Subcommittee involved determines that the hearing is noncontroversial or that special circumstances require expedited procedures and a majority of the Committee or the Subcommittee involved concurs. In no case shall a hearing be conducted with less than twenty-four hours notice.

(b) Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee or Subcommittee, at least 24 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

(c) Each member shall be limited to five minutes in the questioning of any witness until such time as all Members who so desire have had an opportunity to question the witness.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5. (a) A legislative measure or subject shall be included on the agenda of the next following business meeting of the full Committee or any Subcommittee if a written request for such inclusion has been filed with the Chairman of the Committee or Subcommittee at least one week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee or Subcommittee to include legislative measures or subjects on the Committee or Subcommittee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee or any Subcommittee shall be provided to each Member and made available to the public at least three days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee or Subcommittee. The Staff Director shall promptly notify absent Members of any action taken by the Committee or an Subcommittee on matters not included on the published agenda.

QUORUMS

Rule 6. (a) Except as provided in subsections (b), (c), and (d), six Members shall constitute a quorum for the conduct of business of the Committee.

(b) No measure or matter shall be ordered reported from the Committee unless ten Members of the Committee are actually present at the time such action is taken.

(c) Except as provided in subsection (d), one-third of the Subcommittee Members shall constitute a quorum for the conduct of business of any Subcommittee.

(d) One Members hall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure or matter before the Committee or any Subcommittee.

VOTING

Rule 7. (a) A rollcall of the members shall be taken upon the request of any Member. Any member who does not vote on any rollcall at the time the roll is called, may vote

(in person or by proxy) on that rollcall at any later time during the same business meeting.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

(c) Each Committee report shall set forth the vote on the motion to report the measure or matter involved. Unless the Committee directs otherwise, the report will not set out any votes on amendments offered during Committee consideration. Any Member who did not vote on any rollcall shall have the opportunity to have his position recorded in the appropriate Committee record or Committee report.

(d) The Committee vote to report a measure to the Senate shall also authorize the staff of the committee to make necessary technical and clerical corrections in the measure.

SUBCOMMITTEES

Rule 8. (a) The number of Members assigned to each Subcommittee and the division between Majority and Minority Members shall be fixed by the Chairman in consultation with the ranking Minority Member.

(b) Assignment of Members to Subcommittees, shall, insofar as possible, reflect the preferences of the Members. No Member will receive assignment to a second Subcommittee until, in order of seniority, all Members of the Committee have chosen assignments to one Subcommittee, and no Member shall receive assignment to a third Subcommittee until, in order of seniority, all Members have chosen assignments to two Subcommittees.

(c) Any Member of the Committee may sit with any Subcommittee during its hearings and business meetings but shall not have the authority to vote on any matters before the Subcommittee unless he is a Member of such Subcommittee.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 9. Witnesses in Committee or Subcommittee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee or Subcommittee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee and at the request of any Member, any other witness shall be under oath. Every nominee shall submit a statement of his financial interests, including those of his spouse, his minor children, and other members of his immediate household, on a form approved by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. A statement of every nominee's financial interest shall be made public on a form approved by the Committee, unless the Committee in executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public a statement of their financial interests in the form require in the case of Presidential nominees under this rule.

CONFIDENTIAL TESTIMONY

Rule 10. No confidential testimony taken by or confidential material presented to the Committee or any Subcommittee, or any report of the proceedings of a closed Committee or Subcommittee hearing or business meeting, shall be made public, in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 11. Any person whose name is mentioned or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee or Subcommittee hearing tends to defame him or otherwise adversely affect his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 12. Any meeting or hearing by the Committee or any Subcommittee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reporters using mechanical recording, filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 13. These rules may be amended only by vote of a majority of all the Members of the Committee in a business meeting of the Committee: Provided, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three days in advance of such meeting.●

ORDER OF BUSINESS

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I have some unanimous-consent requests. That have been cleared with the Democratic leadership.

THE UPDATE MANDATE REFORM ACT OF 1995—MESSAGE FROM THE HOUSE

Mr. LOTT. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on (S. 1) a bill to curb the practice of imposing Federal mandates on States and local governments; to strengthen the partnership between the Federal Government and State, local and tribal governments; to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local, and tribal governments without adequate funding, in a manner that may displace other essential governmental priorities; and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations; and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1) entitled "An Act to curb the practice of imposing unfunded Federal mandates on States and local governments; to strengthen the partnership between the Federal Government and State, local and tribal governments; to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local, and tribal governments without adequate funding, in a manner that may displace other essential governmental priorities; and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Unfunded Mandate Reform Act of 1995".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to strengthen the partnership between the Federal Government and States, local governments, and tribal governments;

(2) to end the imposition, in the absence of full consideration by Congress, of Federal mandates on States, local governments, and tribal governments in a manner that may displace other essential State, local, and tribal governmental priorities;

(3) to assist Congress in its consideration of proposed legislation establishing or revising Federal programs containing Federal mandates affecting States, local governments, tribal governments, and the private sector by—

(A) providing for the development of information about the nature and size of mandates in proposed legislation; and

(B) establishing a mechanism to bring such information to the attention of the Senate and House of Representatives before the Senate and House of Representatives votes on proposed legislation;

(4) to promote informed and deliberate decisions by Congress on the appropriateness of Federal mandates in any particular instance;

(5) to establish a point-of-order vote on the consideration in the Senate and House of Representatives of legislation containing significant Federal mandates;

(6) to assist Federal agencies in their consideration of proposed regulations affecting States, local governments, and tribal governments, by—

(A) requiring that Federal agencies develop a process to enable the elected and other officials of States, local governments, and tribal governments to provide input when Federal agencies are developing regulations; and

(B) requiring that Federal agencies prepare and consider better estimates of the budgetary impact of regulations containing Federal mandates upon States, local governments, and tribal governments before adopting such regulations, and ensuring that small governments are given special consideration in that process;

(7) to establish the general rule that Congress shall not impose Federal mandates on States, local governments, and tribal governments without providing adequate funding to comply with such mandates; and

(8) to begin consideration of methods to relieve States, local governments, and tribal governments of unfunded mandates imposed by Federal court interpretations of Federal statutes and regulations.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the terms "agency", "Federal financial assistance", "Federal private sector mandate", "Federal mandate" (except as provided by section 108), "local government", "private sector", "regulation" or "rule", and "State" have the meaning given those terms by section 421 of the Congressional Budget Act of 1974; and

(2) the term "small government" means any small governmental jurisdiction as defined in section 601(5) of title 5, United States Code, and any tribal government.

SEC. 4. LIMITATION ON APPLICATION.

This Act shall not apply to any provision in a Federal statute or a proposed or final Federal regulation, that—

(1) enforces constitutional rights of individuals;

(2) establishes or enforces any statutory rights that prohibit discrimination on the basis of age, race, religion, gender, national origin, or handicapped or disability status;

(3) requires compliance with accounting and auditing procedures with respect to grants or other money or property provided by the Federal Government;

(4) provides for emergency assistance or relief at the request of any State, local government, or tribal government or any official of such a government;

(5) is necessary for the national security or the ratification or implementation of international treaty obligations;

(6) the President designates as emergency legislation and that the Congress so designates in statute; or

(7) pertains to Social Security.

TITLE I—REVIEW OF UNFUNDED FEDERAL MANDATES

SEC. 101. REPORT ON UNFUNDED FEDERAL MANDATES BY ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS.

(a) IN GENERAL.—The Advisory Commission shall in accordance with this section—

(1) investigate and review the role of unfunded Federal mandates in intergovernmental relations and their impact on State, local, tribal, and Federal Government objectives and responsibilities, and their impact on the competitive balance between States, local and tribal governments, and the private sector and consider views of and the impact on working men and women on those same matters;

(2) investigate and review the role of unfunded State mandates imposed on local governments, the private sector, and individuals;

(3) investigate and review the role of unfunded local mandates imposed on the private sector and individuals; and

(4) make recommendations to the President and the Congress regarding—

(A) allowing flexibility for State, local, and tribal governments in complying with specific unfunded Federal mandates for which terms of compliance are unnecessarily rigid or complex;

(B) reconciling any 2 or more unfunded Federal mandates which impose contradictory or inconsistent requirements;

(C) terminating unfunded Federal mandates which are duplicative, obsolete, or lacking in practical utility;

(D) suspending, on a temporary basis, unfunded Federal mandates which are not vital to public health and safety and which compound the fiscal difficulties of State, local, and tribal governments, including recommendations for triggering such suspension;

(E) consolidating or simplifying unfunded Federal mandates, or the planning or reporting requirements of such mandates, in order to reduce duplication and facilitate compliance by State, local, and tribal governments with those mandates;

(F) establishing common Federal definitions or standards to be used by State, local, and tribal governments in complying with unfunded Federal mandates that use different definitions or standards for the same terms or principles; and

(G) establishing procedures to ensure that, in cases in which a Federal private sector mandate applies to private sector entities which are competing directly or indirectly with States, local governments, or tribal governments for the purpose of providing substantially similar goods or services to the public, any relief from unfunded Federal mandates is applied in the same manner and to the same extent to the private sector entities as it is to the States, local governments, and tribal governments with which they compete, and to ensure that unfunded Federal mandate relief does not increase private sector burdens.

Each recommendation under paragraph (4) shall, to the extent practicable, identify the specific unfunded Federal mandates to which the recommendation applies.

(b) CRITERIA.—

(1) IN GENERAL.—The Advisory Commission shall establish criteria for making recommendations under subsection (a).

(2) ISSUANCE OF PROPOSED CRITERIA.—The Advisory Commission shall issue proposed criteria under this subsection not later than 60 days after the date of the enactment of this Act, and thereafter provide a period of 30 days for submission by the public of comments on the proposed criteria.

(3) FINAL CRITERIA.—Not later than 45 days after the date of issuance of proposed criteria, the Advisory Commission shall—

(A) consider comments on the proposed criteria received under paragraph (4);

(B) adopt and incorporate in final criteria any recommendations submitted in those comments that the Advisory Commission determines will aid the Advisory Commission in carrying out its duties under this section; and

(C) issue final criteria under this subsection.

(c) PRELIMINARY REPORT.—

(1) IN GENERAL.—Not later than 9 months after the date of the enactment of this Act, the Advisory Commission shall—

(A) prepare and publish a preliminary report on its activities under this title, including preliminary recommendations pursuant to subsection (a);

(B) publish in the Federal Register a notice of availability of the preliminary report; and

(C) provide copies of the preliminary report to the public upon request.

(2) PUBLIC HEARINGS.—The Advisory Commission shall hold public hearings on the preliminary recommendations contained in the preliminary report of the Advisory Commission under this subsection.

(d) FINAL REPORT.—Not later than 3 months after the date of the publication of the preliminary report under subsection (c), the Advisory Commission shall submit to the Congress, including the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate, and to the President a final report on the findings, conclusions, and recommendations of the Advisory Commission under this section.

(e) PRIORITY TO MANDATES THAT ARE SUBJECT OF JUDICIAL PROCEEDINGS.—In carrying out this section, the Advisory Commission shall give the highest priority to immediately investigating, reviewing, and making recommendations regarding unfunded Federal mandates that are the subject of judicial proceedings between the United States and a State, local, or tribal government.

(f) STATE MANDATE AND LOCAL MANDATE DEFINED.—As used in this title:

(1) STATE MANDATE.—The term "State mandate" means any provision in a State statute or regulation that imposes an enforceable duty on local governments, the private sector, or individuals, including a condition of State assistance or a duty arising from participation in a voluntary State program.

(2) LOCAL MANDATE.—The term "local mandate" means any provision in a local ordinance or regulation that imposes an enforceable duty on the private sector or individuals, including a condition of local assistance or a duty arising from participation in a voluntary local program.

SEC. 102. SPECIAL AUTHORITIES OF ADVISORY COMMISSION.

(a) EXPERTS AND CONSULTANTS.—The Advisory Commission may procure temporary and intermittent services of experts or consultants under section 3109(b) of title 5, United States Code.

(b) STAFF OF FEDERAL AGENCIES.—Upon request of the Executive Director of the Advisory Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Advisory Commission to assist it in carrying out its duties under this title.

(c) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Advisory Commission, the Administrator of General Services shall provide to the Advisory Commission, on a reimbursable basis, the administrative support services necessary for the Advisory Commission to carry out its duties under this title.

(d) CONTRACT AUTHORITY.—The Advisory Commission may, subject to appropriations, contract with and compensate Government and private agencies or persons for property and services used to carry out its duties under this title.

SEC. 103. DEFINITIONS.

In this title:

(1) ADVISORY COMMISSION.—The term "Advisory Commission" means the Advisory Commission on Intergovernmental Relations.

(2) FEDERAL MANDATE.—The term "Federal mandate" means any provision in statute or regulation or any Federal court ruling that imposes an enforceable duty upon States, local governments, or tribal governments including a condition of Federal assistance or a duty arising from participation in a voluntary Federal program.

TITLE II—REGULATORY ACCOUNTABILITY AND REFORM

SEC. 201. REGULATORY PROCESS.

(a) IN GENERAL.—Each agency shall, to the extent permitted by subchapter II of chapter 5 of title 5, United States Code—

(1) assess the effects of Federal regulations on States, local governments, tribal governments, and the private sector (other than to the extent that such regulations incorporate requirements specifically set forth in legislation), including specifically the availability of resources to carry out any Federal mandates in those regulations; and

(2) seek to minimize those burdens that uniquely or significantly affect such governmental entities or the private sector, consistent with achieving statutory and regulatory objectives.

(b) STATE, LOCAL GOVERNMENT, AND TRIBAL GOVERNMENT INPUT.—Each agency shall develop an effective process to permit elected officials (or their designated representatives) of States, local governments, and tribal governments to provide meaningful and timely input in the development of regulatory proposals containing significant Federal intergovernmental mandates.

(c) AGENCY PLAN.—Before establishing any regulatory requirements that might significantly or uniquely affect small governments, an agency shall have developed a plan under which the agency shall—

(1) provide notice of the contemplated requirements to potentially affected small governments, if any;

(2) enable officials of affected small governments to provide input pursuant to subsection (b); and

(3) inform, educate, and advise small governments on compliance with the requirements.

(d) LEAST BURDENSOME OPTION OR EXPLANATION REQUIRED.—An agency may not issue a rule that contains a Federal mandate if the rulemaking record for the rule indicates that there are 2 or more methods that could be used to accomplish the objective of the rule, unless—

(1) the Federal mandate is the least costly method, or has the least burdensome effect, for—

(A) States, local governments, and tribal governments, in the case of a rule containing a Federal intergovernmental mandate, and

(B) the private sector, in the case of a rule containing a Federal private sector mandate; or

(2) the agency publishes with the final rule an explanation of why the more costly or burdensome method of the Federal mandate was adopted.

SEC. 202. STATEMENTS TO ACCOMPANY SIGNIFICANT REGULATORY ACTIONS.

(a) IN GENERAL.—Before promulgating any final rule that includes any Federal mandate that may result in the expenditure by States, local governments, or tribal governments, in the aggregate, or the private sector of at least $100,000,000 (adjusted annually for inflation) in any 1 year, and before promulgating any general notice of proposed rulemaking that is likely to result in promulgation of any such rule, the agency shall prepare a written statement identifying the provision of Federal law under which the rule is being promulgated and containing—

(1) estimates by the agency, including the underlying analysis, of the anticipated costs to States, local governments, tribal governments, and the private sector of complying with the Federal mandates, and of the extent to which such costs may be paid with funds provided by the Federal Government or otherwise paid through Federal financial assistance;

(2) estimates by the agency, if and to the extent that the agency determines that accurate estimates are reasonably feasible; of—

(A) the future costs of the Federal mandate; and

(B) any disproportionate budgetary effects of the Federal mandates upon any particular regions of the country or particular States, local governments, tribal governments, urban or rural or other types of communities, or particular segments of the private sector;

(3) a qualitative, and if possible, a quantitative assessment of costs and benefits anticipated from the Federal mandates (such as the enhancement of health and safety and the protection of the natural environment);

(4) the effect of Federal private sector mandates on the national economy, including the effect on productivity, economic growth, full employment, creation of productive jobs, worker benefits and pensions, and international competitiveness of United States goods and services;

(5) a description of the extent of the agency's prior consultation with elected representatives (or their designated representatives) of the affected States, local governments, and tribal governments, and designated representatives of the private sector;

(6) a summary of the comments and concerns that were presented by States, local governments, or tribal governments and the private sector either orally or in writing to the agency;

(7) a summary of the agency's evaluation of those comments and concerns; and

(8) the agency's position supporting the need to issue the regulation containing the Federal mandates (considering, among other things, the extent to which costs may or may not be paid with funds provided by the Federal Government).

(b) PROMULGATION.—In promulgating a general notice of proposed rulemaking or a final rule for which a statement under subsection (a) is required, the agency shall include in the promulgation a summary of the information contained in the statement.

(c) PREPARATION IN CONJUNCTION WITH OTHER STATEMENT.—Any agency may prepare any statement required by subsection (a) in conjunction with or as part of any other statement or analysis, if the statement or analysis satisfies the provisions of subsection (a).

SEC. 203. ASSISTANCE TO THE CONGRESSIONAL BUDGET OFFICE.

The Director of the Office of Management and Budget shall—

(1) collect from agencies the statements prepared under section 202; and

(2) periodically forward copies of them to the Director of the Congressional Budget Office on a reasonably timely basis after promulgation of the general notice of proposed rulemaking or of the final rule for which the statement was prepared.

SEC. 204. PILOT PROGRAM ON SMALL GOVERNMENT FLEXIBILITY.

(a) IN GENERAL.—The Director of the Office of Management and Budget, in consultation with Federal agencies, shall establish pilot programs in at least 2 agencies to test innovative and more flexible regulatory approaches that—

(1) reduce reporting and compliance burdens on small governments; and

(2) meet overall statutory goals and objectives.

(b) PROGRAM FOCUS.—The pilot programs shall focus on rules in effect or proposed rules or on a combination thereof.

SEC. 205. ANNUAL REPORT TO CONGRESS REGARDING FEDERAL COURT RULINGS.

Not later than 4 months after the date of enactment of this Act, and no later than March 15 of each year thereafter, the Advisory Commission on Intergovernmental Relations shall submit to the Congress, including each of the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate, and to the President a report describing Federal court rulings in the preceding calendar year which imposed an enforceable duty on 1 or more States, local governments, or tribal governments.

SEC. 206. JUDICIAL REVIEW.

(a) REVIEW OF AGENCY ACTIONS SUBJECT TO REVIEW UNDER OTHER FEDERAL LAW.—If an agency action that is subject to section 201 or 202 is subject to judicial review under any other Federal law (other than chapter 7 of title 5, United States Code)—

(1) any court of the United States having jurisdiction to review the action under the other law shall have jurisdiction to review the action under sections 201 and 202; and

(2) in any proceeding under paragraph (1), any issue relating exhaustion of remedies, the time and manner for seeking review, venue, or the availability of a stay or preliminary injunctive relief pending review shall be determined under the other law.

(b) LIMITATION ON PRELIMINARY INJUNCTIVE RELIEF.—The second sentence of section 705 of title 5, United States Code (relating to preliminary relief pending review), shall not apply with respect to review under subsection (a)(1) of an agency action, unless process authorized by that sentence is not authorized by the other law under which the action is reviewed.

SEC. 207. ANNUAL STATEMENTS TO CONGRESS ON AGENCY COMPLIANCE WITH REQUIREMENTS OF TITLE.

Not later than one year after the effective date of title III and annually thereafter, the Director of the Office of Management and Budget shall submit to Congress, including the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate, written statements detailing the compliance with the requirements of sections 201 and 202 by each agency during the period reported on.

TITLE III—LEGISLATIVE ACCOUNTABILITY AND REFORM

SEC. 301. LEGISLATIVE MANDATE ACCOUNTABILITY AND REFORM.

Title IV of the Congressional Budget Act of 1974 is amended by—

(1) inserting before section 401 the following:

"PART A—GENERAL PROVISIONS"; and

(2) adding at the end the following new part:

"PART B—FEDERAL MANDATES

"SEC. 421. DEFINITIONS.

"For purposes of this part:

"(1) AGENCY.—The term 'agency' has the meaning stated in section 551(1) of title 5, United States Code, but does not include independent regulatory agencies, as defined by section 3502(10) of title 44, United States Code.

"(2) DIRECTOR.—The term 'Director' means the Director of the Congressional Budget Office.

"(3) FEDERAL FINANCIAL ASSISTANCE.—The term 'Federal financial assistance' means the amount of budget authority for any Federal grant assistance or any Federal program providing loan guarantees or direct loans.

"(4) FEDERAL INTERGOVERNMENTAL MANDATE.—The term 'Federal intergovernmental mandate' means—

"(A) any provision in legislation, statute, or regulation that—

"(i) would impose an enforceable duty upon States, local governments, or tribal governments, except—

"(I) a condition of Federal assistance; or

"(II) a duty arising from participation in a voluntary Federal program, except as provided in subparagraph (B); or

"(ii) would reduce or eliminate the amount of authorization of appropriations for Federal financial assistance that would be provided to States, local governments, or tribal governments for the purpose of complying with any such previously imposed duty unless such duty is reduced or eliminated by a corresponding amount; or

"(B) any provision in legislation, statute, or regulation that relates to a then-existing Federal program under which $500,000,000 or more is provided annually to States, local governments, and tribal governments under entitlement authority, if—

"(i)(I) the provision would increase the stringency of conditions of assistance to States, local governments, or tribal governments under the program; or

"(II) would place caps upon, or otherwise decrease, the Federal Government's responsibility to provide funding to States, local governments, or tribal governments under the program; and

"(ii) the States, local governments, or tribal governments that participate in the Federal program lack authority under that program to amend their financial or programmatic responsibilities to continue providing required services that are affected by the legislation, statute, or regulation.

"(5) FEDERAL PRIVATE SECTOR MANDATE.—The term 'Federal private sector mandate' means any provision in legislation, statute, or regulation that—

"(A) would impose an enforceable duty on the private sector except—

"(i) a condition of Federal assistance; or

"(ii) a duty arising from participation in a voluntary Federal program; or

"(B) would reduce or eliminate the amount of authorization of appropriations for Federal financial assistance that will be provided to the private sector for the purpose of ensuring compliance with such duty.

"(6) FEDERAL MANDATE.—The term 'Federal mandate' means a Federal intergovernmental mandate or a Federal private sector mandate, as defined in paragraphs (4) and (5).

"(7) FEDERAL MANDATE DIRECT COSTS.—

"(A) FEDERAL INTERGOVERNMENTAL DIRECT COSTS.—In the case of a Federal intergovernmental mandate, the term 'direct costs' means the aggregate estimated amounts that all States, local governments, and tribal governments would be required to spend or would be required to forgo in revenues in order to comply with the Federal intergovernmental mandate, or, in the case of a provision referred to in paragraph (4)(A)(ii), the amount of Federal financial assistance eliminated or reduced.

"(B) PRIVATE SECTOR DIRECT COSTS.—In the case of a Federal private sector mandate, the term 'direct costs' means the aggregate estimated amounts that the private sector would be required to spend in order to comply with a Federal private sector mandate.

"(C) EXCLUSION FROM DIRECT COSTS.—The term 'direct costs' does not include—

"(i) estimated amounts that the States, local governments, and tribal governments (in the case of a Federal intergovernmental mandate), or the private sector (in the case of a Federal private sector mandate), would spend—

"(I) to comply with or carry out all applicable Federal, State, local, and tribal laws and regulations in effect at the time of the adoption of a Federal mandate for the same activity as is affected by that Federal mandate; or

"(II) to comply with or carry out State, local governmental, and tribal governmental programs, or private-sector business or other activities in effect at the time of the adoption of a Federal mandate for the same activity as is affected by that mandate; or

"(ii) expenditures to the extent that they will be offset by any direct savings to be enjoyed by the States, local governments, and tribal governments, or by the private sector, as a result of—

"(I) their compliance with the Federal mandate; or

"(II) other changes in Federal law or regulation that are enacted or adopted in the same bill or joint resolution or proposed or final Federal regulation and that govern the same activity as is affected by the Federal mandate.

"(D) DETERMINATION OF COSTS.—Direct costs shall be determined based on the assumption that States, local governments, tribal governments, and the private sector will take all reasonable steps necessary to mitigate the costs resulting from the Federal mandate, and will comply with applicable standards of practice and conduct established by recognized professional or trade associations. Reasonable steps to mitigate the costs shall not include increases in State, local, or tribal taxes or fees.

"(8) LOCAL GOVERNMENT.—The term 'local government' has the same meaning as in section 6501(6) of title 31, United States Code.

"(9) PRIVATE SECTOR.—The term 'private sector' means individuals, partnerships, associations, corporations, business trusts, or legal representatives, organized groups of individuals, and educational and other nonprofit institutions.

"(10) REGULATION.—The term 'regulation' or 'rule' has the meaning of 'rule' as defined in section 601(2) of title 5, United States Code.

"(11) STATE.—The term 'State' has the same meaning as in section 6501(9) of title 31, United States Code.

"(12) SIGNIFICANT EMPLOYMENT IMPACT.—The term 'significant employment impact' means an estimated net aggregate loss of 10,000 or more jobs.

"SEC. 422. LIMITATION ON APPLICATION.

"This part shall not apply to any provision in a bill, joint resolution, motion, amendment, or conference report before Congress that—

"(1) enforces constitutional rights of individuals;

"(2) establishes or enforces any statutory rights that prohibit discrimination on the basis of age, race, religion, gender, national origin, or handicapped or disability status;

"(3) requires compliance with accounting and auditing procedures with respect to grants or other money or property provided by the Federal Government;

"(4) provides for emergency assistance or relief at the request of any State, local government, or tribal government or any official of such a government;

"(5) is necessary for the national security or the ratification or implementation of international treaty obligations;

"(6) the President designates as emergency legislation and that the Congress so designates in statute; or

"(7) pertains to Social Security.

"SEC. 423. DUTIES OF CONGRESSIONAL COMMITTEES.

"(a) SUBMISSION OF BILLS TO THE DIRECTOR.—When a committee of authorization of the House of Representatives or the Senate orders a bill or joint resolution of a public character reported, the committee shall promptly provide the text of the bill or joint resolution to the Director and shall identify to the Director any Federal mandate contained in the bill or resolution.

"(b) COMMITTEE REPORT.—

"(1) INFORMATION REGARDING FEDERAL MANDATES.—When a committee of authorization of the House of Representatives or the Senate reports a bill or joint resolution of a public character that includes any Federal mandate, the report of the committee accompanying the bill or joint resolution shall contain the information required by paragraph (2) and, in the case of a Federal intergovernmental mandate, paragraph (3).

"(2) REPORTS ON FEDERAL MANDATES.—Each report referred to in paragraph (1) shall contain—

"(A) an identification and description of each Federal mandate in the bill or joint resolution, including the statement, if available, from the Director pursuant to section 424(a);

"(B) a qualitative assessment, and if practicable, a quantitative assessment of costs and benefits anticipated from the Federal mandate (including the effects on health and safety and protection of the natural environment); and

"(C) a statement of—

"(i) the degree to which the Federal mandate affects each of the public and private sectors, including a description of the actions, if any, taken by the committee to avoid any adverse impact on the private sector or on the competitive balance between the public sector and the private sector; and

"(ii) in the case of a Federal mandate that is a Federal intergovernmental mandate, the extent to which limiting or eliminating the Federal intergovernmental mandate or Federal payment of direct costs of the Federal intergovernmental mandate (if applicable) would affect the competitive balance between States, local governments, or tribal governments and the private sector.

"(3) INTERGOVERNMENTAL MANDATES.—If any of the Federal mandates in the bill or joint resolution are Federal intergovernmental mandates, the report referred to in paragraph (1) shall also contain—

"(A)(i) a statement of the amount, if any, of increase or decrease in authorization of appropriations under existing Federal financial assistance programs or for new Federal financial assistance, provided by the bill or joint resolution and usable for activities of States, local governments, or tribal governments subject to Federal intergovernmental mandates; and

"(ii) a statement of whether the committee intends that the Federal intergovernmental mandates be partly or entirely unfunded, and, if so, the reasons for that intention; and

"(B) a statement of any existing sources of Federal financial assistance in addition to those identified in subparagraph (A) that may assist States, local governments, and tribal governments in paying the direct costs of the Federal intergovernmental mandates.

"(4) INFORMATION REGARDING PREEMPTION.—When a committee of authorization of the House of Representatives or the Senate reports a bill or joint resolution of a public character, the committee report accompanying the bill or joint resolution shall contain, if relevant to the bill or joint resolution, an explicit statement on whether the bill or joint resolution, in whole or in part, is intended to preempt any State, local, or tribal law, and if so, an explanation of the reasons for such intention.

"(c) PUBLICATION OF STATEMENT FROM THE DIRECTOR.—

"(1) IN GENERAL.—Upon receiving a statement (including any supplemental statement) from the Director pursuant to section 424(a), a committee of the House of Representatives or the Senate shall publish the statement in the committee report accompanying the bill or joint resolution to which the statement relates if the statement is available to be included in the printed report.

"(2) OTHER PUBLICATION OF STATEMENT OF DIRECTOR.—If the statement is not published in the report, or if the bill or joint resolution to which the statement relates is expected to be considered by the House of Representatives or the Senate before the report is published, the committee shall cause the statement, or a summary thereof, to be published in the Congressional Record in advance of floor consideration of the bill or joint resolution.

"SEC. 424. DUTIES OF THE DIRECTOR.

"(a) STATEMENTS ON BILLS AND JOINT RESOLUTIONS OTHER THAN APPROPRIATIONS BILLS AND JOINT RESOLUTIONS.—

"(1) FEDERAL INTERGOVERNMENTAL MANDATES IN REPORTED BILLS AND RESOLUTIONS.—For each bill or joint resolution of a public character reported by any committee of authorization of the House of Representatives or the Senate, the Director shall prepare and submit to the committee a statement as follows:

"(A) If the Director estimates that the direct cost of all Federal intergovernmental mandates in the bill or joint resolution will equal or exceed $50,000,000 (adjusted annually for inflation) in the fiscal year in which such a Federal intergovernmental mandate (or in any necessary implementing regulation) would first be effective or in any of the 4 fiscal years following such year, the Director shall so state, specify the estimate, and briefly explain the basis of the estimate.

"(B) The estimate required by subparagraph (A) shall include estimates (and brief explanations of the basis of the estimates) of—

"(i) the total amount of direct cost of complying with the Federal intergovernmental mandates in the bill or joint resolution; and

"(ii) the amount, if any, of increase in authorization of appropriations or budget authority or entitlement authority under existing Federal financial assistance programs, or of authorization of appropriations for new Federal financial assistance, provided by the bill or joint resolution and usable by States, local governments, or tribal governments for activities subject to the Federal intergovernmental mandates.

"(2) FEDERAL PRIVATE SECTOR MANDATES IN REPORTED BILLS AND JOINT RESOLUTIONS.—For each bill or joint resolution of a public character reported by any committee of authorization of the House of Representatives or the Senate, the

Director shall prepare and submit to the committee a statement as follows:

"(A) If the Director estimates that the direct cost of all Federal private sector mandates in the bill or joint resolution will equal or exceed $50,000,000 (adjusted annually for inflation) in the fiscal year in which any Federal private sector mandate in the bill or joint resolution (or in any necessary implementing regulation) would first be effective or in any of the 4 fiscal years following such fiscal year, the Director shall so state, specify the estimate and briefly explain the basis of the estimate.

"(B) The estimate required by subparagraph (A) shall include estimates (and brief explanations of the basis of the estimates) of—

"(i) the total amount of direct costs of complying with the Federal private sector mandates in the bill or joint resolution; and

"(ii) the amount, if any, of increase in authorization of appropriations under existing Federal financial assistance programs, or of authorization of appropriations for new Federal financial assistance, provided by the bill or joint resolution usable by the private sector for the activities subject to the Federal private sector mandates.

"(C) If the Director determines that it is not feasible to make a reasonable estimate that would be required under subparagraphs (A) and (B), the Director shall not make the estimate, but shall report in the statement that the reasonable estimate cannot be made and shall include the reasons for that determination in the statement.

"(3) LEGISLATION FALLING BELOW THE DIRECT COSTS THRESHOLDS.—If the Director estimates that the direct costs of a Federal mandate will not equal or exceed the threshold specified in paragraph (1)(A) or (2)(A), the Director shall so state and shall briefly explain the basis of the estimate.

"(4) AMENDED BILLS AND JOINT RESOLUTIONS; CONFERENCE REPORTS.—If the Director has prepared the statement pursuant to subsection (a) for a bill or joint resolution, and if that bill or joint resolution is reported or passed in an amended form (including if passed by one House as an amendment in the nature of a substitute for the text of a bill or joint resolution from the other House) or is reported by a committee of conference in an amended form, the committee of conference shall ensure, to the greatest extent practicable, that the Director shall prepare a supplemental statement for the bill or joint resolution in that amended form.

"(b) ASSISTANCE TO COMMITTEES AND STUDIES.—

"(1) IN GENERAL.—At the request of any committee of the House of Representatives or of the Senate, the Director shall, to the extent practicable, consult with and assist such committee in analyzing the budgetary or financial impact of any proposed legislation that may have—

"(A) a significant budgetary impact on State, local, or tribal governments;

"(B) a significant financial impact on the private sector; or

"(C) significant employment impact on the private sector.

"(2) CONTINUING STUDIES.—The Director shall conduct continuing studies to enhance comparisons of budget outlays, credit authority, and tax expenditures.

"(3) FEDERAL MANDATE STUDIES.—

"(A) At the request of any committee of the House of Representatives or the Senate, the Director shall, to the extent practicable, conduct a study of a legislative proposal containing a Federal mandate.

"(B) In conducting a study under subparagraph (A), the Director shall—

"(i) solicit and consider information or comments from elected officials (including their designated representatives) of States, local governments, tribal governments, designated representatives of the private sector, and such other persons as may provide helpful information or comments;

"(ii) consider establishing advisory panels of elected officials (including their designated representatives) of States, local governments, tribal governments, designated representatives of the private sector, and other persons if the Director determines, in the Director's discretion, that such advisory panels would be helpful in performing the Director's responsibilities under this section; and

"(iii) include estimates, if and to the extent that the Director determines that accurate estimates are reasonably feasible, of—

"(I) the future direct cost of the Federal mandates concerned to the extent that they significantly differ from or extend beyond the 5-year period after the mandate is first effective; and

"(II) any disproportionate budgetary effects of the Federal mandates concerned upon particular industries or sectors of the economy, States, regions, and urban, or rural or other types of communities, as appropriate.

"(C) In conducting a study on private sector mandates under subparagraph (A), the Director shall provide estimates, if and to the extent that the Director determines that such estimates are reasonably feasible, of—

"(i) future costs of Federal private sector mandates to the extent that such mandates differ significantly from or extend beyond the 5-year period referred to in subparagraph (B)(iii)(I);

"(ii) any disproportionate financial effects of Federal private sector mandates and of any Federal financial assistance in the bill or joint resolution upon any particular industries or sectors of the economy, States, regions, and urban or rural or other types of communities; and

"(iii) the effect of Federal private sector mandates in the bill or joint resolution on the national economy, including the effect on productivity, economic growth, full employment, creation of productive jobs, and international competitiveness of United States goods and services.

"(c) VIEWS OF COMMITTEES.—Any committee of the House of Representatives or the Senate which anticipates that the committee will consider any proposed legislation establishing, amending, or reauthorizing any Federal program likely to have a significant budgetary impact on the States, local governments, or tribal governments, or likely to have a significant financial impact on the private sector, including any legislative proposal submitted by the executive branch likely to have such a budgetary or financial impact, shall provide its views and estimates on such proposal to the Committee on the Budget of its House.

"(d) ESTIMATES.—If the Director determines that it is not feasible to make a reasonable estimate that would be required for a statement under subsection (a)(1) for a bill or joint resolution, the Director shall not make such a statement and shall inform the committees involved that such an estimate cannot be made and the reasons for that determination. The bill or joint resolution for which such statement was to be made shall be subject to a point of order under section 425(a)(1).

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Congressional Budget Office to carry out this part $4,500,000 for each of fiscal years 1996 through 2002.

"SEC. 425. POINT OF ORDER.

"(a) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider—

"(1) any bill or joint resolution that is reported by a committee unless the committee has published the statement of the Director pursuant to section 424(a) prior to such consideration, except that this paragraph shall not apply to any supplemental statement prepared by the Director under section 424(a)(4); or

"(2) any bill, joint resolution, amendment, motion, or conference report that contains a Federal intergovernmental mandate having direct costs that exceed the threshold specified in section 424(a)(1)(A), or that would cause the direct costs of any other Federal intergovernmental mandate to exceed the threshold specified in section 424(a)(1)(A), unless—

"(A) the bill, joint resolution, amendment, motion, or conference report provides new budget authority or new entitlement authority in the House of Representatives or direct spending authority in the Senate for each fiscal year for the Federal intergovernmental mandates included in the bill, joint resolution, amendment, motion, or conference report in an amount that equals or exceeds the estimated direct costs of such mandate; or

"(B) the bill, joint resolution, amendment, motion, or conference report provides an increase in receipts or a decrease in new budget authority or new entitlement authority in the House of Representatives or direct spending authority in the Senate and an increase in new budget authority or new entitlement authority in the House of Representatives or an increase in direct spending authority for each fiscal year for the Federal intergovernmental mandates included in the bill, joint resolution, amendment, motion, or conference report in an amount that equals or exceeds the estimated direct costs of such mandate; or

"(C) the bill, joint resolution, amendment, motion, or conference report—

"(i) provides that—

"(I) such mandate shall be effective for any fiscal year only if all direct costs of such mandate in the fiscal year are provided in appropriations Acts, and

"(II) in the case of such a mandate contained in the bill, joint resolution, amendment, motion, or conference report, the mandate is repealed effective on the first day of any fiscal year for which all direct costs of such mandate are not provided in appropriations Acts; or

"(ii) requires a Federal agency to reduce programmatic and financial responsibilities of State, local, and tribal governments for meeting the objectives of the mandate such that the estimated direct costs of the mandate to such governments do not exceed the amount of Federal funding provided to those governments to carry out the mandate in the form of appropriations or new budget authority or new entitlement authority in the House of Representatives or direct spending authority in the Senate, and establishes criteria and procedures for that reduction.

"(b) LIMITATION ON APPLICATION TO APPROPRIATIONS BILLS.—Subsection (a) shall not apply to a bill that is reported by the Committee on Appropriations or an amendment thereto.

"(c) DETERMINATION OF DIRECT COSTS BASED ON ESTIMATES BY BUDGET COMMITTEES.—For the purposes of this section, the amount of direct costs of a Federal mandate for a fiscal year shall be determined based on estimates made by the Committee on the Budget, in consultation with the Director, of the House of Representatives or the Senate, as the case may be.

"(d) LIMITATION ON APPLICATION OF SUBSECTION (a)(2).—Subsection (a)(2) shall not apply to any bill, joint resolution, amendment, or conference report that reauthorizes appropriations for carrying out, or that amends, any statute if enactment of the bill, joint resolution, amendment, or conference report—

"(1) would not result in a net increase in the aggregate amount of direct costs of Federal intergovernmental mandates; and

"(2)(A) would not result in a net reduction or elimination of authorizations of appropriations for Federal financial assistance that would be provided to State, local governments, or tribal governments for use to comply with any Federal intergovernmental mandate; or

"(B) in the case of any net reduction or elimination of authorizations of appropriations for such Federal financial assistance that would result from such enactment, would reduce the duties imposed by the Federal intergovernmental mandate by a corresponding amount.

"SEC. 426. ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.

"It shall not be in order in the House of Representatives to consider a rule or order that waives the application of section 425(a).

"SEC. 427. DISPOSITION OF POINTS OF ORDER.

"(a) THRESHOLD BURDEN.—In order to be cognizable by the Chair, a point of order under section 425(a) or 426 must specify the precise language on which it is premised.

"(b) QUESTION OF CONSIDERATION.—As disposition of points of order under section 425(a) or 426, the Chair shall put the question of consideration with respect to the proposition that is the subject of the points of order.

"(c) DEBATE AND INTERVENING MOTIONS.—A question of consideration under this section shall be debatable for 10 minutes by each Member initiating a point of order and for 10 minutes by an opponent on each point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

"(d) EFFECT ON AMENDMENT IN ORDER AS ORIGINAL TEXT.—The disposition of the question of consideration under this section with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this section with respect to an amendment made in order as original text.".

SEC. 302. ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.

(a) MOTIONS TO STRIKE IN THE COMMITTEE OF THE WHOLE.—Clause 5 of rule XXIII of the Rules of the House of Representatives is amended by adding at the end the following:

"(c) In the consideration of any measure for amendment in the Committee of the Whole containing any Federal mandate the direct costs of which exceed the threshold in section 424(a)(1)(A) of the Unfunded Mandate Reform Act of 1995, it shall always be in order, unless specifically waived by terms of a rule governing consideration of that measure, to move to strike such Federal mandate from the portion of the bill then open to amendment.".

(b) COMMITTEE ON RULES REPORTS ON WAIVED POINTS OF ORDER.—The Committee on Rules shall include in the report required by clause 1(d) of rule XI (relating to its activities during the Congress) of the Rules of the House of Representatives a separate item identifying all waivers of points of order relating to Federal mandates, listed by bill or joint resolution number and the subject matter of that measure.

SEC. 303. EXERCISE OF RULEMAKING POWERS.

The provisions of this title (except section 305) are enacted by Congress—

(1) as an exercise of the rulemaking powers of the House of Representatives and the Senate, and as such they shall be considered as part of the rules of the House of Representatives and the Senate, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the House of Representatives and the Senate to change such rules at anytime, in the same manner, and to the same extent as in the case of any other rule of the House of Representatives or the Senate, respectively.

SEC. 304. CONFORMING AMENDMENT TO TABLE OF CONTENTS.

Section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting "PART A—GENERAL PROVISIONS" before the item relating to section 401 and by inserting after the item relating to section 407 the following:

"PART B—FEDERAL MANDATES

"Sec. 421. Definitions.
"Sec. 422. Limitation on application.
"Sec. 423. Duties of congressional committees.
"Sec. 424. Duties of the Director.
"Sec. 425. Point of order.
"Sec. 426. Enforcement in the House of Representatives.".

SEC. 305. TECHNICAL AMENDMENTS.

(a) TECHNICAL AMENDMENT.—The State and Local Government Cost Estimate Act of 1981 (Public Law 97-108) is repealed.

(b) TECHNICAL AMENDMENT.—Section 403 of the Congressional Budget Act of 1974 is amended to read as follows:

"ANALYSIS BY CONGRESSIONAL BUDGET OFFICE

"SEC. 403. The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

"(1) an estimate of the costs which would be incurred in carrying out such bill or resolution in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate; and

"(2) a comparison of the estimate of costs described in paragraph (1) with any available estimate of costs made by such committee or by any Federal agency.

The estimate and comparison so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.".

SEC. 306. EFFECTIVE DATE.

This title shall take effect on October 1, 1995.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate disagree with the House amendments, agree to the conference requested by the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. CRAIG) appointed Mr. ROTH, Mr. DOMENICI, Mr. KEMPTHORNE, Mr. GLENN, and Mr. EXON conferees on the part of the Senate.

THE REGULATORY REFORM BILL

Mr. LOTT. Mr. President, I ask unanimous consent that the regulatory reform bill, S. 343, introduced yesterday by Senator DOLE, be jointly referred to the Committees on the Judiciary and Governmental Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, FEBRUARY 6, 1995

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 a.m. on Monday, February 6, 1995; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

I further ask unanimous consent that at 10:30 a.m., the Senate resume consideration of House Joint Resolution 1, the constitutional balanced budget amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM FOR MONDAY, FEBRUARY 6, 1995

Mr. LOTT. Mr. President, for the information of my colleagues, on Monday, the Senate will resume consideration of the balanced budget amendment and the pending amendments thereto.

The majority leader has indicated that there will be no rollcall votes on Monday. However, Senator DOLE has stated that he expects a full and extensive debate on the pending amendments on Monday.

This side of the aisle believes that this is a very serious issue, and I assume that the other side of the aisle considers the Daschle motions to commit to be very serious, as well.

Therefore, again, Members should expect a full day of debate on this matter on Monday. If we are ever going to be able to get to the point where we reach a conclusion on this legislation, we must move forward. I expect that there will be amendments and votes all of next week. But we should make sure that we have a full day on Monday.

RECESS UNTIL MONDAY, FEBRUARY 6, 1995, AT 10 A.M.

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, and if no other Senator is seeking recognition, I ask unanimous consent that the Senate stand in recess as under the previous order.

There being no objection, the Senate, at 4:55 p.m., recessed until Monday, February 6, 1995, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 3, 1995:

THE JUDICIARY

ELDON E. FALLON, OF LOUISIANA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF LOUISIANA, VICE ADRIAN G. DUPLANTIER, RETIRED.

IN THE COAST GUARD

THE FOLLOWING REGULAR AND RESERVE OFFICERS OF THE U.S. COAST GUARD TO BE PERMANENT COMMISSIONED OFFICERS IN THE GRADES INDICATED:

To be lieutenant commander

GENELLE T. VACHON

To be lieutenant

THOMAS D. BEISTLE
ALGERNON J. KEITH
BRIAN J. PETER
JEFFREY J. KOZBIEL
LESLIE J. PENNEY
KIM J. PACSAI
WILLIAM D. HOGUE
CHRISTOPHER J. CLARK
JOHN M. BRYANT
HUGH R. GRIFFITHS
MARTIN W. WALKER
MANUEL J. PEREZ
CHINH T. LE
DAVID M. LARKIN
RANDY W. EMERY
ROBERT A. ENGLE
WILLIAM D. CAMERON, JR.
SCOTT H. SHARP
PAUL C. FITZGERALD
CLAUDIA J. CAMP
JOHN W. MC KINLEY
LUTHER B. JENNINGS
GREGORY G. STUMP
PAUL W. GEBERT, JR.
TIMOTHY D. DENBY
JAY D. ANDREWS
DAVID R. PERTUZ
MORGAN R. POWERS
JEROME H. HILTON
ANDREW G. DUTTON
MARK W. FLUITT
BARBARO J. ORTA
JENNIFER F. BECK
ROSANNE TRABOCCHI
JACKQUELINE M. LOSEGO
MARY J. SOHLBERG
VALERIAN F. WELICKA
FRANK W. JESTER
WILLIAM B. SWEARS
SHELLEYJO M. ATKINSON
JOHN G. HOMAN
ROBERT J. THOMAS
EVAN C. GRANT
GREGORY D. ERICKSON
CHARLES M. HANCOCK
MARY P. MCKEOWN
ERIC G. HELM
JULIO A. MARTINEZ
EUGENE V. VOGT
JONATHAN B. DUFF
WILLIAM D. HENNESSY
CRAIG L. WELTMAN
PAUL ALBERTSON
CHRISTOPHER J. FALK
STEPHEN A. LESLIE
ANDREW P. WOOD
KENT R. CHAPPELKA
KENNETH A. PIERRO
MICHAEL T. CUNNINGHAM
SHANNON W. MC CULLAR
WILFORD E. MORTON
BRIAN K. PENOYER
PHIL M. PERRY
JANICE L. JENSEN
BRIAN J. DOWNEY, JR.
REED A. STEPHENSON

To be lieutenant (junior grade)

ALAN L. TUBB
KATHERINE E. WEATHERS
GEORGE A. LESHER, JR.
FRED A. GRIFFIN
PATRICK J. NEAL
MARTIN L. MALLOY
JOSEPH H. SNOWDEN II
PAUL MEHLER III
ROBERT J. BACKHAUS
THOMAS MC CORMICK
KYLE J. MARUSICH
TROY A. BESHEARS
GARY D. HENDERSON
MARK J. MC CADDEN
THOMAS P. DURAND
DANIEL W. UTTING
DENIS J. FASSERO
FRANK E. PEDRAS, JR.
DAVID K. DIXON
DEREK F. MYERS
DIANE R. FOSTER
THOMAS S. SWANBERG
DAVID E. CLEARY
PATTI S. BROSSMAN
CHRISTOPHER P. MOORADIAN
STEPHEN H. CHAMBERLIN III
KEVIN P. DUNN
ANDREW N. ZAVENELLI
ERIC J. BAUTZ
JENNIFER P. CROOT
DANIEL SCHRODER
DIANE J. HAUSER
BRIAN M. LISKO
MATTHEW C. CALLAN
CHRISTOPHER L. DAY
JOSE L. JIMENEZ
DANIEL C. JOHNSON
DANIEL J. PIKE
RONALD R. DEWITT, JR.
GEORGE E. DEACON, JR.
JOHN R. FRANCIC
RANDAL S. OGRYDZIAK
RAYMOND C. HAYES II
JOSE L. RODRIGUEZ
PHILLIP S. MC CARTY II
KRISTINE M. HORVATH
JOHN C. WICHT
ANTHONY E. RUMBAUGH
CHRISTOPHER C. MOSS
JAMES M. BOYER
KARA M. SATRA
WILLIAM A. KASTEN
ROBERT A. SANCHEZ
ROBERT W. HOLTHAUS, JR.
JENNIFER A. CUMMINGS
WILLIAM J. MOORE
DARRELL G. MCINNIS
MICHAEL C. BRADY
DOUGLAS H. BORDEN III
NILES L. SEIFERT
FRANCIS J. SUSSKEY, JR.
DAVID MOYNIHAN
JOHN E. VALENTINE
STEVEN R. CUSTER
LLOYD L. STONE II
FREDERICK REYES
JEFFREY C. BABB
ROBERTO E. DEVARIE
MARK A. TENNYSON
LANCE A. ROCKS
DRADY C. DOWNS
ROBERT G. PEARCE, JR.
CHRISTOPHER J. WOODLEY
FREDERICK C. RIEDLIN
STEVEN T. PEARSON
ROBERT E. BAILEY, JR.
THOMAS J. GLYNN
JAMES H. FINTA
JOSEPH M. CARROLL
TODD J. SHOENFELT
TODD J. OFFUTT
JOEL L. REBHOLZ
CHARLES E. GEHINSCOTT
ELIZABETH D. BLOW
DAVID H. CRONK
DAWN C. GORMAN
EUGENE R. LYTTON, JR.
THERESA A. PALMER
MARK E. HAMMOND
PABLO E. ROQUE, JR.
CARLOS A. TORRES
JAMES B. ROBERTSON III
ROBERT E. IDDINS
JEFFREY T. CARTER
RANDALL W. TUCKER
RICHARD M. PRUITT
STEVEN K. MAC HOVINA
CHARLES A. HATFIELD III
EDWARD J. LANE III
KRISTY M. PAQUETTE
ERIC S. ENSIGN
MICHAEL J. DREIER
MATTHEW P. ROTHER
JAMES F. DRISCOLL
JAMES J. SZRAMA
LUIS M. ROLDAN
BOBBY L. WILLIAMS
JAMES L. DUVAL
MARK A. LIND
FRANCIS T. BOROSS, JR.
THOMAS A. NORTON
MARK D. WARD
MICHAEL B. WALLACE
RICHARD A. ROBERTS, JR.
KEVIN W. LOPEZ
EDGARDO ROSA
KENNETH A. SMITH
JEFFREY W. JOHNSON
RICKY N. SORRELL
BARBARA A. ROSE
JEFFREY S. FRAZIER
NICOLAS D. CARON
DANIEL C. ROCCO
DAVID B. MAC LEAN
ERIN D. MAC DONALD
DAVID E. PUGH
HAROLD P. BRUU, JR.
THOMAS I. MAC DONALD
KELLY M. POST
DARREN A. DRURY
MICHAEL T. ARNOLD
JAMES B. PRUETT
LYNN A. GOLDHAMMER
GREGORY L. PURVIS
ROBERT P. WARD
DAVID W. EDWARDS
MARC S. HARTMAN
MARK L. COLLIER
RICHARD R. HAYES
JAMES M. MATHIEU
RICHARD S. CRAIG
BRUCE N. DECKER
JESS W. MC GINNIS
RAYMOND C. STONE
ANTHONY C. CURRY
BRIAN R. WETZLER
DAVID C. MORTON
ALBERT R. AGNICH, JR.
MICKEY D. COLE
DAVID A. DRAKE
THEODORE B. GANGSEI
ROBERT P. GILLAN
TRACY J. WANNAMAKER
BRAD J. ERVIN
TRELLIS M. BIVINS
THOMAS H. SHERMAN III
ELMER A. LIMOS
MARK A. CAMACHO
RICKY M. SHARPE
NELSON MEDINA
JOSEPH J. GLEASON
JOHN R. HELTON, JR.
ROBERT J. BOWEN
LILLIAN M. MAIZER
BENJAMIN B. WHITE
DANIEL J. SCHIFSKY
KEITH C. RALEY
MARK T. CUNNINGHAM
SHERMAN P. WHITMORE
CAROLA J. ATKINSON
CHRISTOPHER J. ROBINSON
DANIEL L. YOUNGBERG
TED J. SANCHEZ
DAVID C. BILLBURG
BRUCE L. DAVIES
DARREN M. MOORE
DAVID B. SCOTT
CRAIG S. BREITUNG
SHELDON J. ROBERTS
GREGORY A. HOWARD

IN THE AIR FORCE

THE FOLLOWING INDIVIDUALS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 12203 WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8067 TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be colonel

HAROLD L. KENNEDY [redacted]

MEDICAL CORPS

To be lieutenant colonel

GEORGE Z. WEISSFISCH [redacted]
CHAU W. YAN [redacted]

DENTAL CORPS

To be lieutenant colonel

BRUCE A. JOHNSON [redacted]

THE FOLLOWING INDIVIDUALS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 12203.

LINE OF THE AIR FORCE

To be lieutenant colonel

CHARLES R. DAVIS [redacted]
HUGH A. FORDE [redacted]
JOHN D. KIRBY, JR. [redacted]
WALTER G. LUCAS, JR., 155-44-8377
DOUGLAS D. TAYLOR [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE.

JUDGE ADVOCATE GENERAL

To be lieutenant colonel

ORIN R. HILMO, JR. [redacted]

MEDICAL CORPS

To be major

TARA L. CHRONISTER [redacted]
VICTOR A. TORANO [redacted]

MEDICAL SERVICE CORPS

To be major

STEPHEN C. WALLACE [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED MAJOR OF THE U.S. MARINE CORPS FOR PROMOTION TO THE GRADE OF LIEUTENANT COLONEL, UNDER THE PROVISIONS OF SECTION 624 AND 628 OF TITLE 10, UNITED STATES CODE:

To be lieutenant colonel

LAWRENCE J. KOVALCHIK [redacted]

EXTENSIONS OF REMARKS

FIGHTING DRUGS IS THE ANSWER TO MORE THAN ONE QUESTION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. SOLOMON. Mr. Speaker, drug abuse takes an enormous toll on our society. We spend billions of dollars on tangible ways to fight abuse like police, prisons, and courts. The problems is many don't recognize the other areas where drugs attack the fabric of this country. Rather than only affecting the individual, drug abuse has widespread and damaging repercussions. Today, 1 out of every 10 babies born in our country is addicted to drugs. According to the Partnership for a Drug Free America, drug use is related to half of all violent crime. Illegal drugs play a part in half of all homicides. Drug use is a factor in half of all family violence which is mostly directed against women. And over 30 percent of all child abuse cases involve a parent using illegal drugs. Obviously, drugs are playing an enormous part in the decline of our country. By aggressively allocating our resources to fight drug use, we show our commitment to mending many of this country's ills. This excellent article from the January 29, 1995 issue of the New York Times Magazine recommends several prescriptions.

[From the New York Times Magazine, Jan. 29, 1995]

IT'S DRUGS, STUPID

(By Joseph A. Califano, Jr.)

Despite all the Republican preening and Democratic pouting since Nov. 8, neither political party gets it. If Speaker Newt Gingrich is serious about delivering results from his party's "Contract With America" and if President Clinton means to revive his Presidency, each can start by recognizing how fundamentally drugs have changed society's problems and that together they can transform Government's response.

For 30 years, America has tried to curb crime with more judges, tougher punishments and bigger prisons. We have tried to rein in health costs by manipulating payments to doctors and hospitals. We've fought poverty with welfare systems that offer little incentive to work. All the while, we have undermined these efforts with our personal and national denial about the sinister dimension drug abuse and addiction have added to our society. If Gingrich and Clinton want to prove to us that they can make a difference in what really ails America, they should "get real" about how drugs have recast three of the nation's biggest challenges.

Law, Order and Justice. In 1960 there were fewer than 30,000 arrests for drug offenses; in 30 years, that number soared beyond one million. Since 1989, more individuals have been incarcerated for drug offenses than for all violent crimes—and most violent crimes are committed by drug (including alcohol) abusers.

Probation and parole are sick jokes in most cities. As essential first steps to rehabilitation, many parolees need drug treatment and after-care, which means far more monitoring than their drug-free predecessors of a generation ago required, not less. Yet in Los Angeles, for example, probation officers are expected to handle as many as 1,000 cases at a time. With most offenders committing drug- or alcohol-related crimes, it's no wonder so many parolees go right back to jail: 80 percent of prisoners have prior convictions and more than 60 percent have served time before.

Congress and state legislatures keep passing laws more relevant to the celluloid gangsters and inmates of classic 1930's movies than 1990's reality. Today's prisons are wall to wall with drug dealers, addicts, alcohol abusers and the mentally ill (often related to drug abuse). The prison population shot past a million in 1994 and is likely to double soon after the year 2000. Among industrialized nations, the United States is second only to Russia in the number of its citizens it imprisons: 519 per 100,000, compared with 368 for next-place South Africa, 116 for Canada and 36 for Japan.

Judges and prosecutors are demoralized as they juggle caseloads of more than twice the recommended maximum. In 1991 eight states had to close their civil jury trial systems for all or part of the year to comply with speedy trial requirements of criminal cases involving drug abusers. Even where civil courts remain open, the rush of drug-related cases has created intolerable delays—4 years in Newark, 5 in Philadelphia and up to 10 in Cook County, Ill. In our impersonal, bureaucratic world, if society keeps denying citizens timely, individual hearings for their grievances, they may blow off angry steam in destructive ways.

Health Care Cost Containment. Emergency rooms from Boston to Baton Rouge are piled high with the debris of drug use on city streets—victims of gunshot wounds, drug-prompted child and spouse abuse, and drug-related medical conditions like cardiac complications and sexually transmitted diseases. AIDS and tuberculosis have spread rapidly in large part because of drug use. Beyond dirty needles, studies show that teen-agers high on pot, alcohol or other drugs are far more likely to have sex, and to have it without a condom.

Each year drugs and alcohol trigger up to $75 billion in health care costs. The cruelest impact afflicts the half-million newborns exposed to drugs during pregnancy. Crack babies, a rarity a decade ago, crowd $2,000-a-day neonatal wards. Many die. It can cost $1 million to bring each survivor to adulthood.

Even where prenatal care is available—as it is for most Medicaid beneficiaries—women on drugs tend not to take advantage, of it. And as for drug treatment, only a relatively small percentage of drug-abusing pregnant mothers seek it, and they must often wait in line for scarce slots. Pregnant mothers' failure to seek prenatal care and stop abusing drugs accounts for much of the almost $3 billion that Medicaid spend in 1994 on impatient hospital care related to drug use.

The Fight Against Poverty. Drugs have changed the nature of poverty. Nowhere is this more glaring than in the welfare systems and the persistent problem of teen-age pregnancy.

Speaker Gingrich and President Clinton are hell-bent to put welfare mothers to work. But all the financial lures and prods and all the job training in the world will do precious little to make employable the hundreds of thousands of welfare recipients who are addicts and abusers.

For too long, reformers have had their heads in the sand about this unpleasant reality. Liberals fear that admitting the extent of alcohol and drug abuse among welfare recipients will incite even more punitive reactions than those now fashionable. Conservatives don't want to face up to the cost of drug treatment. This political denial assures failure of any effort to put these welfare recipients to work.

The future is not legalization. Legalizing drug use would write off millions of minority Americans, especially children and drug—exposed babies, whose communities are most under siege by drugs. It has not worked in any nation where it's been tried, and our own experience with alcohol and cigarettes shows how unlikely we are to keep legalized drugs away from children.

Drugs are the greatest threat to family stability, decent housing, public schools and even minimal social amenities in urban ghettos. Contrary to the claim of pot proponents, marijuana is dangerous. It devastates short-term memory and the ability to concentrate precisely when our children need them most—when they are in school. And a child 12 to 17 years old who smokes pot is 85 times as likely to use cocain· as a child who does not. Cocaine is much more addictive than alcohol, which has already hooked more than 18 million Americans. Dr. Herbert D. Kleber, a top drug expert, estimates that legalizing cocaine would give us at least 20 million addicts, more than 10 times the number today.

It's especially reckless to promote legalization when we have not committed research funds and energies to addiction prevention and treatment on a scale commensurate with the epidemic. The National Institutes of Health spend some $4 billion for research on cancer, cardiovascular disease and AIDS, but less than 15 percent of the amount for research on substance abuse and addiction, the largest single cause and exacerbator of those diseases.

Treatment varies widely, from inpatient to outpatient, from quick-fix acupuncture to residential programs ranging a few weeks to more than a year, from methadone dependence to drug-free therapeutic communities. Fewer than 25 percent of the individuals who need drug or alcohol treatment enter a program. On average, a quarter complete treatment; half of them are drug- or alcohol-free a year later. In other words, with wide variations depending on individual circumstances, those entering programs have a

one-in-eight chance of being free of drugs or alcohol a year later. Those odds beat many for long-shot cancer chemotherapies, and research should significantly improve them. But a recent study in California found that even at current rates of success, $1 invested in treatment saves $7 in crime, health care and welfare costs.

Here are a few suggestions for immediate action to attack the dimension drugs have added to these three problems:

Grant Federal funds to state and Federal prison systems only if they provide drug and alcohol treatment and after-care for all inmates who need it.

Instead of across-the-board mandatory sentences, keep inmates with drug and alcohol problems in jails, boot camps or halfway houses until they experience a year of sobriety after treatment.

Require drug and alcohol addicts to go regularly to treatment and after-care programs like Alcoholics Anonymous while on parole or probation.

Provide Federal funds for police only to cities that enforce drug laws throughout their jurisdiction. End the acceptance of drug bazaars in Harlem and southeast Washington that would not be tolerated on Manhattan's Upper East Side or in Georgetown.

Encourage judges with lots of drug cases to employ public health professionals just as they hire economists to assist with antitrust cases.

Cut off welfare payments to drug addicts and alcoholics who refuse to seek treatment and pursue after-care. As employers and health professionals know, addicts need lots of carrots and sticks, including the threat of loss of job and income, to get the monkey off their back.

Put children of drug- or alcohol-addicted welafare mothers who refuse treatment into foster care or orphanages. Speaker Gingrich and First Lady Hillary Rodham Clinton have done the nation a disservice by playing all-or-nothing politics with this issue. The compassionate and cost-effective middle ground is to identify those parents who abuse their children by their own drug and alcohol abuse and place those children in decent orphanges and foster care until the parents shape up.

Subject inmates, parolees and welfare recipients with a history of substance abuse to random drug tests, and fund the treatment they need. Liberals must recognize that getting off drugs is the only chance these individuals (and their babies) have to enjoy their civil rights. Conservatives who preach an end to criminal recidivism and welfare dependency must recognize that reincarceration and removal from the welfare rolls for those who test positive is a cruel Catch-22 unless treatment is available.

Fortunately, the new Congress and the new Clinton are certain not to legalize drugs. Unfortunately, it is less clear whether they will recognize the nasty new strain of intractability that drugs have added to crime, health costs and welfare dependency, and go on to tap the potential of research, prevention and treatment to save billions of dollars and millions of lives.

If a mainstream disease like diabetes or cancer affected as many individuals and families as drug and alcohol abuse and addiction do, this nation would mount an effort on the scale of the Manhattan Project to deal with it.

(Joseph A. Califano Jr. is president of the Center on Addiction and Substance Abuse at Columbia University and former Secretary of Health Education and Welfare. His book "Radical Surgery: What's Next for America's Health Care" was published this month.)

IN RECOGNITION OF MR. BENNETT FISCHTHAL FOR HIS BRAVERY AND COURAGE

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. ACKERMAN. Mr. Speaker, I rise today with great pride to share with my colleagues in the House of Representatives the inspiring story of a man who has proven to be an extremely courageous citizen.

Mr. Bennett Fischthal, a graduate of Brooklyn Law School, was returning from a bar review course when he encountered a large fire in the subway station. Bennett did what he does naturally: he came to the assistance of people in crisis. Bennett did not run for safety or worry about his own physical well-being, he stopped and helped the passengers in the subway get to safety.

Bennett responded valiantly to this emergency and has won the praise and the respect of his community. For these actions we cannot express sufficient gratitude to Bennett, an individual who recognizes that the preservation of life and property is a massive responsibility. He made that responsibility his own by coming to the aid of the subway passengers in peril.

Mr. Speaker, I ask my colleagues to join with me now to salute Bennett Fischthal because he has exhibited the ultimate commitment by caring and working so diligently for the safety of others.

A TRIBUTE TO JEAN GILLIGAN

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mrs. MORELLA. Mr. Speaker, I would like to bring to the attention of the House the retirement of a remarkable woman, Jean W. Gilligan, who has now retired after 45 years service as a congressional staffer.

Jean came to Capitol Hill from South Dakota in 1949 and began her career as secretary to Representative Gardner Withrow of Wisconsin. She then became the administrative assistant to Representative Vernon Thomson of Wisconsin from 1961 to 1974. Jean then served on the Committee on Post Office and Civil Service from 1975 to 1994 under four ranking Republican Members: Representatives Edward Derwinski of Illinois, Gene Taylor of Missouri, BENJAMIN GILMAN of New York, and JOHN MYERS of Indiana.

Last night Mr. Speaker, the Congressional Staff Club [CSC] honored Jean W. Gilligan at its annual membership party where she was lauded by friends, colleagues, and CSC members. Jean was the primary force in developing the club into a vital entity for staff members. She served as second vice president of the club in 1965, first vice president in 1966 and president in 1967 and 1993. She was one of the founders of the mixed ten pin bowling league and served as its secretary, vice president and president. The Congressional Staff Club honored Jean by awarding her a life membership in 1977.

There is no doubt that Jean will be greatly missed on Capitol Hill by hundreds of staff members who consider her a colleague par excellence, a friend and a mentor. I, too, will miss you, Jean.

Mr. Speaker, I congratulate Jean on her dedicated service and wish her a long, healthy, and active retirement.

COMMEMORATION OF THE 77TH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. BONIOR. Mr. Speaker, I rise today to commemorate the 77th anniversary of Lithuanian independence. On Sunday, February 5, 1995, the Detroit-area Lithuanian community will mark the event by holding a commemorative ceremony at the Lithuanian Cultural Center in Southfield, MI.

Lithuania was occupied for nearly 55 years. During that time, Lithuanian representation in the United States was uninterrupted. For those many difficult years, the United States never recognized Lithuania's forced incorporation into the former U.S.S.R.

In 1991, the United States granted most-favored-nation trading status to the Baltic Republic of Lithuania. Since that time, trade with Western countries has risen from less than 8 percent of the total to over 24 percent. In addition, the spread of private sector activity is creating jobs and boosting consumer spending. I understand that the introduction of a stable currency a year and a half ago is stimulating investment. And, there are now over 55,000 privately owned companies in Lithuania. The transition from an occupied nation to a free country has been challenging, but it is a challenge that Lithuanians proudly face.

The Lithuanian community is especially excited to have as their guest speaker, Arturas Paulauskas, Esq., the current attorney general of Lithuania. Mr. Paulauskas has devoted his energies to combating corruption and economic crime. Along with Lithuanians in American and the homeland, I support him in his work to promote a prosperous future for all Lithuania.

I am watching events in Lithuania with much optimism. This weekend's celebration marks the second anniversary without Russian military forces deployed inside the Republic. We must all work to see that they never return.

I commend the Lithuanian-American community for their vigilance through the many difficult years and I urge my colleagues to join me in commemorating the 77th anniversary of Lithuanian independence.

TRIBUTE TO BRADFORD MORSE

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. CLINGER. Mr. Speaker, I rise today to remember a former colleague, and one of the

founders of the House Wednesday Group, Representative Bradford Morse. The objectives of Brad and the others in starting the Wednesday Group was to foster and promote moderate, Republican ideas. This temperate philosophy carried over to Representative Morse's work as a legislator as he served on the Government Operations and Merchant Marine and Fisheries Committees, and later on Foreign Affairs. On behalf of the members of the Wednesday Group, we deeply regret his passing.

Much to the credit of Mr. Morse, he never forgot the reason he was able to work in this body and establish the group that still meets. The constituents of his Massachusetts district were always a priority. He began contributing to the State early in his career, long before his time here in Washington. Mr. Morse pursued all phases of his education in his home State, and decided to practice and teach law there as well. Appropriately, he also served on the Lowell City Council, the town in which he was born. As you can see, Mr. Speaker, Brad Morse was a man of integrity, a man whose heritage defined his successful career.

After he left Congress, Mr. Morse continued to make a significant contribution as he worked to achieve international peace at the United Nations. In his role as administrator for the U.N.'s Development Programme, Mr. Morse set out to accomplish monumental tasks. Accordingly, and in his typical fashion, the effects of the results he achieved were also monumental.

Mr. Speaker, although I am saddened to be addressing you on the occasion of Brad Morse's passing, it is my privilege and honor to associate myself with the ideas he represented. Perhaps the greatest tribute my colleagues and I can pay to the late Representative is to continue the thoughtful undertakings of the group he founded nearly 30 years ago.

INTRODUCTION OF LEGISLATION TO MAKE THE R&D CREDIT PERMANENT

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. NEAL. Mr. Speaker, yesterday Mrs. JOHNSON, Mr. MATSUI, Mr. HERGER, and I introduced legislation to make permanent the Research and Development [R&D] tax credit. U.S. based R&D is critical to our continued economic growth. The R&D credit provides a significant incentive for U.S. companies of perform valuable R&D in the United States providing high-skilled, high-paid jobs for American workers.

The R&D credit was enacted in 1981 to provide an incentive for companies to increase their spending on U.S. R&D. The credit requires companies to increase their current year R&D spending above a predetermined base before they are eligible to receive the credit. Since 1981, the credit has been extended five times and changed to reduce the benefits available to certain companies. The current R&D credit expires on June 30, 1995.

Failure to make the credit permanent has substantially reduced its value to business. Research and Development projects are generally long-term efforts, often spanning 5–10 years. Corporate research planners can not rely on the incentive provided by the R&D tax credit if it is extended for only 12–18 months at a time.

I believe New England would substantially benefit from a permanent R&D credit. New England is still trying to recover from difficult economic times. A permanent R&D credit will provide a signficant incentive for New England companies to perform R&D in New England. The technological innovations perfected through R&D are necessary to assist New England companies that are undergoing defense conversion to compete in the market place.

R&D will help rebuild our economy. –I urge you to support this legislation.

KEEPING THE CONTRACT WITH AMERICA ON TRACK

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. PACKARD. Mr. Speaker, the new Republican Congress continues to carry out its mandate with the American people. We are committed to keeping our Contract With America on track. The American people demanded a Congress that produces results. That's what our contract is about.

We are committed to reducing the size, cost, and scope of Government. So far, we have kept our promise to balance the budget and reform unfunded mandates. Next, we will vote on passage of a line-item veto, a sharp tool to give the President to cut bloated, wasteful Government spending. It will fundamentally change the budget process—in favor of wise spending.

Mr. Speaker, the Republican agenda for change continues. Gone are the days of empty rhetoric. The new Congress works for results, not empty promises. Mr. Speaker, I hope America is watching and checking off the items in our contract. We are working for them.

THE WAR ON DRUGS: RENEWING THE BATTLE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. SOLOMON. Mr. Speaker, during the 1980's, the message to Americans was "Just Say No to Drugs and Alcohol." Children were admonished by their sports and entertainment heros to stay away from marijuana and cocaine. Statistics show that the message was working, at least as far as adolescent drug use was concerned. But during the Clinton administration, the war on drugs has been downsized and their supporters in the drug culture are claiming it can't be won. As the following article emphasizes, teenagers are showing a renewed interest in illegal drugs. Without the constant reminders to avoid these mind-numbing and brain killing substances, kids have begun testing the waters. The only way to safeguard the future of America is to stop this experimentation before the sharks take over again.

The article follows:

[From the Wall Street Journal, Jan. 18, 1995]

DRUG COMEBACK: ONE SAD TREND LOST IN SHUFFLE

(By Gerald F. Seib)

The new Congress isn't exactly short of things to do, but here's one task crying out for attention: putting a stop to the backsliding underway in the national war against drugs.

Subtly, almost imperceptibly, drug use is creeping back up among America's youth. Worse yet, all the warning signs of bigger problems ahead are flashing. Use of marijuana, often a precursor of cocaine use, is up sharply among teens. Simultaneously, young people's perception that drugs are risky is declining, an attitude change that usually forecasts an actual upturn in drug use.

At least one powerful voice is trying to persuade the new, Republican-controlled Congress to fix its eyes on this troubling picture. The voice belongs to William Bennett, the former drug czar, who has been pressing new GOP members to get drugs onto at least their second 100 days' agenda. His message, Mr. Bennett says, is simply this: "You cannot ignore it."

In truth, though, ignoring the problem is what a lot of people, in Congress and out, have been doing. Consequently, the country is in a position roughly akin to that of a drug abuser who may appear to be recovering but who actually is in grave danger of a relapse.

Over the last few years, it was possible to conclude that, outside of the inner cities, broader American society had finally turned the tide in its long battle against illegal drugs. Studies by the University of Michigan Institute for Social Research, for instance, showed that drug use among high school seniors declined gradually but steadily through the second half of the 1980s and into the 1990s. Not coincidentally, perceptions that regular drug use was risky rose through the same period.

Now, those comforting trendlines have turned. The University of Michigan research shows that illicit drug use has been rising, slowly but clearly, among eighth and 10th graders and high school seniors in each of the last two years. Particularly alarming was the rise found in the use of marijuana. Over the past two to three years, the share of students reporting use of marijuana at least once in the past year has doubled among eighth graders, grown by two-thirds among 10th graders, and jumped by 40% among high school seniors.

The rise in marijuana use is particularly troubling, because historical trends show that marijuana is a "gateway" drug often leading to other drugs. Recent studies by Columbia University's Center on Addiction and Substance Abuse, or CASA, document a link between marijuana, as well as alcohol and tobacco, and later cocaine use. To put a grim human face on the latest statistics, CASA estimates that the jump in youthful marijuana use means 820,000 more young Americans will try cocaine in their lifetime, and that 58,000 of them will become regular cocaine users as adults.

Why is this happening? The best guess is the broadest one. The country is letting down its collective guard.

For starters, society generally has stopped pounding home the theme that drugs are dangerous, meaning that a whole new set of young Americans isn't getting the same kind of clear signal their older brothers and sisters did. "The message is getting mixed," frets Joseph Califano, the former health, education and welfare secretary and CASA's chairman. "It's everything from the fact that we're starting to see pot come back to the movies and the music business, which are incredibly important to young people, to the fact that Joycelyn Elders is sending out an ambiguous message."

Surgeon General Elders has just departed, of course, so now it's up to President Clinton and his administration to undo any damage her casual remarks about possible drug legalization may have done. But the problem is hardly confined to the Clinton administration. Congress is equally complicit in toning down the anti-drug message.

In the budget he presented for the current fiscal year, Mr. Clinton proposed spending $659.2 million on a program to help ensure safe and drug-free schools. Congress last year chopped that request down by 27%, to $482 million.

Now comes the new Republican Congress, which will be torn between its budget-cutting impulses and the painful fact that programs to interdict drugs and prevent their use cost money. This is one area where anti-crime bromides alone won't suffice. Some in the drug-fighting community are particularly worried that, as spending on federal social programs gets packed into block grants and shipped out to the states, drug-fighting will get pushed to the back of the line of competing claims.

For his part, Mr. Bennett suggests that existing federal and state law-enforcement money could be used for a "targeted, intense effort at closing down drug markets in the cities." The first battle, though, isn't against drug dealers. It's against creeping national complacency.

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HONEST WORK EQUALS JUST REWARD

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. HILLIARD. Mr. Speaker, I rise today to address the issue of welfare, specifically, reforming our welfare system. How can we, as a Congress, and as a society, make welfare reform work?

I'll tell you how—by paying people a livable wage. Individuals must be able to earn a decent wage for a day's work. We have to pay our workers enough to live on, enough to keep themselves and their families above the poverty level.

Current discussion of welfare reform would require recipients to find gainful employment. Gainful employment should at least be a viable alternative, providing adequate compensation for workers and their families. The only way to achieve this is to increase minimum wage levels. If wages had kept up with inflation after 1970, the current rate would have risen to $5.54.

I am urging that we immediately raise the minimum wage to $5.50, and index it for inflation, in order to avoid this injustice in the future. We must protect the interest of America's working class by offering fair compensation for honest work. This is the way we take people off of welfare. Thank you, Mr. Speaker.

THE DEPOSITORY INSTITUTION AFFILIATION ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. LAFALCE. Mr. Speaker, today I am happy to join my distinguished colleague, Congressman BAKER of Louisiana, in introducing the Depository Institution Affiliation Act of 1995.

We are on the brink of a new century. Yet the laws which govern the financial services system which must meet the demands of that century are antiquated. They reflect a world in which only banks offered bank services; major corporations relied primarily on banks for their financing; consumer needs were simply and easily segregated into discrete products offered by distinct industries; and U.S. banks were easily preeminent at home and abroad.

That world no longer exists. Technology and product innovation have blurred the lines between various financial products and the businesses of the companies which provide them. Increasingly, individual and corporate customers have their financial needs met through new financial products provided outside the traditional U.S. banking system. Strong competition from foreign banks, which operate within legal structures which recognize rather than ignore new market dynamics, pose a serious competitive challenge to U.S. institutions in both foreign markets and our own.

As policymakers have failed to address these issues and U.S. law has remained static, the banking system has attempted to respond to new consumer demands and market developments through ad hoc regulatory adjustments and strained and unduly complex efforts by the banks to devise products and structures which might allow them to meet new demand within the limitations current law permits. The result has been a system that is excessively costly, complex, and inefficient. It undercuts our international competitiveness, limits consumer choice and convenience, and ultimately suppresses economic growth.

This cannot continue. In a competitive global marketplace, we can no longer afford to be indifferent to something as critical as the financial system which underpins our economy.

In 1991, I had the privilege of chairing a Banking Committee Task Force on the International Competitiveness of U.S. Financial Institutions. After an exhaustive analysis of the condition of U.S. banks and the challenges they faced, that task force concluded it was absolutely incumbent upon policymakers to undertake a fundamental and comprehensive reassessment of the major laws and the regulatory structure which underpin the U.S. banking system. Four years have passed and, while there has been some progress—most notably last year's interstate legislation—and much effort, the structure of our financial system has remained substantially unchanged and U.S. banks still face the same problems and constraints.

We can no longer respond to the serious problems our outdated financial services system imposes by peripheral change. The task force had a much broader vision of what needed to be done, and the bill we are introducing today responds to that vision. While this bill may not be perfect, it will facilitate a badly needed debate addressing the basic structural problems that result from the outdated activities and affiliation restrictions in current law. I would expect there will be changes as the process moves forward. In particular, I look forward to working closely with my colleague, Mr. BAKER, to address our mutual concern that the bill ensure that a restructured system will provide international banks comparable treatment to our domestic institutions, so we can in turn ensure that our own firms are equally fairly treated abroad.

Our objective in this legislation is to create a structure for the U.S. financial services system that will allow U.S. companies to provide consumers and businesses with the most cost-efficient and highest quality financial products, and to compete fairly in a global marketplace, while operating in a safe and sound manner. It is an objective we must achieve if we are to meet the challenges ahead. I urge that my colleagues offer their support to this important effort.

INTEREST RATES

HON. PAT DANNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Ms. DANNER. Mr. Speaker, home interest rates are up, housing starts are down. Car plants are closing, credit cards rates are rising, and more jobs are lost.

I am alarmed that these scenarios exist in America in 1995 during this time of apparent prosperity. But for the seventh time since last February, the Federal Reserve has raised the short-term interest rate. And for the seventh time since last February, Americans will experience increased borrowing costs. We have heard many technical excuses about "cooling an overheating economy" and "curbing the rise of inflation."

Meanwhile, the people I represent are saying, "that's enough!" The Fed does not reserve the right to impose rate hike after rate hike on the hardworking citizens of my district who struggle every day to meet upward spiraling home, farm, and car payments. Most Americans who can scarcely afford life's necessities are having a difficult time believing that the economy is growing too rapidly. It is my hope that this is the last rate increase for a long time.

TRIBUTE TO PAUL BUTHERUS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. SKELTON. Mr. Speaker, today I wish to honor a great Missourian, Paul F. Butherus. Last fall Paul Butherus was inducted into the Northwest Missouri State University's Athletic Hall of Fame.

An athlete, official, and coach, Butherus began his athletic career at Maryville High School. During 1940–44, Butherus was a letter winner in football, basketball, track, and tennis. Before moving onto college, Butherus served in the U.S. Infantry from 1944–46, where he was awarded a Purple Heart in the Battle of Luzon. In his college years at Northwest Missouri State College from 1946–49, Butherus was a 3-year letter winner in football, basketball, and track.

Butherus served as a teacher, coach, and athletic director from 1949–83 at various high schools. From 1949–50 he was at Madrid High School in Iowa. Following his years in Iowa he returned to Plattsburg High School in Missouri until 1958. He then went to Wentworth Military Academy in Missouri where he was until 1983.

I urge my colleagues to join me in recognizing this talented athlete. I congratulate him on his lifetime accomplishments and contributions.

MEXICAN BAILOUT

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. VISCLOSKY. Mr. Speaker, I rise today in adamant opposition to President Clinton's unilateral decision to bailout the Government of Mexico. In response to the President's actions, I am joining a number of my colleagues in introducing today a resolution calling for a full investigation of this matter by the U.S. Comptroller General.

I am extremely disappointed that the President decided to circumvent Congress and provide billions of dollars in United States-backed loan guarantees to rescue Mexico from a financial collapse without first receiving congressional approval. The taxpaying citizens of northwest Indiana are absolutely opposed to this United States-funded bailout of the Mexican Government.

While I recognize and appreciate the problems associated with a devalued peso and illegal immigration, I do not believe these arguments are compelling enough to justify a nearly $50 billion bailout of the Mexican Government. As someone who adamantly opposed NAFTA, I strongly believe that the United States aid package designed to prop up Mexico's unstable economy is the wrong course of action to take at this time. Mexico's problems are far more serious than a short-term currency shortage. This crisis clearly shows that NAFTA has failed to deliver on its promises of a strong and stable Mexico.

Mexico's problems are social, political, and economic in nature. The present crisis was precipitated by the Chiapas rebellion, as well as the assassination of key leaders. Mexican society is unstable, as evidenced by the recent elections, which contained extensive voter fraud. Mexico is also continuing its policy of repressing worker rights and labor standards in order to attract United States factories and foreign investors. New economic reforms proposed by the Mexican Government would reduce the average Mexican wage by at least 5 percent over the coming year, making cheap Mexican labor even cheaper.

Mexican's reforms have not gone far enough and they are now going the wrong direction. The Mexican Government is going to reduce wages of the ordinary worker, including the minimum wage, in order to help balance the Mexican budget and control the economy. Punishing the ordinary Mexican worker because of the irresponsibility of the Mexican elite is typical of a country with such a large gap between the rich and the poor.

Finally, we are setting a bad precedent by helping Mexico. It is entirely possible that Mexico will face a similar or worse crisis in the near future. United States taxpayers should not have to put up billions of dollars every time Mexico is unable to maintain fiscal stability. After all, 38,000 taxpaying citizens of northwest Indiana lost their jobs in the late 1970's and 1980's. The U.S. Government certainly did not step in to provide loan guarantees for those with home mortgages, credit card debt, or car loans.

I urge all Members to take a strong stand on this issue by supporting the resolution introduced by Representative GENE TAYLOR requiring that the U.S. Comptroller General provide a detailed explanation about the legality of the President's decision.

CONCERNING THE STENHOLM AMENDMENT TO H.R. 2—LINE-ITEM VETO ACT

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. STENHOLM. Mr. Speaker, as indicated by my submission of amendments, placed into the RECORD on Wednesday, I intend to offer an amendment to H.R. 2, the Line-Item Veto Act. Although my first choice would be to substitute my expedited rescission authority for H.R. 2, I understand that there is great difficulty in achieving the votes for that approach. Therefore, my plan is to offer an amendment which leaves H.R. 2, as amended, entirely intact and simply adds on the expedited rescission authority.

As you know, Mr. Speaker, there were three amendments approved by the Committee of the Whole during yesterday's proceedings. I was particularly pleased to see the amendments offered by the gentlewoman from Florida [Mrs. THURMAN] and the gentleman from Georgia [Mr. DEAL] accepted by the House.

In order to guarantee that I am offering my add-on to the base package which has been approved by the House, I have redrafted my amendment to incorporate the Clinger, Thurman, and Deal amendments. I am today submitting for the RECORD my amendment so that everyone might have full opportunity to examine it.

INTRODUCTION OF THE SUPERFUND RECYCLING EQUITY ACT OF 1995

HON. BLANCHE LAMBERT LINCOLN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mrs. LINCOLN. Mr. Speaker, today I am introducing legislation along with Mr. UPTON, Mr. SCHAEFER, Mr. BOUCHER, Mr. MANTON, Mr. GILLMOR, and Mr. TAUZIN to relieve legitimate recyclers from Superfund liability. We introduced similar language last year with bipartisan support. This language was developed in conjunction with the recycling industry, the environmental community and the Federal Government and was incorporated into the Superfund Reform Act of 1994 in the 103d Congress.

The Superfund Recycling Equity Act of 1995 is intended to place traditional recyclable, or secondary, materials which are used as feedstocks in the manufacturing process on an equal footing with their virgin, or primary, materials counterparts. Traditional recyclables are made from paper, glass, plastic, metals, textiles, and rubber.

This legislation has become necessary because of an unintended consequence of the

Comprehensive Emergency Response, Compensation, and Liability Act [CERCLA] or Superfund. Some courts have interpreted CERCLA to mean that the sale of certain traditional recyclable feedstocks is an arrangement for the treatment or disposal of a hazardous substance and, therefore, fully subject to Superfund liability. While there exists in law and legislative history no suggestion whatever that the Congress intended to impede recycling in America by providing a strong preference for the use of virgin materials through the Superfund liability scheme, that is precisely what has happened.

Mr. Speaker, the American people and their elected leaders have insisted that the recycling rates in our country increase, not decrease. I am offering the Superfund Recycling Equity Act of 1995 to encourage more, not less, recycling. Intuitively, our citizens know that increased recycling means less use of natural resources, which both extends the life of those resources and minimizes any adverse environmental impacts of their exploitation.

The use of recyclables is also of importance to the achievement of the goals of pollution prevention and waste minimization, which have taken on increased importance in the environmental debates of the past few years. For example, the use of recycled steel results in a 90 percent savings in virgin material use, 40 percent reduction in water use, 76 percent reduction in water pollution and a 97 percent reduction in mining waste over the use of virgin ores. Recycling is also more energy efficient than the production of primary metals. As an illustration, using recycled materials in place of virgin materials results in tremendous energy savings: 95 percent for aluminum production, 75 percent for iron and steel, 64 percent for paper, and 80 percent for plastics.

Let me now address what my bill does—and does not—do. The Superfund Recycling Equity Act of 1995 acknowledges that the Congress did not intend to subject to Superfund liability those governmental or private entities who collect and process secondary materials for sale as feedstocks for manufacturing. This bill removes from liability those who collect, process, and sell to manufacturers paper, glass, plastic, metal textiles, and rubber recyclables. This bill also exempts from liability those individuals who collect lead acid, nickel, cadmium, and other batteries for the recycling of the valuable components. However, my CERCLA bill does not address or exempt chemical, solvent, sludge, or slag recycling. It addresses traditional recyclables in a CERCLA context only. I do not intend it to be viewed as a precedent for any other amendment to Superfund or to any other environmental statute, whatsoever.

It should also be clearly understood that this bill addresses the product of recyclers, that is the recyclables they sell which are utilized to make new products. This does not affect liability for contamination that is created at a facility owned or operated by a recycler. Neither does it affect liability related to any process wastes sent by a recycler for treatment or disposal. In order to assure that only bonafide recycling facilities benefit from this bill, I have established a number of tests by which liability relief will be denied to sham recyclers.

I encourage my colleagues to support and cosponsor this worthwhile piece of legislation that will promote the practice of recycling to preserve our natural resources and the environmental integrity of this country.

CONGRATULATIONS TO THE JEWISH FEDERATION OF GREATER BRIDGEPORT AND UNITED JEWISH APPEAL ON SUPER SUNDAY

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. SHAYS. Mr. Speaker, today I am pleased to congratulate the Jewish Federation of Greater Bridgeport, CT, as it proclaims Sunday, February 5, 1995 Super Sunday.

For nearly 55 years, the Jewish Federation of Greater Bridgeport has served and represented Jews in need, through its service to the cities and towns of Bridgeport, Easton, Fairfield, Monroe, Stratford, and Trumbull. It provides health services, social and educational opportunities to citizens through agencies such as the Greater Bridgeport Jewish Community Center, the Jewish Home for the Elderly, Jewish Family Service, Hillel Academy, and Merkaz Community Hebrew High School.

Through the continuing work of the United Jewish Appeal, the Jewish Federation has been able to provide both social and humanitarian services to hundreds of thousands of Jews in Israel and in 40 other countries around the world.

On Sunday, February 5, both organizations will conduct a combined annual telethon campaign to raise vitally needed funds to continue providing these worthwhile services abroad and here at home. The dedication and perseverance demonstrated by each of these organizations is a testament to the commitment they have to the Jewish community.

I commend each organization for the valuable contribution they have made to Jews in this country and around the world.

VOLUNTARISM IS ALIVE IN TENNESSEE—MAURY COUNTY OBSERVES THE 50TH ANNIVERSARY OF WORLD WAR II

HON. ED BRYANT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. BRYANT of Tennessee. Mr. Speaker, so many Tennesseans volunteered their services to their country during the War of 1812 that the State became known as the Volunteer State, and is so known to this day. Voluntarism is yet alive in the State, not only by those in the military, but by civilians as well.

President George Bush, by Presidential proclamation, designated the years 1991–95 as time to observe the 50th anniversary of World War II, judged by historians to be the outstanding event of the 20th century. He asked that every county in the country appoint a World War II Commemorative Committee to encourage the observance.

Long before the proclamation, Maury County, TN, had begun making plans to honor those men and women who had served in that great struggle. Volunteers copied more than 4,000 discharges. Veterans were contacted and urged to share letters, diaries, newspaper clippings, and other memorabilia, and to either write their memoirs or allow themselves to be interviewed.

The response was overwhelming and grew into a two volume history, 832 pages, 8½ by 11, entitled "Maury County Remembers World War II," edited by Virginia W. Alexander, editor, and Margaret D. Ashton, associate editor. Like the character Kilroy, Maury Countians were all over the globe, engaged in every conceivable activity. They were storming the beaches, sailing the high seas, building the Ledo Road, flying with General Chennault. One doctor was captured with the medical unit of the 101st Airborne at the Bulge. Another medical officer was captured on Corregidor.

For those Doubting Thomases who do not believe there was ever a Holocaust, F.J. Haley's letter should dispel that doubt. Although 225 consecutive days in combat with the 808th Tank Destroyer Battalion had hardened him to war, he was not prepared for what he found when they liberated a concentration camp.

The apologists for dropping the A-Bomb should read Lt. Col. Newsom Cooper's account of locating two cyclotrons when he went into Japan with the 8th Army. And artillery officer John Jewell's account of how ill-prepared we were for war should make every American marvel at how we overcame that obstacle to go on to victory.

This is history, not written by professional historians after the fact, but by those who were right in the thick of it.

All of the work on the book was by volunteers, who contributed not only their time, but paid for their own postage, telephone calls, and gasoline. The only cost was for the actual printing, which was borne by the Maury County Historical Society.

On December 7, 1991, the books came off the press and American Legion Post 19 and Auxiliary Unit 19 hosted an autograph party and show-and-tell day, when veterans brought memorabilia to share with many who attended.

Many other activities have honored veterans since that time. Post 19 and Unit 19 have hosted three reunions, one being for those who left here with a Naitonal Guard outfit, and became the 181st Field Artillery. Another was for those who were in the Normandy campaign, and another for those who served in the Pacific. Other reunions are planned before the observance ends. Videos were made at the reunions, when each veteran present told about his experiences.

These are but a few of the activities honoring World War II veterans of Maury County, when not a penny of tax payers money was spent.

Members of the World War II Commemorative Committee in addition to Mrs. Alexander and Mrs. Ashton are: Hal Morgan, a Marine World War II veteran; Cam Anderson, 101st Airborne veteran of World War II; Robert Bradley, Armored Division veteran of World War II, and James Bloss, Korean war veteran and Veterans Service Officer. The late Lon

MacFarland, Chief of Staff of the 5th Armored Division, was also a member.

PITTSTOWN TO HONOR FRANK LOSZYNSKI, RETIRING TOWN JUSTICE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. SOLOMON. Mr. Speaker, earlier this year, one of the finest public servants I have ever known retired after more than 30 years of service. I'd like to say a few words about him.

Mr. Speaker, I'm not exactly famous for my kind remarks about Democrats, but when they are as outstanding as Frank Loszynski, former town justice of Pittstown, NY, I have no problems at all. Keep in mind that Republicans outnumber Democrats two to one in Pittstown, and you will have an idea of the man's effectiveness and popularity.

Actually, Frank Loszynski had a solid reputation for integrity even before his election. His personal and business conduct established him in the eyes of his neighbors as an excellent candidate for a justice seat, and they were right. Over the years he confirmed the confidence of the voters by conducting his office with fairness and understanding, earning the support of Democrats and Republicans alike.

Mr. Speaker, on March 25 there will be a banquet in his honor. I would ask you and all Members to join me today in paying our own tribute to Frank Loszynski, an outstanding judge and a great American.

SPECIAL TRIBUTE TO ALFRED AND GENESSA BERTEL

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. ACKERMAN. Mr. Speaker, I wish to pay special tribute to Alfred and Genessa Bertel of East Hills, NY, an absolutely remarkable and special couple, on the occasion of their 50th wedding anniversary. This auspicious occasion was joyously celebrated this past Sunday at a surprise party at Papagallo's in Glen Head, NY, with over 100 loving close friends and family. The party was, according to one account one of the funnest celebrations ever.

Al and Nessa have both touched the lives of many people indeed. The mark of a successful life is the positive influence on other people, and by that measure, the Bertels are a resounding success. In addition, they have achieved great successes in other areas of their lives. Al founded one of the first supermarket chains in New York City, and to this day runs a very successful wholesale produce business in the Bronx. He served in the U.S. Army during World War II, and fought in the Pacific. His deep and sincere generosity and largeness of spirit have endeared him beyond description to family, friends, business associates, and employees.

Nessa, as past president of the Roslyn Chapter of Hadassah, and as a continuing active member of Hadassah, has long been devoted to the cause of Israel, and other worthy causes. She is, for good reason, a popular and very beloved figure in the community. Her love and devotion is a source of strength not only for her children, Sharon, Aaron, and Mindy, but for many other family and friends.

Al and Nessa, who are in remarkably good physical shape, and have somehow managed to barely change their appearance over the past 50 years, deserve the highest accolades and congratulations over this unique and happy milestone. I ask all my colleagues in the House of Representatives to join me now in congratulating Alfred and Genessa Bertel on their 50th wedding anniversary, in lauding them for their many years of good works to the community and to the Nation, and in wishing them many more years of health and happiness.

DEPOSITORY INSTITUTION AFFILIATION ACT OF 1995

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. BAKER of Louisiana. Mr. Speaker, the landmark legislation I am introducing this afternoon, the Depository Institution Affiliation Act of 1995, is designed to restore the competitiveness of our Nation's financial services sector and to set the stage for the financial markets in the 21st century. I am particularly pleased to introduce this legislation with Senate Banking Committee Chairman ALFONSE D'AMATO who introduced similar legislation yesterday in the Senate. In the 193d Congress, I had the distinguished honor to work with the Senator on another piece of legislation, the Small Business Loan Securitization Act of 1994, and it is certainly my hope that our efforts this year will be just as successful.

Mr. Speaker, I would like to digress a moment with a bit of history to illustrate the great importance of this legislation. In 1933, an American engineer perfected the FM radio. In 1956, color televisions were selling in the retail market. In 1969, Neil Armstrong took the historic first walk on the Moon. Today, while we are at the edge of the information superhighway, we take for granted home computers, fax machines, and pocket-sized cellular phones. If you were born some 50 years ago, you've seen remarkable advancements in technology and business opportunities that have revolutionized the way we live and the way we work. Unless, of course, you are a banker or a provider of financial services. I invite everyone in the House of Representatives to join me in rewriting the laws governing our Nation's financial services industry by supporting the Depository Institution Affiliation Act of 1995.

A few days ago, I had a conversation with one of our Federal bank regulators which had a lasting impression on me. While detailing the present condition of the banking industry, he suggested that it was in many ways analogous to the state of our Nation's railroad industry a decade ago. In making that comparison, he underscored that our banking industry, and more broadly the financial services industry, is at a crossroads. He suggested that the regulatory structure that presently governs our financial services marketplace—like that of our railroad industry a century ago—serves only to hinder competitiveness, to restrict rapidly developing markets, and to limit the availability of financial products and services to American consumers.

Mr. Speaker, the legislation I introduce today is virtually identical to legislation that I have previously cosponsored in the past three Congresses. I introduce this bill today with broad bipartisan support, just as it has enjoyed bipartisan support in years past. I would like to personally thank my colleagues BILL MCCOLLUM, DAVID DREIER, MIKE CASTLE, PETER KING, JOHN LAFALCE, BARNEY FRANK, and FLOYD FLAKE for joining me as original cosponsors of this landmark legislation.

The bill this year differs only slightly to reflect the changes in the banking laws over the past few years. Most notably, for example, some changes were made as a consequence of the Federal Deposit Insurance Corporation Improvement Act of 1991—Public Law 102–242.

With this in mind, Mr. Speaker, the Depository Institution Affiliation Act of 1995 seeks: (1) To promote competition among bank and nonbank providers of financial services; (2) to encourage innovation in the design and delivery of financial services and products to individuals, consumers, large and small businesses, non-profit institutions, and States and municipalities; (3) to ensure that adequate regulation of financial intermediaries in order to protect depositors and investors; (4) to preserve the safety and soundness of the banking system and the overall financial system; and, (5) to protect the Nation's taxpayers by requiring that nonbanking activities are conducted in separately capitalized and functionally regulated affiliates.

It is important for all of us to remember that the antiquated structure of today's financial services industry is much the same as it was 62 years ago, except there are more rules and regulations to prohibit the development of new products and services. The banking rules of 1933 and 1956 are still the law of the land, despite the fact that the rest of the business world has changed dramatically.

In the last half of this century, the banking and financial services industry has undergone enormous change largely due to advances in technology and information processing—changes that were not contemplated when our present structure was conceived. Between 1933, with the Glass-Steagall Act, and 1956, with the Bank Holding Company Act, much of the current Federal legal structure governing providers of financial services was erected. Thus, our present structure is based on a bygone era of market segmentation of generally distinguished financial products, such as deposits, securities, whole life insurance, and other products. This form of market segmentation no longer corresponds to the realities of today's dynamic financial marketplace. In many ways the financial markets are progressing despite Congress. Interstate banking, for example, was practically obsolete by the time

Congress got around to it last year. All too often, participants in the financial markets, like commercial banks and investment banks, work together within the confines of current law to improve the availability of products and services to the consumer. We can improve upon the financial service industry's ability to deliver these services to their customers with this legislation I introduce today.

As a member of the House Banking Committee since 1989, I have noticed that we all too often respond to the problems of the past instead of trying to set the stage for a competitive marketplace in the 21st century. As with competition in any business, there will be winners and there will be losers. The real question is, who should decide the winners? Governmental rules that restrict the markets of hard work and competitiveness in the financial marketplace?

Recently, Bill Gates, the chairman of Microsoft Corp., referred to the banking industry as a "dinosaur" because of the banking industry's inability to keep pace with technological advances. Under today's artificial segmentation of the financial services industry, if a customer goes to a bank for financial planning they may be told to invest in a CD, a money market fund, and get a home equity loan—because that is all the bank has to offer. At the insurance company, they may be told to invest in an annuity and buy whole life insurance. And finally, at a securities firm, they may be told to invest in a mutual fund, stocks, or government bonds. All of these suggestions are based not necessarily on the best interests of the consumer, but simply on what the institution has to offer. I believe that if institutions were able to market a full array of financial products they could better serve the needs of all customers.

The legislation has been carefully designed to address the barriers to market entry contained in the Bank Holding Company Act, the Glass-Steagall Act and other laws designed to artificially restrict competition.

As the chairman of the Subcommittee on Capital Markets, Securities and GSE's, I hope that the introduction of this bill, with broad bipartisan support, will encourage further debate on the future of the entire financial services industry rather than merely focus on only one of its component parts. To this end, I intend to hold a series of hearings addressing the way our capital markets function and how the financial services industry operates under current law. Finally, it is my hope that we will advance legislation this spring to respond to our ever-changing financial marketplace.

Piecemeal reforms that merely address bank powers without taking into consideration competitive interests of the system as a whole does the consumer of financial products a disservice. Removing restrictions on bank affiliations, while at the same time ensuring safety and soundness within the depository institution affiliate, would ensure that the financial services industry could continue offering new products while protecting and enhancing the financial system as a whole.

Whatever reforms we undertake must recognize the reality of the marketplace, which is that the financial services industry has become one market. We must eliminate outmoded barriers to the conduct of financial businesses that deny this reality and thereby limit the profitability of all financial firms.

Mr. Speaker, I look forward to working with you and all Members of the House in order to bring real reforms to our Nation's financial marketplace. For the record, I also would like to include the enclosed article written by the Senate Banking Committee Chairman ALFONSE D'AMATO that appeared in yesterday's Wall Street Journal. I ask that you please join me today in supporting the Depository Institution Affiliate Act of 1995. Thank you.

[From the Wall Street Journal, Feb. 2, 1995]

MY PLAN FOR A STRONGER FINANCIAL INDUSTRY

(By Alfonse D'Amato)

It's time to bring financial regulation out of the 1930s and into the 21st century. To achieve that goal, I am introducing legislation today that would break the Chinese wall between different sectors of the financial industry built by the Depression-era Glass-Steagall Act and other laws.

My Depository Institution Affiliation Act would level the playing field for banking, securities and insurance companies by authorizing the creation of "financial services holding companies" to engage in everything from banking to securities underwriting to manufacturing.

This diversification—which would reduce the risk that taxpayers would have to pick up the tab for a future banking crisis—is long overdue. The past 20 years have seen growing competition among financial providers that has undermined the strict limits in federal law on permissible activities for bankers, stock brokers and insurance underwriters. The banking industry's share of U.S. financial assets has fallen to less than 30% from 66% in just 20 years. Borrowers are relying on securities, finance and insurance firms to raise funds. Since 1980, mutual funds assets have grown at a compounded rate of 22% and today total $2 trillion—not much less than the $2.4 trillion of domestic deposits in U.S. banks.

The walls between different financial sectors have been crumbling—but slowly. Banks have had to jump through all sorts of regulatory hoops to move into new areas such as securities and insurance. Major retailers, auto makers and appliance manufacturers, meanwhile, have established finance arms to provide customers with credit to purchase their goods. But they haven't been able to open their own banks.

Many of these developments have come about through a patchwork of deregulation by bank regulators and the courts. Recently, for example, the Supreme Court approved the Comptroller of the Currency's ruling that banks may broker annuities.

Last year Congress got into the picture by authorizing interstate banking. But Congress has so far been unable to enact a sweeping reform that would simplify the regulatory picture and make the U.S. financial services industry more competitive globally.

My bill would accomplish that goal. Under this legislation, regulation of banks and nonbank affiliates would be divided along functional lines. The FDIC-insured-bank affiliates would be regulated by federal and state bank regulators; the securities affiliates by the Securities and Exchange Commission; and the insurance affiliates by state insurance commissioners.

Strong firewalls, costly penalties and expedited enforcement procedures would prevent bank holding companies from jeopardizing taxpayer-insured deposits. Provisions against "tying"—requiring a bank customer to use a bank's new services in conjunction with its old ones—would protect customers against anti-competitive conduct.

A National Financial Services Oversight Committee consisting of representatives of the leading financial regulatory agencies (Treasury, the Federal Reserve, FDIC, SEC, CFTC, and so on) would help to ensure that regulations for the entire financial industry are streamlined and uniform.

As long as the insured-bank affiliates are protected, there is little to fear, and much to gain, from allowing industry and commercial businesses into banking. Commerical firms will infuse new capital and expertise into the banking system.

What makes me think this ambitious bill can pass now after similar efforts were defeated in the recent past? For one thing, there is now a Republican Congress. In the House, legislation was often blocked in the past by splits between the Banking and Commerce committees; now that authority over financial services has been consolidated in the Banking Committee, that shouldn't be a problem. And House Banking Chairman Jim Leach has moved in our direction by introducing legislation that would remove barriers on commercial banks affiliating with securities firms.

The Clinton administration is now studying our plan. I've urged Treasury Secretary Robert Rubin to support the principles outlined in the Depository Institution Affiliation Act, and endorsed by the Bush Treasury Department in 1991. By working together with the administration, the Republican Congress can overcome the companies of vested interests and reform our outdated financial services laws. We should not miss this opportunity for bipartisan cooperation.

WHY WE SHOULD NOT LIFT THE ARMS EMBARGO UNILATERALLY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 3, 1995

Mr. HAMILTON. Mr. Speaker, on January 11, 1995 three high-level administration officials briefed the Congress on the situation in Bosnia. Attention was focussed on the impact that unilaterally lifting the arms embargo would have on the ground in Bosnia and on our relations with our NATO allies, as well as the implications of such action for United States military involvement in the conflict.

Lt. Gen. Wesley Clark, director for strategic plans and policy, Joint Chiefs of Staff, on this occasion provided a detailed and forceful analysis of the probable sequence of events and the dangerous consequences for Bosnia and the United States that would result from lifting the arms embargo unilaterally: the war will intensify; U.N. peacekeepers will leave; United States Armed Forces will be drawn directly into the ground war and a deep rift will develop with our NATO allies.

General Clark's remarks at this closed briefing have just been declassified. I am inserting them into the RECORD at this time so my colleagues who did not have the opportunity to hear General Clark will now have an authoritative analysis of the why the United States should not lift the arms embargo unilaterally.

CONGRESSIONAL TESTIMONY, LTG CLARK'S REMARKS, 11 JANUARY 1995

Mr. Chairman, let me say at the outset that we welcome the opportunity to update you on the current situation on the ground in Bosnia, current operations, options for alleviation the situation, the status of ongoing planning for UNPROFOR withdrawal, and efforts to strengthen UNPROFOR.

The situation on the ground has stabilized since the signing of the cease fire on 31 December. The heavy fighting has subsided and the skirmish lines have remained steady since the agreement went into force. Sporadic small arms fire remains a threat, however there is an overall improvement in the conditions in Bosnia-Hercegovina.

From the military perspective, I would like to first assure you that we are continuing with a number of ongoing operations in the Balkans including:

TF Provide Promise (Humanitarian initiative).

Deny Flight (No Fly Zone Enforcement).

Sharp Guard (Sanctions Enforcement).

Able Sentry (Stabilizing Force).

We have no units on the ground in Bosnia-Hercegovina, but do have 15 personnel in Sarajevo on the UNPROFOR staff. We are also responsible for funding a proportion, 31 percent, of all costs associated with UNPROFOR—this amounted to $271 million in Fiscal Year 94.

I would like to open the discussion of lifting the arms embargo by stating briefly that the Joint Staff has studied the impact of unilaterally lifting the arms embargo, and while I do not intend on going through the full briefing, I would like to cite some of the key findings that may prove relevant today.

The concept underlying a unilateral lifting of the arms embargo would be to improve the ability of the Federation Armed Forces to counter the strengths of the Bosnian Serb Army. Our analysis indicates that, if the US lifts unilaterally, this is an extremely unlikely outcome. Rather, if the arms embargo is unilaterally lifted, we believe that violence and humanitarian suffering in the region will increase.

Let me run through what we believe will happen if the US determines unilaterally to lift the arms embargo.

(1) The Congressional vote would have immediate adverse repercussion among our allies in NATO, most of whom warned us strongly about the risks to their soldiers and the adverse international consequences should the arms embargo be unilaterally lifted.

(2) Following a Congressional vote, the President would issue a determination that would direct that the embargo be unilaterally lifted despite United Nations Security Council Resolution 713. Additionally, restrictions on the issuance of munitions export licenses to Bosnia would be lifted, and the US Government policy to utilize authorities under the Arms Export and Control Act and Foreign Assistance Act would be changed to allow transfer and sale of arms to Bosnia.

(3) Contributing nations would immediately decide to withdraw their forces before the escalation of violence. We have been assured privately and publicly that they will leave. NATO forces and equipment will immediately begin staging for withdrawal operations. Within weeks of the vote to unilaterally lift the arms embargo and hopefully, before the lift is implemented, the withdrawal operation would commence. The United States has decided in principle to participate in the withdrawal, as described by Mr. Slocombe. Under the best circumstances, there will be little organized threat to the withdrawn UNPROFOR forces or the NATO force, however there would be sniping and intermittent harassment impeding the withdrawal. The withdrawal will take 2 to 4 months to accomplish.

(4) Humanitarian support would fall off. NGO/PVOs also would begin withdrawing as tensions rise and fighting increases. Some of the 248 NGOs/PVOs in country would need to be extracted using the NATO force, lengthening the overall withdrawal process, and further depriving the populace of humanitarian support.

(5) Bosnian Serb Forces would likely begin an offensive. In a coordinated effort, at some point during or immediately after the withdrawal, we anticipate that Serb forces will attack to split Bosnia, overrun eastern enclaves, and deprive Bosnia of military options. The lifting of the arms embargo has sent a signal to the Serbs that their strength relative to the Bosniaks will only decrease as arms begin to flow to their adversary. They must attack or see their hopes for a greater Serbia vanish. Fighting will escalate. The humanitarian efforts will all but stop as Serbs interdict both governmental and nongovernmental relief organizations at will.

(6) Bosniak offensive action would also ensue—fighting designed to protect their people, their existing territory, and enhance their credibility as a military. We believe that despite the Bosniaks superiority in manpower and notable ongoing efforts to build up their forces, the outcome would likely follow the outlines of the battles around Bihac * * * some initial Bosniak gains followed by Serb counterattacks to cut off and isolate Bosniak forces.

(7) Additional arms would begin to flow into Croatia bound for Bosnia.

(8) Meanwhile, Bosnia would likely appeal for US assistance—unable to defeat Serb heavy weapons, hindered in fighting effectively by trying to absorb the new weapons and build a modern fighting force * * * there will be charges and counter-charges of outside intervention * * * and more urgent appeals to Islamic nations.

(9) If the battlefield situation were to evolve in this manner, the US would confront a profound dilemma * * * stand aside, or intervene. The arguments for direct US military intervention would be strong.

That the purpose of lifting was to give the Bosniaks the means to defend themselves * * * we cannot allow their defeat and slaughter.

That US airpower can make a crucial difference * * * and must be applied quickly to forestall a need for US intervention on the ground.

That others are already helping the other side.

Of course, there would also be cogent arguments for not intervening:

That US intervention—even from the air alone will substantially raise the risks of widening the war.

That there are very real limits on what airpower can accomplish in that terrain * * * if it does not intimidate the Serbs, it may not be able to physically prevent them from seizing the eastern enclaves or other actions.

That the US determination to unilaterally intervene in the war will further isolate us from our NATO allies.

That by military intervention, we will further Americanize the conflict.

(10) While we were debating, regional tensions would continue to rise. The threat of the Serbs would cause all regional parties to lobby for arms for self protection and to take preventive action. The future of the confederation between Bosnia and Croatia would be cast into doubt if the United States does not supply arms to Croatia—and if we do supply weapons, we might raise the probability that the Croats will attempt to regain the Krajina region by force.

(11) Further widening of the conflict. As the Serbs press the attack, the countries of the region would seek even more intensively to draw in outside support. All parties in the conflict will seek supplies from their benefactors. If the US has lifted unilaterally, it is likely that the Russians or others would begin overt support to Serb forces throughout the region. There would also be more support for the Bosniaks from Islamic nations, including the most radical, anti-Western elements. Even within NATO, there would be strong tensions between nations, and in some cases strong support for opposite sides.

(12) The conflict may spin out of control. The escalation in fighting and the additional weapons flowing into the region would lead to a widening of the war.

In sum, these are the long-term implications of unilaterally lifting of the arms embargo:

(1) There would be an Americanization of the war. Explicit U.S. involvement would likely be required, including both U.S. Close Air Support (CAS) to assist the Bosnians and ground forces for ensuring humanitarian aid flows and for filling the vacuum created by UNPROFOR withdrawal, unless we wish to see the Bosnian state partitioned between Serbia and Croatia.

(2) Damage to NATO would be extensive and perhaps irreparable. There would be a significant impact on our alliance relationships that would impair our cooperation within NATO and undermine 45 years of alliance cooperation. Loss of access to key NATO basing, infrastructure, or overflights is a virtual certainty. NATO relevance will be thrown into doubt the very time we are seeking to establish NATO as the central foundation for a new European security architecture.

(3) Unilateral lift would also have a detrimental impact on our national credibility both within our alliance and at the United Nations. The long-term impact of our noncompliance with a United Nations Security Council Resolution would call into question our reliability, motives and ability to exercise global leadership. Other sanctions efforts, such as Iraq and Libya, would be weakened as well.

(4) A dangerous East-West confrontation becomes a real possibility, as does a geographic widening of the war.

(5) Finally, unilateral lift is unlikely to provide any reasonable solution to the problem on the ground in Bosnia.

The focus of the scenario that I have developed applies primarily to a unilateral lift of the arms embargo. If this were to be a multilateral effort, many of these problems would be obviated.

In the event that the embargo is lifted or that the UNPROFOR mission is determined no longer to be viable, UNPROFOR will have to withdraw. NATO has already made the determination to support this effort. As a result, NATO planning to support UNPROFOR withdrawal is ongoing.

Planning for withdrawal of UNPROFOR began in July, when it was recognized that UNPROFOR would be unable to execute such a complex and difficult operation without substantial assistance from NATO. The current status is that a NATO concept plan was

presented to the Military Committee in Brussels and sent back to SACEUR for detailed planning. The detailed plans have been completed in draft by Allied Command Europe and briefed to SACEUR.

The essence of the plans, as we understand them, is to provide additional combat brigades, with supporting elements to assist UNPROFOR's withdrawal. Some portion of the force will, in all likelihood, need to be stationed in Bosnia prior to the commencement of the withdrawal. The operation would be conducted under NATO control, with appropriate rules of engagement to facilitate force protection as well as mission accomplishment.

As previously stated, the President has expressed our commitment to participate in such an operation, subject to a detailed review of the plans, and consultation with Congress.

However, we continue to believe that the option with the greatest chance of long-term success is to encourage UNPROFOR to remain in Bosnia-Hercegovina until a negotiated settlement can be reached. To this end, an information meeting of Chiefs of Defense from the NATO nations, the Russian Federation, NATO staff, UN Secretariat and the Commander of UNPROFOR was held in The Hague from 19–20 December in which participants formulated a number of military recommendations to enhance UNPROFOR's effectiveness.

The results of the meeting were unanimous. There was "a unified resolve to continue UNPROFOR's mission in order to help alleviate the suffering of the civilian population in conflicts areas of the former Yugoslavia. Furthermore, the meeting recognized the important role UNPROFOR is playing in creating the conditions favorable to the eventual achievement of a negotiated settlement."

The meeting's specific recommendations cover various steps for improving the capabilities, effectiveness and the freedom of movement of UNPROFOR and reducing its vulnerability. These include measures:

Enhancing the effectiveness and self-defense capabilities of UNPROFOR. Examples include equipment, communications enhancements and the improvement of liaison between UNPROFOR and the warring parties.

Facilitating the delivery of humanitarian aid to Sarajevo and the enclaves.

Finally, the meeting reaffirmed the crucial important of maintaining UNPROFOR's impartial mission until a negotiated settlement can be reached.

At this time, capitals are examining potential national contributions that could be made with an aim towards an improvement in UNPROFOR's effectiveness.

Mr. Chairman, I thank you for the opportunity to speak with you today, and I would be happy to entertain your questions at this time.